

MAINE STATE LEGISLATURE

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STATE OF MAINE
127TH LEGISLATURE
FIRST REGULAR SESSION



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

JOINT STANDING COMMITTEE ON TAXATION

August 2015

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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 First Regular Session of the 127th 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.

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

The effective date for non-emergency legislation enacted in the First Regular Session of the 127th Legislature is October 15, 2015. 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

This bill expands the income tax credit for child and dependent care expenses to include expenses paid for adult day care, respite care and hospice care.

Committee Amendment "A" (H-95)

This amendment, the minority report of the committee, incorporates a fiscal note.

Senate Amendment "A" (S-72)

This amendment clarifies the intent of the bill by specifying that the credit is for expenses paid for a dependent for adult day care, hospice services and respite care. To distinguish the new credit from the child care expenses credit, the adult dependent care expenses credit only applies to dependents who are at least 21 years of age. Also, unlike the child care expenses credit, the expenses do not have to be incurred to enable the taxpayer to be gainfully employed. Like the child care expenses credit, the expenses may not exceed \$3,000 for one dependent or \$6,000 for two or more dependents and the credit is refundable up to \$500.

Senate Amendment "A" To Senate Amendment "A" (S-328)

This amendment adds an effective date of January 1, 2016 and changes the application date of the tax credit to apply to tax years beginning on or after January 1, 2016.

Enacted Law Summary

Public Law 2015, chapter 340 expands the income tax credit for child and dependent care expenses for tax years beginning on or after January 1, 2016 to include expenses paid for a dependent who is at least 21 years of age for adult day care, respite care and hospice care. Expenses do not have to be incurred to enable the taxpayer to be gainfully employed and may not exceed \$3,000 for one dependent or \$6,000 for two or more dependents. The credit is refundable up to \$500.

LD 819 An Act Regarding the Taxation of Kombucha

Veto Sustained

Sponsor(s)

ALFOND
HICKMAN

Committee Report

OTP-AM

Amendments Adopted

S-213

This bill exempts kombucha, a fermented tea-based drink, from the excise tax imposed on malt liquor, low-alcohol spirits, wine and hard cider.

Committee Amendment "A" (S-213)

This amendment replaces the bill and provides for the taxation of kombucha manufactured in or imported into the State of 35¢ per gallon, the same rate at which hard cider is taxed.

LD 835 An Act To Amend the Individual Income Tax Laws

ONTP

Sponsor(s)

TIPPING-SPITZ
HASKELL

Committee Report

ONTP

Amendments Adopted

This bill creates a new income tax bracket with a rate of 10 percent and a threshold of \$120,000 for single filers, \$180,000 for head-of-household filers and \$240,000 for persons filing joint returns.

Joint Standing Committee on Taxation

See also LD 95 and LD 1269.

LD 836 An Act To Exempt the American Legion and Veterans of Foreign Wars ONTP
from the Sales Tax

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

This bill provides an exemption from the sales and use tax for sales made to posts of the American Legion or Veterans of Foreign Wars.

LD 859 An Act To Improve Camping Opportunities in Maine ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COLLINS TURNER	ONTP	

This bill repeals the definitions of "tourist camp" and "trailer camp" and replaces those terms with the term "campground" in the Sales and Use Tax Law. This bill exempts from sales and use tax rental fees charged to a person who resides for 28 days or longer at one campground. This bill also exempts from the sales and use tax the rental of a campsite as long as nothing else of value is given by the owner of that campsite to the renter.

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

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LIBBY MALABY	OTP-AM	S-178

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.

This bill was carried over on the Special Appropriations Table to any special or regular session of the 127th Legislature by joint order, S.P. 555.

LD 871 An Act To Provide for Cooperation between Municipalities with Tax ONTP
Increment Financing Districts

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