

MAINE STATE LEGISLATURE

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STATE OF MAINE
127TH LEGISLATURE
SECOND REGULAR SESSION



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

JOINT STANDING COMMITTEE ON TAXATION

May 2016

STAFF:

JULIE JONES, SENIOR LEGISLATIVE ANALYST
OFFICE OF FISCAL AND PROGRAM REVIEW
5 STATE HOUSE STATION
AUGUSTA, ME 04333
(207) 287-1635
<http://legislature.maine.gov/ofpr>

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STATE OF MAINE

127TH 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 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.

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 127th 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

The bill creates definitions for "prosthetic or orthotic device" and "prescription" within the sales tax exemption laws. It attempts to clarify the sales tax exemption for prosthetic devices and exempts orthotic devices sold by prescription.

Committee Amendment "A" (H-110)

This amendment clarifies the term "health care practitioner" who may prescribe potentially exempt items under the bill by adding a cross reference to that definition in the Maine Revised Statutes, Title 24, section 2502.

Senate Amendment "A" (S-494)

This amendment changes the effective date of this Act from October 1, 2015 to October 1, 2016.

Enacted Law Summary

Public Law 2015, chapter 495 creates definitions for "prosthetic or orthotic device" and "prescription" within the sales tax exemption laws. It clarifies the term "health care practitioner" who may prescribe potentially exempt items by adding a cross reference to that definition in the Maine Revised Statutes, Title 24, section 2502.

LD 1004

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

**Died On
Adjournment**

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

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

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% 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% to 25% of certified production wages that are paid to Maine residents and from 10% to 15% 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% 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.

Joint Standing Committee on Taxation

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% 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% of the total production expenses or at least 50% of the total principle photography days occur in Maine.

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.

This bill remained on the Special Appropriations Table and died on adjournment.

LD 1142 An Act Regarding the Taxation of Out-of-state Pensions

**Died On
Adjournment**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TURNER B BURNS D	OTP-AM	H-340

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

The bill avoids double taxation of certain employee contributions to retirement benefit plans made in other states by exempting from Maine income tax the portion of retirement benefits attributable to the taxpayer's contribution to an employee retirement plan or an individual retirement account that was taxed by another jurisdiction.

Committee Amendment "A" (H-340)

This amendment provides that the proposed income tax exemption for certain income from out-of-state pensions applies only to the extent the income is included in federal adjusted gross income and not deducted under the general pension deduction. The amendment also adds a definition of "another jurisdiction."

This bill remained on the Special Appropriations Table and died on adjournment.

LD 1421 Resolve, Directing the Treasurer of State To Study the Most Effective Options for Maine Residents To Participate in Tax-advantaged Savings Accounts for Persons with Disabilities

RESOLVE 57

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M LIBBY N	OTP-AM	H-509