

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals  
(may include minor formatting differences from printed original)

**LAWS**  
**OF THE**  
**STATE OF MAINE**

**AS PASSED BY THE**

**ONE HUNDRED AND TWENTY-EIGHTH LEGISLATURE**

**SECOND SPECIAL SESSION**  
**June 19, 2018 to September 13, 2018**

**THE GENERAL EFFECTIVE DATE FOR**  
**SECOND SPECIAL SESSION**  
**NON-EMERGENCY LAWS IS**  
**DECEMBER 13, 2018**

**ONE HUNDRED AND TWENTY-NINTH LEGISLATURE**

**FIRST REGULAR SESSION**  
**December 5, 2018 to June 20, 2019**

**THE GENERAL EFFECTIVE DATE FOR**  
**FIRST REGULAR SESSION**  
**NON-EMERGENCY LAWS IS**  
**SEPTEMBER 19, 2019**

**PUBLISHED BY THE REVISOR OF STATUTES**  
**IN ACCORDANCE WITH THE MAINE REVISED STATUTES ANNOTATED,**  
**TITLE 3, SECTION 163-A, SUBSECTION 4.**

---

---

**Augusta, Maine**  
**2019**

- ~~(37) Board of Osteopathic Licensure in 2019;~~
- ~~(38) Board of Licensure in Medicine in 2019;~~
- ~~(41) State Board of Nursing in 2019;~~
- ~~(42) State Board of Optometry in 2019; and~~
- (45) State Board of Registration for Professional Engineers in 2019.

**Sec. 2. 3 MRSA §959, sub-§1, ¶R** is enacted to read:

R. The joint standing committee of the Legislature having jurisdiction over professional licensing of health care professions matters shall use the following list as a guideline for scheduling reviews:

- (1) Board of Dental Practice in 2019;
- (2) Board of Osteopathic Licensure in 2019;
- (3) Board of Licensure in Medicine in 2019;
- (4) State Board of Nursing in 2019; and
- (5) State Board of Optometry in 2019.

See title page for effective date.

**CHAPTER 379**

**H.P. 1294 - L.D. 1817**

**An Act To Make Technical Changes to the Maine Tax Laws**

**Be it enacted by the People of the State of Maine as follows:**

**PART A**

**Sec. A-1. 36 MRSA §208**, as amended by PL 2017, c. 288, Pt. A, §36, is further amended to read:

**§208. Equalization**

The State Tax Assessor has the duty of equalizing the state and county taxes among ~~the several towns all municipalities~~ and the unorganized territory. The State Tax Assessor shall equalize and adjust the assessment list of each ~~town municipality~~, by adding to or deducting from it such amount as will make it equal to its just value as of April 1st. Notice of the proposed valuations of municipalities within each county must be sent annually by certified mail to the chair of the board of assessors, and chair of the board of selectmen in municipalities having selectmen, of each municipality within that county on or before the first day of October. The valuation so determined is subject to review by the State Board of Property Tax Review pursuant to subchapter 2-A, but the valuation finally certified to the Secretary of State pursuant to section 381

must be used for all computations required by law to be based upon the state valuation with respect to municipalities.

**Sec. A-2. 36 MRSA §381**, as corrected by RR 2013, c. 2, §44, is amended to read:

**§381. State valuation; definition; to be filed with Bureau of Revenue Services annually**

The term "state valuation" as used in reference to the unorganized territory in this Title, except in this chapter ~~and chapter 105~~, means an annual valuation of all property subject to a Maine property tax but not taxable by a municipality. The annual valuation is to be completed by and on file in the office of the Bureau of Revenue Services prior to the assessment of the annual property tax in the unorganized territory. The annual valuation is to be based on the status of property on April 1st. In this chapter, ~~in chapter 105~~ and outside of this Title, the term "state valuation" means the valuation filed with the Secretary of State pursuant to section 305, subsection 1.

**Sec. A-3. 36 MRSA §506-A**, as amended by PL 2009, c. 434, §14, is further amended to read:

**§506-A. Overpayment of taxes**

Except as provided in section 506, a taxpayer who pays an amount in excess of that finally assessed must be repaid the amount of the overpayment plus interest from the date of overpayment at a rate to be established by the municipality. The rate of interest may not exceed the interest rate established by the municipality for delinquent taxes nor may it be less than that rate reduced by ~~4% 4 percentage points~~. If a municipality fails to establish a rate of interest for overpayments of taxes, it shall pay interest at the rate it has established for delinquent taxes.

**Sec. A-4. 36 MRSA §691, sub-§1, ¶A**, as repealed and replaced by PL 2017, c. 475, Pt. A, §61, is amended to read:

A. "Eligible business equipment" means qualified property that, in the absence of this subchapter, would first be subject to assessment under this Part on or after April 1, 2008. "Eligible business equipment" includes, without limitation, repair parts, replacement parts, replacement equipment, additions, accessions and accessories to other qualified ~~business~~ property that first became subject to assessment under this Part before April 1, 2008 if the part, addition, equipment, accession or accessory would, in the absence of this subchapter, first be subject to assessment under this Part on or after April 1, 2008. "Eligible business equipment" also includes inventory parts. "Eligible business equipment" does not include property eligible for exemption under section 652.

"Eligible business equipment" does not include:

- (1) Office furniture, including, without limitation, tables, chairs, desks, bookcases, filing cabinets and modular office partitions;
- (2) Lamps and lighting fixtures used primarily for the purpose of providing general purpose office or worker lighting;
- (3) Property owned or used by an excluded person;
- (4) Telecommunications personal property subject to the tax imposed by section 457;
- (5) Gambling machines or devices, including any device, machine, paraphernalia or equipment that is used or usable in the playing phases of any gambling activity as that term is defined in Title 8, section 1001, subsection 15, whether that activity consists of gambling between persons or gambling by a person involving the playing of a machine. "Gambling machines or devices" includes, without limitation:
  - (a) Associated equipment as defined in Title 8, section 1001, subsection 2;
  - (b) Computer equipment used directly and primarily in the operation of a slot machine as defined in Title 8, section 1001, subsection 39;
  - (c) An electronic video machine as defined in Title 17, section 1831, subsection 4;
  - (d) Equipment used in the playing phases of lottery schemes; and
  - (e) Repair and replacement parts of a gambling machine or device;
- (6) Property located at a retail sales facility and used primarily in a retail sales activity unless the property is owned by a business that operates a retail sales facility in the State exceeding 100,000 square feet of interior customer selling space that is used primarily for retail sales and whose Maine-based operations derive less than 30% of their total annual revenue on a calendar year basis from sales that are made at a retail sales facility located in the State. For purposes of this subparagraph, the following terms have the following meanings:
  - (a) "Primarily" means more than 50% of the time;
  - (b) "Retail sales activity" means an activity associated with the selection and retail purchase of goods or rental of tangible personal property. "Retail sales activity" does not include production as de-

defined in section 1752, subsection 9-B; and

- (c) "Retail sales facility" means a structure used to serve customers who are physically present at the facility for the purpose of selection and retail purchase of goods or rental of tangible personal property. "Retail sales facility" does not include a separate structure that is used as a warehouse or call center facility;
- (7) Property that is not entitled to an exemption by reason of the additional limitations imposed by subsection 2; or
- (8) Personal property that would otherwise be entitled to exemption under this subchapter used primarily to support a telecommunications antenna used by a telecommunications business subject to the tax imposed by section 457.

**Sec. A-5. 36 MRSA §843, sub-§4**, as amended by PL 2009, c. 434, §16, is further amended to read:

**4. Payment requirements for taxpayers.** If the taxpayer has filed an appeal under this section without having paid an amount of current taxes equal to the amount of taxes paid in the ~~next~~ immediately preceding tax year, as long as that amount does not exceed the amount of taxes due in the current tax year or the amount of taxes in the current tax year not in dispute, whichever is greater, by or after the due date or according to a payment schedule mutually agreed to in writing by the taxpayer and the municipal officers, the appeal process must be suspended until the taxes, together with any accrued interest and costs, have been paid. If an appeal is in process upon expiration of a due date or written payment schedule date for payment of taxes in a particular municipality, without the appropriate amount of taxes having been paid, whether the taxes are due for the year under appeal or a subsequent tax year, the appeal process must be suspended until the appropriate amount of taxes described in this subsection, together with any accrued interest and costs, has been paid. This subsection does not apply to property with a valuation of less than \$500,000.

**Sec. A-6. 36 MRSA §1112, 3rd ¶**, as amended by PL 2011, c. 618, §8, is further amended to read:

A penalty may not be assessed at the time of a change of use from the farmland classification of land subject to taxation under this subchapter to the open space classification of land subject to taxation under this subchapter. A penalty may not be assessed upon the withdrawal of farmland or open space land from taxation under this subchapter if the owner applies for the land to be classified as and the land is accepted for classification as timberland under subchapter 2-A. There also is no penalty imposed when land classified

as timberland is accepted for classification as open space land. A penalty may not be assessed upon withdrawal of open space land from taxation under this subchapter if the owner applies for the land to be classified as and the land is accepted for classification as farmland under this subchapter. A penalty may not be assessed upon withdrawal of land enrolled under the Maine Tree Growth Tax Law if the owner applies for the land to be classified as and the land is accepted for classification as farmland under this chapter. The recapture penalty for withdrawal from farmland classification within 10 years of a transfer from either open space tax classification or timberland tax classification is the same imposed on withdrawal from the prior tax classification, open space or tree growth. The recapture penalty for withdrawal from farmland classification more than 10 years after such a transfer will be the regular farmland recapture penalty provided for in this section. In the event a penalty is later assessed under subchapter 2-A, the period of time that the land was taxed as farmland or as open space land under this subchapter must be included for purposes of establishing the amount of the penalty. The recapture penalty for withdrawal from open space classification within 10 years of a transfer from tree growth classification occurring on or after August 1, 2012 is the same that would be imposed if the land were being withdrawn from the tree growth classification. The recapture penalty for withdrawal from open space classification more than 10 years after such a transfer will be the open space recapture penalty provided for in this section.

**Sec. A-7. 36 MRSA §1285**, as amended by PL 1979, c. 666, §33, is further amended to read:

**§1285. Collection of taxes in unorganized territory**

In addition to the methods of collecting state taxes provided by law, owners of real estate in the unorganized townships shall be territory are liable to pay for payment of such taxes to the State Tax Assessor upon demand. If such taxes ~~shall are~~ not be paid within 30 days after such demand, the State Tax Assessor may collect the same, with interest as provided by law, by a civil action in the name of the State. ~~Such This~~ action ~~shall must~~ be brought in a court of competent jurisdiction in the county where such ~~unorganized townships are~~ real estate is located, and the Attorney General may begin and prosecute such actions when requested by the State Tax Assessor. The demand ~~shall be~~ is sufficient if made by a writing mailed to such owner or ~~his~~ the owner's agent at ~~his~~ the owner's usual ~~post office~~ post office address. In case such owner resides ~~without~~ outside the State and has no agent within the State known to the State Tax Assessor, such demand ~~shall be~~ is sufficient if made upon the Director of the Bureau of Forestry. Such action ~~shall must~~ be brought not less than 30 days after the giving or mailing of the demand. The beginning of such action, obtaining execution and collecting the

same ~~shall be~~ is deemed a waiver of the rights of the State under sections 1281 and 1282. In case the owners of any such real estate are unknown, the demand ~~shall be~~ is sufficient if advertised in the state paper and in some newspaper, if any, published in the county in which the real estate ~~lies~~ is located.

**Sec. A-8. 36 MRSA §6652, sub-§1-C, ¶C**, as amended by PL 2001, c. 396, §47, is further amended to read:

C. A cogeneration facility is eligible for reimbursement on that portion of property taxes paid multiplied by a fraction, the numerator of which is the total amount of useful energy produced by the facility during the property tax year ~~immediately preceding the property tax year~~ for which a claim is being made that is directly used by a manufacturing facility without transmission over the facilities of a transmission and distribution utility as defined in Title 35-A, section 102, subsection 20-B and the denominator of which is the total amount of useful energy produced by the facility during the property tax year immediately preceding the property tax year for which a claim is being made.

**Sec. A-9. Maine Revised Statutes headnote amended; revision clause.** In the Maine Revised Statutes, Title 36, chapter 103, subchapter 1, in the subchapter headnote, the words "state valuation; abatements" are amended to read "state valuation" and the Revisor of Statutes shall implement this revision when updating, publishing or republishing the statutes.

**PART B**

**Sec. B-1. 36 MRSA §1752, sub-§15**, as amended by PL 2005, c. 218, §16, is repealed.

**Sec. B-2. 36 MRSA §1752, sub-§16**, as amended by PL 1965, c. 114, is repealed.

**Sec. B-3. 36 MRSA §1752, sub-§21**, as amended by PL 2005, c. 215, §17, is further amended to read:

**21. Use.** "Use" ~~includes~~ means the exercise in this State of any right or power over tangible personal property incident to its ownership, including storage of the property and the derivation of income from the rental of the property, whether received in money or in the form of other benefits, ~~by a lessor from the rental of tangible personal property located in this State.~~ "Use" does not include keeping, retaining or exercising power over tangible personal property brought into the State for the purpose of subsequently transporting it outside the State for use by the purchaser thereafter solely outside the State or for the purpose of being processed, fabricated, manufactured or incorporated into or attached to other tangible personal property to be transported outside the State and thereafter used by the purchaser solely outside the State.

**Sec. B-4. 36 MRSA §1760, first ¶,** as amended by PL 1999, c. 521, Pt. A, §6, is further amended to read:

Subject to the provisions of section 1760-C, no tax on sales, storage or use may be collected upon or in connection with:

**Sec. B-5. 36 MRSA §1760, sub-§50,** as amended by PL 2013, c. 420, §1, is repealed and the following enacted in its place:

**50. Certain libraries; library support organizations. Sales:**

A. To a nonprofit free public lending library that is funded in part or wholly by the State or any political subdivision of the State or the Federal Government; and

B. By a library as described in paragraph A or a nonprofit corporation organized to support a library as described in paragraph A, as long as the proceeds from the sales are used to benefit the library.

**Sec. B-6. 36 MRSA §1861,** as amended by PL 1995, c. 640, §6, is further amended to read:

**§1861. Imposition**

A tax is imposed, at the respective rate provided in section 1811, on the storage, use or other consumption in this State of tangible personal property or a service, the sale of which would be subject to tax under section 1764 or 1811. Every person so storing, using or otherwise consuming is liable for the tax until the person has paid the tax or has taken a receipt from the seller, as duly authorized by the assessor, showing that the seller has collected the sales or use tax, in which case the seller is liable for it. Retailers registered under section 1754-B or 1756 shall collect the tax and make remittance to the assessor. The amount of the tax payable by the purchaser is that provided in the case of sales taxes by section 1812. When tangible personal property purchased for resale is withdrawn from inventory by the retailer for the retailer's own use, use tax liability accrues at the date of withdrawal.

**Sec. B-7. 36 MRSA §2903, sub-§1,** as amended by PL 2011, c. 240, §24, is further amended to read:

**1. Excise tax imposed.** ~~Beginning July 1, 2008 and ending June 30, 2009, an~~ An excise tax is imposed on internal combustion engine fuel used or sold in this State, including sales to the State or a political subdivision of the State, at the rate of ~~28.4¢~~ 30.0¢ per gallon, except that the rate is 3.4¢ per gallon on internal combustion engine fuel bought or used for the purpose of propelling jet or turbojet engine aircraft. ~~Beginning July 1, 2009, an excise tax is imposed on internal combustion engine fuel used or sold in this State, including sales to the State or a political subdivision of~~

~~the State, at the rate of 29.5¢ per gallon, except that the rate is 3.4¢ per gallon on internal combustion engine fuel bought or used for the purpose of propelling jet engine aircraft. The tax rate provided by this subsection except the rate of tax imposed on fuel bought or used for the purpose of propelling jet engine aircraft is subject to an annual inflation adjustment pursuant to section 3321. Any fuel containing at least 10% internal combustion engine fuel is subject to the tax imposed by this section.~~

**Sec. B-8. 36 MRSA §3203, sub-§1-B,** as amended by PL 2011, c. 240, §25, is further amended to read:

**1-B. Generally; rates.** Except as provided in section 3204-A, ~~beginning July 1, 2008 and ending June 30, 2009,~~ an excise tax is levied and imposed on all suppliers of distillates sold, on all retailers of low-energy fuel sold and on all users of special fuel used in this State for each gallon of distillate at the rate of ~~29.6¢~~ 31.2¢ per gallon. ~~Beginning July 1, 2009, an excise tax is levied and imposed on all suppliers of distillates sold, on all retailers of low energy fuel sold and on all users of special fuel used in this State for each gallon of distillate at the rate of 30.7¢ per gallon.~~ Tax rates for each gallon of low-energy fuel are based on the British Thermal Unit, referred to in this subsection as "BTU," energy content for each fuel as based on gasoline gallon equivalents or the comparable measure for distillates. The gasoline gallon equivalent is the amount of alternative fuel that equals the BTU energy content of one gallon of gasoline. ~~In the case of distillates, the tax rate provided by this section is subject to annual inflation adjustment pursuant to section 3321.~~ For purposes of this subsection, "base rate" means the rate in effect for gasoline or diesel on July 1st of each year ~~as indexed under section 3321.~~ A biodiesel blend containing less than 90% biodiesel fuel is subject to the rate of tax imposed on diesel.

A. This paragraph establishes the applicable BTU values and tax rates based on gasoline gallon equivalents.

Fuel type based on gasoline	BTU content per gallon or gasoline gallon equivalent	Tax rate formula (BTU value fuel/BTU value gasoline) x base rate gasoline
Gasoline	115,000	100% x base rate
Propane	84,500	73% x base rate
Compressed Natural Gas (CNG)	115,000	100% x base rate
Methanol	56,800	49% x base rate
Ethanol	76,000	66% x base rate
Hydrogen	115,000	100% x base rate

Hydrogen Compressed Natural Gas	115,000	100% x base rate
---------------------------------------	---------	------------------

B. This paragraph establishes the applicable BTU values and tax rates based on distillate gallon equivalents.

Fuel type based on diesel	BTU content per gallon or gallon equivalent	Tax rate formula (BTU value fuel/BTU value diesel) x base rate diesel
Diesel	128,400	100% x base rate
Liquefied Natural Gas (LNG)	73,500	57% x base rate
Biodiesel	118,300	92% x base rate

C. The conversion factors established in this paragraph must be used in converting to gasoline gallon equivalents.

(1) For compressed natural gas, BTUs per 100 standard cubic feet is 93,000, and there are 123.66 standard cubic feet per gasoline gallon equivalent.

(2) For hydrogen, BTUs per 100 standard cubic feet is 27,000, and there are 425.93 standard cubic feet per gasoline gallon equivalent.

(3) For hydrogen compressed natural gas, BTUs per 100 standard cubic feet is 79,800, and there are 144.11 standard cubic feet per gasoline gallon equivalent.

**Sec. B-9. 36 MRSA §3208, first ¶,** as amended by PL 2007, c. 438, §78, is further amended to read:

Every user subject to the tax imposed by section 3203 is entitled to a credit on the tax, equivalent to the then current rate of taxation per gallon imposed by section 3203 ~~as adjusted pursuant to section 3321~~, on all special fuel purchased by that user from a supplier or retailer licensed in accordance with section 3204 upon which the tax imposed by section 3203 has been paid. Evidence of the payment of that tax, in a form required by or satisfactory to the State Tax Assessor, must be furnished by each user claiming the credit. When the amount of the credit to which any user is entitled for any quarter exceeds the amount of the tax for which that user is liable for the same quarter, the excess may be allowed as a credit on the tax for which that user would be otherwise liable for another quarter or quarters. Upon application to the assessor, the excess may be refunded if the applicant has paid to another state or province under a lawful requirement of that jurisdiction a tax similar in effect to the tax imposed by section 3203 on the use or consumption of that fuel outside the State, at the same rate per gallon

that tax was paid in this State, but in no case to exceed the then current rate per gallon of the tax imposed by section 3203 ~~as adjusted pursuant to section 3321~~. Upon receipt of the application the assessor, if satisfied after investigation that a refund is justified, shall so certify to the State Controller. The refund must be paid out of the Highway Fund. This credit lapses at the end of the last quarter of the year following that in which the credit arose.

**Sec. B-10. 36 MRSA §4362-A, sub-§1,** as amended by PL 2015, c. 300, Pt. A, §36, is further amended to read:

**1. Generally.** A distributor doing business in this State shall obtain a license from the assessor. A license must be obtained for each wholesale outlet maintained by the distributor. A distributor's license must be prominently displayed on the premises of the business covered by the license. A person required to be licensed as a distributor pursuant to this chapter must also be in compliance with Title 22, section 1580-L. A distributor's license issued pursuant to this section is not a license within the meaning of that term in the Maine Administrative Procedure Act.

**Sec. B-11. 36 MRSA §4362-A, sub-§3,** as amended by PL 2003, c. 439, §2, is repealed.

**Sec. B-12. 36 MRSA §4362-A, sub-§5,** as amended by PL 2007, c. 438, §90, is further amended to read:

**5. Surrender, revocation and suspension.** When the business with respect to which a license was issued pursuant to this section is sold or ceases to do business in this State, the holder of the license shall immediately surrender it to the assessor. The assessor may revoke or suspend the license of a distributor for failure to comply with any provision of this chapter or if the distributor no longer imports or sells cigarettes. A license that has been revoked or suspended pursuant to this subsection must be immediately surrendered to the assessor. Any person aggrieved by a revocation or suspension may request reconsideration as provided in section 151.

**Sec. B-13. 36 MRSA §4366-A, sub-§4-A,** as amended by PL 2011, c. 441, §1, is repealed.

**Sec. B-14. 36 MRSA §4366-A, sub-§4-B,** as enacted by PL 2011, c. 441, §2, is amended to read:

**4-B. Redemption of stamps.** ~~Beginning July 1, 2012, the~~ The assessor shall redeem any unused, uncancelled stamps presented within one year of the date of purchase by a licensed distributor at a price equal to the amount paid for them. Credit for uncancelled stamps is allowed only on full, unopened rolls unless the distributor ceases business as a distributor and returns the license issued under section 4362-A. The assessor may also redeem, at face value, cigarette tax stamps affixed to packages of cigarettes that have be-

come unsalable if application is made within 90 days of the return of the unsalable cigarettes to the manufacturer or of the destruction of the unsalable cigarettes by the distributor. The assessor may either witness the destruction of the unsalable cigarettes or may accept another form of proof that the unsalable cigarettes have been destroyed by the distributor or returned to the manufacturer.

**Sec. B-15. 36 MRSA §4402, sub-§1**, as amended by PL 2015, c. 300, Pt. A, §37, is further amended to read:

**1. Generally.** Every distributor shall obtain a license from the State Tax Assessor before engaging in business. A retailer required to be licensed as a distributor pursuant to this chapter must also hold a current retail tobacco license issued under Title 22, ~~section 1551-A~~ chapter 262-A, subchapter 1. A distributor's license must be prominently displayed on the premises of the business covered by the license and may not be transferred to any other person. A distributor's license issued pursuant to this section is not a license within the meaning of that term in the Maine Administrative Procedure Act.

**Sec. B-16. 36 MRSA §4402, sub-§3**, as enacted by PL 2005, c. 627, §7, is repealed.

**Sec. B-17. 36 MRSA §4402, sub-§5**, as amended by PL 2013, c. 331, Pt. C, §31 and affected by §41, is further amended to read:

**5. Surrender, revocation and suspension.** When the business with respect to which a license was issued pursuant to this section is sold or ceases to do business in this State, the holder of the license shall immediately surrender it to the assessor. The assessor may revoke or suspend the license of any distributor for failure to comply with any provision of this chapter or if the person no longer imports or sells tobacco products. A license that has been revoked or suspended pursuant to this subsection must be immediately surrendered to the assessor. A person aggrieved by a revocation or suspension may request reconsideration as provided in section 151.

**Sec. B-18. 36 MRSA §4402, sub-§§6 and 7**, as enacted by PL 2005, c. 627, §7, are amended to read:

**6. License directory maintained.** The assessor shall maintain a directory of distributors licensed pursuant to this chapter. The assessor shall update the directory as necessary, but not less than annually. Notwithstanding the provisions of section 191, the list must be available to the public and must be posted on a publicly accessible website maintained by the assessor. The directory must be mailed annually to all retailers at or near the time of renewal of a retail tobacco license issued under Title 22, ~~section 1551-A~~ chapter 262-A, subchapter 1.

**7. Notification.** A ~~licensed distributor that does not renew or maintain a license, or that has its license suspended or revoked,~~ within 10 business days of the suspension or revocation, shall inform in writing all its accounts in this State that it no longer holds a valid license under this section. ~~The licensed distributor shall inform its accounts in this State within 10 business days of the event giving rise to such notice.~~ Notwithstanding the provisions of section 191, the assessor may publish the names of distributors that ~~have not renewed or maintained a license or that have had a license suspended or revoked.~~

**Sec. B-19. 36 MRSA §4404, 2nd ¶**, as amended by PL 2011, c. 441, §3, is repealed.

**Sec. B-20. 36 MRSA §4404, 3rd ¶**, as enacted by PL 2011, c. 441, §4, is amended to read:

~~Beginning July 1, 2012, the~~ The return must include further information as the assessor may prescribe and must show a credit for any tobacco products exempted as provided in section 4403. Records must be maintained to substantiate the exemption. Tax previously paid on tobacco products that are returned to a manufacturer or a distributor because the product has become unfit for use, sale or consumption and for tobacco products that are returned to a distributor that are subsequently destroyed by the distributor may be taken as a credit on a subsequent return. The assessor may either witness the destruction of the product or may accept another form of proof that the product has been destroyed by the distributor or returned to the manufacturer.

## PART C

**Sec. C-1. 36 MRSA §191, sub-§2, ¶VV**, as amended by PL 2013, c. 331, Pt. B, §3, is repealed.

**Sec. C-2. 36 MRSA §5121**, as amended by PL 2003, c. 390, §26, is further amended to read:

### §5121. Maine taxable income

The Maine taxable income of a resident individual is equal to the individual's federal adjusted gross income ~~as defined by the Code~~ with the modifications and less the deductions and personal exemptions provided in this chapter.

**Sec. C-3. 36 MRSA §5122, sub-§2, ¶E**, as amended by PL 2017, c. 375, Pt. C, §1, is further amended to read:

E. Pick-up contributions paid to the taxpayer by the Maine Public Employees Retirement System or distributed as the result of a rollover, whether or not included in federal adjusted gross income, that have been previously taxed under this Part. For tax years beginning on or after January 1, 2018, in the case of a distribution as a result of a rollover, the modification allowed under this paragraph may be subtracted fully or in part during



the tax year of the rollover. Any amount not subtracted in the tax year of the rollover may be subtracted within the 2 tax years immediately following the year of the rollover, except that the total amount subtracted over the 3-year period may not exceed the pick-up contributions that have been previously taxed under this Part during that 3 year period;

**Sec. C-4. 36 MRSA §5219-BB, sub-§3**, as amended by PL 2009, c. 361, §28 and affected by §37, is further amended to read:

**3. Increased credit for a certified affordable housing project.** The credit allowed under this section is increased to 30% of certified qualified rehabilitation expenditures for a certified affordable housing project. If the certified affordable housing project for which an increased credit was allowed under this subsection does not remain an affordable housing project for 30 years from the date the affordable housing project is placed in service, the owner of the property is subject to the repayment provisions of Title 30-A, section 4722, subsection 1, paragraph DD. Upon notification by the Maine Historic Preservation Commission and the Maine State Housing Authority pursuant to Title 30-A, section 4722, subsection 1, paragraph DD, subparagraph 4 (4), the State Tax Assessor shall raise increase the credit increase amount allowed rate under this subsection that was in effect in the calendar year prior to the calendar year in which the notification was received by one percentage point for tax years beginning in the calendar year of that notification and for any subsequent tax year. The maximum total credit allowed under this subsection In no event may not the credit rate under this subsection exceed 35% of the taxpayer's certified qualified rehabilitation expenditures.

**Sec. C-5. 36 MRSA §5403, sub-§6**, as amended by PL 2017, c. 474, Pt. B, §23, is further amended to read:

**6. Property tax fairness credit.** Beginning in 2018 and each year thereafter, by the benefit base amounts in section 5219-KK, subsection 1, paragraph A-1, except that for the purposes of this subsection, notwithstanding section 5402, subsection 1-B, the "cost-of-living adjustment" is the Chained Consumer Price Index for the 12-month period ending June 30th of the preceding calendar year divided by the Chained Consumer Price Index for the 12-month period ending June 30, 2017;

**Sec. C-6. PL 2017, c. 474, Pt. D, §4**, as corrected by RR 2017, c. 2, §17, is amended to read:

**Sec. D-4. Application.** This With the exception of those portions of those sections of this Part that enact the Maine Revised Statutes, Title 36, section 5200-A, subsection 1, paragraph FF and subsection 2, paragraph EE, which apply to tax years beginning on

or after January 1, 2018, this Part applies to tax years beginning on or after January 1, 2017, except that those portions of those sections of this Part that enact the Maine Revised Statutes, Title 36, section 5200-A, subsection 1, paragraph FF and subsection 2, paragraph EE apply to tax years beginning on or after January 1, 2018.

See title page for effective date.

---



---

## CHAPTER 380

### H.P. 1296 - L.D. 1819

#### An Act To Harmonize State Income Tax Law and the Centralized Partnership Audit Rules of the Federal Internal Revenue Code of 1986

**Be it enacted by the People of the State of Maine as follows:**

**Sec. 1. 36 MRSA §5190**, as enacted by P&SL 1969, c. 154, Pt. F, §1, is amended to read:

#### **§5190. Entity not taxable**

A partnership ~~as such shall~~ is not be subject to the tax imposed by this Part. Persons carrying on business as partners ~~shall be~~ are liable for the tax imposed by this Part only in their separate or individual capacities. This section does not apply to the taxes imposed by chapters 819 and 827 or the tax imposed on partnership audit adjustments pursuant to subchapter 2.

**Sec. 2. 36 MRSA c. 815, sub-c. 2** is enacted to read:

#### **SUBCHAPTER 2**

#### **PARTNERSHIP AUDITS**

#### **§5195. Definitions**

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

**1. Administrative adjustment request.** "Administrative adjustment request" means an administrative adjustment request filed by a partnership pursuant to the Code, Section 6227.

**2. Audited partnership.** "Audited partnership" means a partnership subject to a partnership-level audit resulting in a federal adjustment.

**3. Composite return.** "Composite return" means a Maine income tax return filed by a partnership or pass-through entity on behalf of some or all of its partners, beneficiaries or shareholders under rules adopted by the assessor.