

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

3. It changes the calculation of the tax credit to increase it to 100 percent, instead of the current 50 percent, of the amount by which the benefit base exceeds five percent, instead of the current six percent, of the resident's income.

4. It increases the maximum credit for residents 65 years of age or older to \$2,000 from \$900 and for residents under 65 years of age to \$1,500 from \$600.

Committee Amendment "A" (H-232)

This amendment, a minority report of the committee, removes the provisions in the bill that change the calculation of rent constituting property taxes and decrease from six percent to five percent the income threshold for purposes of calculation of the property tax fairness credit. This amendment also removes incorrect references to "property tax year."

Committee Amendment "B" (H-233)

This amendment, a minority report of the committee, changes the bill to a resolve directing the Department of Administrative and Financial Services, Bureau of Revenue Services to submit information and analysis to the Joint Standing Committee on Taxation regarding the discontinued Maine Residents Property Tax Program and the property tax fairness credit and authorizes the committee to submit related legislation to the Second Regular Session of the 127th Legislature.

See also LD 76.

LD 1126	An Act To Provide Property Tax Deferral for Senior Citizens and People with Disabilities	ONTP
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COOPER GRATWICK	ONTP	

This bill reinstates the State's property tax deferral program, which was in effect for applications filed before April 1, 1991. The bill modifies the program to include households with at least one individual who is 65 years of age or older or who retired from gainful employment due to disability and to surviving spouses who are at least 60 years of age, and provides that household income must be less than \$40,000. This limit is indexed for inflation in 2016 and annually thereafter.

LD 1142	An Act Regarding the Taxation of Out-of-state Pensions	CARRIED OVER
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TURNER BURNS	OTP-AM	H-340

This 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."

Joint Standing Committee on Taxation

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 1146 An Act To Increase Investment in Maine

Died Between Houses

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MALABY BRAKEY	ONTP OTP-AM	

This bill taxes capital gains derived from the sale of real property held in Maine for business purposes for more than one year at three percent rather than the general income tax rate.

Committee Amendment "A" (H-325)

This amendment, the minority report of the committee, replaces the special income tax rate provided in the bill for certain capital gains derived from the sale of real property held for business purposes for more than one year with an income tax credit for those gains realized during the taxable year attributable to real property in the State. The amendment also adds an appropriations and allocations section.

LD 1148 An Act To Implement a Local Ballot Referendum for Municipalities To Disallow Tax-exempt Status to Large Land Trusts

ONTP

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

This bill allows a municipality, by referendum, to deny tax-exempt status to land trusts that are at least 20 acres in size. If the municipality denies tax-exempt status for a land trust, it must deny tax-exempt status to all land trusts of at least 20 acres located in that municipality.

LD 1159 An Act To Modify the Property Tax Abatement Laws

ONTP

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

This bill limits the amount of property taxes an assessing authority may abate for hardship, poverty or inability to pay to the amount of taxes owed on the residence and no more than two acres of land owned by the person seeking abatement.

LD 1164 An Act To Promote Tourism and Foster Economic Development

ONTP

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

This bill provides a refundable income tax credit for expenses and wages directly incurred in Maine by a major