

MAINE STATE LEGISLATURE

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SAZ
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L.D. 2028

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Date: 3/26/24

(Filing No. S-596)

MINORITY

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TAXATION

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Reproduced and distributed under the direction of the Secretary of the Senate.

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STATE OF MAINE

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SENATE

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131ST LEGISLATURE

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SECOND REGULAR SESSION

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COMMITTEE AMENDMENT "B" to S.P. 856, L.D. 2028, "An Act to Amend Certain State Tax Laws"

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Amend the bill in Part B in section 5 in subsection 9 in the 2nd line (page 2, line 31 in L.D.) by inserting after the following: "nicotine" the following: ', whether natural or artificial'

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Amend the bill in Part C by striking out all of section 4.

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Amend the bill by inserting after Part C the following:

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'PART D

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Sec. D-1. 36 MRSA §194-D, sub-§2, as amended by PL 2019, c. 607, Pt. D, §4, is further amended to read:

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2. Background investigation requirements. The assessor shall perform background investigations for affected persons in accordance with this subsection.

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A. As part of the process of evaluating an affected person, except for a current employee of the bureau, for employment with the bureau, a background investigation must be conducted before an offer of employment is extended.

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B. A background investigation for an affected person assigned to provide services to the bureau under an identified contract must be conducted before that affected person begins providing services to the bureau, and at least once every ~~10~~ 5 years, as long as the affected person continues providing services to the bureau.

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C. As part of the process of evaluating an affected person for continued employment with the bureau, a background investigation must be conducted at least once every 5 years. ~~If an affected person has not been subject to a background investigation within 10 years prior to the effective date of this section, a background investigation must be conducted within one year of the effective date of this section.~~

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D. A background investigation for an employee or contractor of another state agency must be conducted before that affected person is provided access, or the substantial

COMMITTEE AMENDMENT

1 possibility of access, to federal tax information obtained from the bureau, and at least
 2 once every ~~10~~ 5 years, as long as the affected person continues to have such access.
 3 However, if the assessor determines that the affected person has been subject to a
 4 background investigation that satisfies the background investigation standards
 5 established by the United States Internal Revenue Service regarding access to federal
 6 tax information within the past ~~10~~ 5 years, no further investigation is required under
 7 this subsection for the ~~10-year~~ 5-year period commencing at the time of the background
 8 investigation.

9 The background investigation must include fingerprinting and obtaining national criminal
 10 history record information from the Federal Bureau of Investigation and must satisfy the
 11 background investigation standards established by the United States Internal Revenue
 12 Service regarding access to federal tax information.

13 **Sec. D-2. Application of 5-year background investigation period.** A person
 14 who is subject to the Maine Revised Statutes, Title 36, section 194-D, subsection 2,
 15 paragraph C as an employee of the Department of Administrative and Financial Services,
 16 Bureau of Revenue Services for whom a background investigation has not been conducted
 17 within the 5 years prior to the effective date of this Part shall submit to a background
 18 investigation as required by Title 36, section 194-D, subsection 2 by September 1, 2025.'

19 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
 20 number to read consecutively.

21 **SUMMARY**

22 This amendment amends a provision in the bill relating to the taxation of tobacco
 23 products by providing that tobacco products include nicotine, whether natural or artificial,
 24 removes from the bill a provision relating to estimated tax payment requirements for the
 25 insurance premiums tax and increases the frequency of the background investigations that
 26 employees and contractors of the Department of Administrative and Financial Services,
 27 Bureau of Revenue Services must undergo from at least once every 10 years to at least once
 28 every 5 years to comply with federal requirements for the protection of confidential federal
 29 tax information.

30 The amendment also requires a current employee of the Bureau of Revenue Services
 31 who has not undergone a background investigation within the past 5 years to submit to a
 32 background investigation by September 1, 2025.

33 **FISCAL NOTE REQUIRED**

34 (See attached)



131st MAINE LEGISLATURE

LD 2028

LR 2807(03)

An Act to Amend Certain State Tax Laws

Fiscal Note for Bill as Amended by Committee Amendment "B" (S-596)
 Committee: Taxation
 Fiscal Note Required: Yes

Fiscal Note

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Net Cost (Savings)				
General Fund	\$0	(\$976,000)	(\$2,555,000)	(\$2,714,000)
Revenue				
General Fund	\$0	\$976,000	\$2,555,000	\$2,714,000
Other Special Revenue Funds	\$0	\$1,000	\$3,000	\$4,000

Fiscal Detail and Notes

Amending the products subject to the tobacco products tax to include products containing synthetic nicotine will increase tobacco products tax revenue by \$951,000 in fiscal year 2024-25 and increase sales tax revenue by \$26,000 in fiscal year 2024-25. The increase in sales tax revenue results from an estimated increase in retail prices in response to the excise tax on products containing synthetic nicotine. Local Government Fund revenue will increase by \$1,000 in fiscal year 2024-25.

This bill also requires that transfers from the General Fund to several Other Special Revenue Fund accounts be calculated after the reduction of General Fund revenue for transfers of revenue attributable to tax collected on sales occurring on tribal lands. This will ensure that not more than 100% of revenue attributable to tax collected on sales occurring on tribal lands is transferred out of the General Fund and will result in minor decreases in revenue in the affected Other Special Revenue Funds accounts.