

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
127<sup>TH</sup> LEGISLATURE  
SECOND REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

**JOINT STANDING COMMITTEE ON TAXATION**

May 2016

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# STATE OF MAINE

127<sup>TH</sup> LEGISLATURE

SECOND REGULAR SESSION



## LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the Second Regular Session of the 127<sup>th</sup> Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. An appendix provides a summary of relevant session statistics.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

*CARRIED OVER*..... carried over to a subsequent session of the Legislature  
*CON RES XXX*..... chapter # of constitutional resolution passed by both houses  
*CONF CMTE UNABLE TO AGREE*..... Committee of Conference unable to agree; legislation died  
*DIED BETWEEN HOUSES*..... House & Senate disagreed; legislation died  
*DIED IN CONCURRENCE*..... defeated in each house, but on different motions; legislation died  
*DIED ON ADJOURNMENT*..... action incomplete when session ended; legislation died  
*EMERGENCY*..... enacted law takes effect sooner than 90 days after session adjournment  
*FAILED, EMERGENCY ENACTMENT or PASSAGE*..... emergency failed to receive required 2/3 vote  
*FAILED, ENACTMENT or FINAL PASSAGE*..... failed to receive final majority vote  
*FAILED, MANDATE ENACTMENT*..... legislation proposing local mandate failed required 2/3 vote  
*HELD BY GOVERNOR*..... Governor has not signed; final disposition to be determined at subsequent session  
*LEAVE TO WITHDRAW*..... sponsor's request to withdraw legislation granted  
*NOT PROPERLY BEFORE THE BODY*..... ruled out of order by the presiding officer; legislation died  
*INDEF PP*..... indefinitely postponed; legislation died  
*ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X*... ought-not-to-pass report accepted; legislation died  
*P&S XXX*..... chapter # of enacted private & special law  
*PUBLIC XXX*..... chapter # of enacted public law  
*RESOLVE XXX*..... chapter # of finally passed resolve  
*VETO SUSTAINED*..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 127<sup>th</sup> Legislature is July 29, 2016. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

*Joint Standing Committee on Taxation*

**LD 365 An Act To Provide a Tax Reduction for Modifications To Make a Home More Accessible for a Person with a Disability**

**PUBLIC 503**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VEROW A	OTP-AM	H-277 S-490 HAMPER J

This bill was reported out of committee in the prior session and then carried over on the Special Appropriations Table.

The bill is a concept draft pursuant to Joint Rule 208 and proposes to provide a means to offset the costs incurred by a person with a disability who modifies a residence, such as by installing ramps or stairlifts, widening entryways or remodeling, to make it more accessible for that person. The offset could be in the form of an income tax credit or an exemption from property taxes.

**Committee Amendment "A" (H-277)**

This amendment replaces the bill and creates an income tax credit for expenses incurred for certain modifications to make a homestead accessible to an individual with a disability or physical hardship who resides or will reside in the homestead if the taxpayer's federal adjusted gross income does not exceed \$55,000. The total amount of the credit that may be claimed annually is capped at \$1,000,000.

**Senate Amendment "A" To Committee Amendment "A" (S-490)**

This amendment changes the application of the tax credit to tax years beginning on or after January 1, 2017 and adjusts funding accordingly.

**Enacted Law Summary**

Public Law 2015, chapter 503 creates an income tax credit for tax years beginning on or after January 1, 2017 for expenses incurred for certain modifications to make a homestead accessible to an individual with a disability or physical hardship who resides or will reside in the homestead if the taxpayer's federal adjusted gross income does not exceed \$55,000. The total cost of the all credits granted is capped at \$1,000,000 annually.

**LD 498 An Act To Restore the Super Credit for Substantially Increased Research and Development**

**Died On Adjournment**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
NUTTING R MCCORMICK E	OTP-AM	H-96

This bill was reported out of committee in the prior session and then carried over on the Special Appropriations Table.

This bill restores the availability of the super credit for substantially increased research and development retroactive to January 1, 2014, restricts the carry-over period to five years and increases the limit on the credit to no more than 50% of the taxpayer's tax due after the allowance of other tax credits.

**Committee Amendment "A" (H-96)**

This amendment amends the definition of "super credit base amount" to provide that the base amount is reset if the taxpayer did not claim the super credit for three consecutive taxable years immediately prior to

*Joint Standing Committee on Taxation*

January 1, 2014.

**LD 646      An Act To Provide Incentives for Municipal Cooperation and Shared Services      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LIBBY N	ONTP	

This bill was carried over from the First Regular Session of the 127th Legislature.

The bill provides an incentive for municipalities to enter into collaborative agreements to provide services jointly by sheltering a portion of the municipalities' equalized valuations dedicated to the financial support of the joint services. Sheltering of valuations would be likely to increase the municipalities' shares of General Purpose Aid to local schools and municipal revenue sharing and reduce the municipalities' shares of county taxes.

**LD 867      An Act To Provide Tax Fairness and To Lower Medical Expenses for Patients under the Maine Medical Use of Marijuana Act      Veto Sustained**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LIBBY N MALABY R	OTP-AM	S-178 S-505    HAMPER J

This bill was reported out of committee in the prior session and then carried over on the Special Appropriations Table.

This bill allows a taxpayer, either an individual or corporation, that operates a registered dispensary of medical marijuana pursuant to the Maine Medical Use of Marijuana Act to deduct from income the costs of operating that registered dispensary. The bill also allows a qualified patient to deduct from income the costs of medical marijuana purchased by that qualifying patient.

**Committee Amendment "A" (S-178)**

This amendment adds references to the United States Internal Revenue Code of 1986 to ensure proper administration of the deductions created by the bill. The amendment also adds an appropriations and allocations section.

**Senate Amendment "B" To Committee Amendment "A" (S-505)**

This amendment changes the application of the bill as amended by Committee Amendment "A" to apply to tax years beginning on or after January 1, 2016. It also transfers to the General Fund funds remaining in the Medical Use of Marijuana Fund after the expenses of the Department of Health and Human Services for the purpose of funding tax deductions for medical marijuana dispensary business expenses and for the cost of medical marijuana purchased by qualified patients under the Maine Medical Use of Marijuana Act. This amendment also changes the allocation of statutory provisions in the Maine Revised Statutes.