

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

LD 1001 An Act To Enact a New Hire Tax Credit and To Create Initiatives To Help Families Move from Assistance to Employment

ONTP

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

This bill creates a new hire tax credit for an employer in the amount of 50 percent of the wages of a new employee who was a recipient of benefits under the Temporary Assistance for Needy Families program and who is employed at least 20 hours per week on average by the employer. This bill also directs the Department of Health and Human Services to develop recommended legislation to adjust the level of assistance under state benefits programs based upon earned income for low-income recipients of state assistance who are employed by an employer who receives a new hire tax credit and to recommend other measures in statute, rule and policy that will enable low-income recipients of state assistance to obtain stable and lasting employment.

LD 1004 An Act To Provide Incentives To Foster Economic Growth and Build Infrastructure in the State by Encouraging Visual Media Production

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PICCHIOTTI WHITTEMORE	ONTP OTP-AM	H-326

This bill makes the following changes to the visual media production certification process, reimbursement and credit:

1. It specifies that a visual media production expense must be for preproduction, production and postproduction work performed in Maine;
2. It increases the cap on wages that can be included as a visual media production expense from \$50,000 per individual to \$250,000 per individual;
3. It requires the applicant for visual media production certification to agree to pay an administrative fee before being reimbursed. The administrative fee is 0.2 percent of the reimbursement amount, except that the minimum amount of the fee may not be less than \$200 and the maximum amount of the fee may not exceed \$5,000;
4. It specifies that the reimbursement for certified production wages is only for wages paid to below-the-line personnel, which includes nonstarring cast members and the technical production and postproduction staff of a visual media production company;
5. It increases the reimbursement rate from 12 percent to 25 percent of certified production wages that are paid to Maine residents and from 10 percent to 15 percent for certified production wages paid to non-Maine residents;
6. It repeals the certified visual media production tax credit and instead provides for the reimbursement of 25 percent of nonwage visual media production expenses as long as the company has at least \$30,000 in visual media production expenses from the certified production;
7. It specifies that, in order to be eligible for either the certified production wage reimbursement or the nonwage visual media production expense reimbursement, at least 50 percent of the below-the-line personnel, not including extras, must be Maine residents, unless the company certifies that it cannot meet this requirement due to an insufficient number of qualified Maine residents, and either the visual media production expenses exceed 50 percent of the total production expenses or at least 50% of the total principle photography days occur in Maine; and

Joint Standing Committee on Taxation

8. It specifies that a person claiming the Pine Tree Development Zone tax credit is not eligible to get the visual media production reimbursement.

Committee Amendment "A" (H-326)

This amendment, the minority report of the committee, removes the emergency preamble and emergency clause from the bill and adds provisions establishing a refundable income tax credit for a major visual media production, which is defined as a visual media production with an overall budget that is greater than \$1,000,000. The credit applies to tax years beginning on or after January 1, 2015. The amendment also requires the joint standing committee of the Legislature with jurisdiction over taxation matters to review by December 1, 2021 the reimbursements and tax credits for visual media production companies and make a recommendation to the Legislature with regard to retention, repeal or modification of the provisions. The amendment also adds an appropriations and allocations section.

See also LD 1164.

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 1007 Resolve, To Study the Tax Exemption Provided to Nonprofit Entities ONTP

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

This resolve is a concept draft pursuant to Joint Rule 208. This resolve proposes to examine property tax exemptions for property of nonprofit organizations, including land trusts, and determine whether the loss of revenue to a municipality is outweighed by the benefits provided to that municipality by the tax-exempt nonprofit organization.

LD 1055 An Act To Allow a Municipality To Abate Taxes Assessed on Property That Is Destroyed ONTP

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

This bill allows municipal assessors, or the State Tax Assessor for property in the unorganized territory, to abate the property taxes of residential real property that, due to destruction by fire, explosion or natural disaster, suffers at least a 50 percent decrease in just value to improvements on that residential real property. The abatement is limited to property that qualifies as a homestead under the Maine resident homestead property tax exemption. For an individual homestead, the amount of the abatement is limited to 10 percent of the overlay for the property tax year in which the abatement is sought. If more than one homestead requests an abatement in a single property tax year, the aggregate amount of the abatements is limited to 50 percent of the overlay for the property tax year in which the multiple abatements are sought.