

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

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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

LD 1519 An Act To Amend the Tax Laws To Strengthen Charitable Institutions, ONTP
Encourage Home Ownership and Manage Medical Expenses

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

This bill allows a resident individual who itemizes deductions in determining federal adjusted gross income to claim those deductions fully under the Maine income tax. It repeals the \$27,500 cap on itemized deductions and the phaseout of deductions for individuals who itemize deductions and whose Maine adjusted gross income exceeds \$70,000 for single filers, \$112,500 for head of household filers and \$140,000 for joint filers.

LD 1521 An Act To Create Equity among Essential Nonprofit Health Care PUBLIC 510
Providers in Relation to the Sales Tax and the Service Provider Tax

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GATTINE A HASKELL A	OTP-AM	H-521

This bill extends to all incorporated nonprofit community health centers the exemption from the sales and use tax currently provided for sales made to incorporated nonprofit rural community health centers.

Committee Amendment "A" (H-521)

This amendment provides that the extension of the sales tax exemption in the bill is limited to incorporated nonprofit federally qualified health centers and makes the same change in the exemption for incorporated nonprofit rural community health centers under the service provider tax to maintain consistency in the exemptions under those two taxes.

Enacted Law Summary

Public Law 2015, chapter 510 extends the sales tax exemption and service provider tax exemption for incorporated nonprofit rural community health centers to include incorporated nonprofit federally qualified health centers and federally qualified health center "look-alikes."

LD 1530 An Act To Exempt MaineCare Appendix C Private Nonmedical Died On
Institutions from the Service Provider Tax Adjournment

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CUSHING A MAREAN D	OTP-AM	S-375

This bill provides an exception to the service provider tax for private nonmedical institutions that are residential care facilities maintained wholly or partly for the purpose of providing residents with medical and remedial treatment services, sometimes referred to as "MaineCare Appendix C institutions." The service provider tax continues to apply to private nonmedical institution services that are provided by MaineCare Appendix B, D, E or F private nonmedical institutions.

Committee Amendment "A" (S-375)

This amendment adds to the bill the appropriations and allocations necessary to adjust for the loss of revenue to the

Joint Standing Committee on Taxation

MaineCare program resulting from the exemption of Appendix C, Private Non-Medical Institution Services from the service provider tax.

This bill was placed on the Special Appropriations Table and died on adjournment.

**LD 1551 An Act To Make Additional Technical Changes to Recently Enacted Tax
Legislation**

**PUBLIC 390
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCCORMICK E GOODE A	OTP	

This bill makes the following changes to the Maine tax law.

1. It removes an obsolete reference to the Circuitbreaker Program and updates references to the recently enacted individual income tax rate schedules that apply to tax years beginning on or after January 1, 2017.
2. It revises, for purposes of simplification, the municipal reimbursement and state valuation calculations for the homestead property tax exemption.
3. It clarifies the application of the Maine sales tax exclusion with respect to the rental or lease of equipment associated with the provision of cable services, satellite television services and satellite radio services.
4. It eliminates, beginning with the 2016 tax year, the credits for employer-assisted day care and employer-provided long-term care benefits to bring the insurance premiums tax law in line with the elimination of the same credits in the income tax law by the biennial budget, Public Law 2015, chapter 267. Carry-over of unused credit amounts is still allowed.
5. It specifies that, in calculating the pension income deduction for tax years beginning on or after January 1, 2016, the offset is limited to social security and railroad retirement benefits, rather than also applying the offset to a taxpayer's retirement plan benefits.
6. It specifies that Maine itemized deductions are capped at \$28,350 for tax years beginning in 2015. The cap is adjusted annually for inflation for tax years beginning after 2015. It further clarifies that the annual cost-of-living adjustment is based on the most recently published Chained Consumer Price Index, which is published monthly by the United States Department of Labor, Bureau of Labor Statistics, at the time the annual cost-of-living adjustment is required to be made.

Enacted Law Summary

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