

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

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>

MEMBERS:

SEN. EARLE L. MCCORMICK, CHAIR
SEN. PAUL T. DAVIS, SR.
SEN. NATHAN L. LIBBY

REP. ADAM A. GOODE, CHAIR
REP. STEPHEN S. STANLEY
REP. MATTHEW W. MOONEN
REP. DIANE M. RUSSELL
REP. DENISE A. TEPLER
REP. H. STEDMAN SEAVEY
REP. BRUCE A. BICKFORD
REP. PAUL CHACE
REP. THOMAS H. SKOLFIELD
REP. GARY E. SUKEFORTH

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 1657 **An Act To Simplify and Expand the Educational Opportunity Tax Credit**

**PUBLIC 482
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ALFOND J	OTP-AM	S-438 S-509 VALENTINO L S-533 HAMPER J

This bill makes the following changes to the educational opportunity tax credit.

1. It allows a qualified individual receiving an associate or bachelor’s degree from January 1, 2007 to December 31, 2015 to be eligible for the credit regardless of the number of transfer hours earned out of state.
2. It permits a Maine resident employed on a vessel at sea to be eligible. This provision was originally included in LD 1587.
3. It expands the credit for employers who pay student loans for employees to receive the credit for the actual payment made for a qualified employee rather than being limited to the principal cap.

Committee Amendment "A" (S-438)

This amendment incorporates a fiscal note.

Senate Amendment "A" (S-509)

This amendment changes the availability of the educational opportunity tax credit for a consolidated loan by allowing the portion of the consolidated loan that is a qualifying educational loan to be eligible for the tax credit beginning with tax year 2015 and providing that only a qualifying educational loan that is consolidated with a nonqualifying educational loan is eligible. This provision was originally included in LD 1505.

Senate Amendment "A" To Senate Amendment "A" (S-533)

This amendment adds an emergency preamble and clause and funds the changes to the educational opportunity tax credit by deappropriating funds from the Maine Historic Preservation Commission and the Office of the Treasurer of State in fiscal year 2015-16 to reflect savings in program All Other costs and debt service.

Enacted Law Summary

The bill makes the following changes to the educational opportunity tax credit.

1. It allows a qualified individual receiving an associate or bachelor’s degree from January 1, 2007 to December 31, 2015 to be eligible for the credit regardless of the number of transfer hours earned out of state.
2. It permits a Maine resident employed on a vessel at sea to be eligible.
3. It expands the credit for employers who pay student loans for employees to receive the credit for the actual payment made for a qualified employee rather than being limited to the principal cap.
4. It allows the portion of the consolidated loan that is a qualifying educational loan to be eligible for the tax credit beginning with tax year 2015 and provides that only a qualifying educational loan that is consolidated with a nonqualifying educational loan is eligible.

Joint Standing Committee on Taxation

Public Law 2015, chapter 482, which was enacted as an emergency measure effective April 16, 2016.

LD 1667 An Act To Protect the Tax Base of Municipalities by Removing the Property Tax Exemption for Land Held for Conservation or Public Access Purposes ONTP

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

This bill provides that the property tax exemption for land held for benevolent and charitable purposes does not apply to land held primarily for conservation or public access purposes. The change applies to property tax years beginning on or after April 1, 2017.

LD 1670 An Act To Attract Investment to Loring Commerce Centre PUBLIC 486

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MARTIN J EDGECOMB P	OTP-AM	H-634 H-682 MARTIN J

This bill increases the amount of employment tax increment paid to the Loring Job Increment Financing Fund of the Loring Development Authority from 50% to 100% of adjusted state income tax withholding taxes attributed to employees within the area of the former Loring Air Force base above the base level of employment in 1996 and makes administrative changes to the payment process.

Committee Amendment "A" (H-634)

This amendment changes the schedule by which payment of the employment tax increment to the Loring Job Increment Financing Fund must be made. Instead of paying 100% of the employment tax increment to the fund in December of each year as the bill proposes, this amendment requires that 50% of the employment tax increment be paid to the fund in December of each year and the remaining 50% be paid to the fund in July of the following year. The amendment also limits the payment of the increased employment tax increment amounts to five years and requires a report from the Loring Development Authority of Maine to the joint standing committee of the Legislature having jurisdiction over taxation matters in 2021. The committee is authorized to submit a bill to the First Regular Session of the 130th Legislature regarding the report.

House Amendment "A" To Committee Amendment "A" (H-682)

This amendment limits the payment of the increased employment tax increment to one year instead of five years as proposed in the committee amendment. This amendment also eliminates the report required of the Loring Development Authority of Maine.

Enacted Law Summary

Public Law 2015, chapter 486 increases the amount of employment tax increment paid in fiscal year 2016-17 to the Loring Job Increment Financing Fund of the Loring Development Authority from 50% to 100% of adjusted state income tax withholding taxes attributed to employees within the area of the former Loring Air Force base above the base level of employment in 1996 and makes administrative changes to the payment process. The payment is made in 2 annual transfers, one in December 2016 and one in July 2017.