

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
128<sup>TH</sup> LEGISLATURE  
FIRST REGULAR SESSION



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

**JOINT STANDING COMMITTEE ON TAXATION**

August 2017

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\*Committee member for a portion of the session

# STATE OF MAINE

128<sup>TH</sup> LEGISLATURE  
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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 128<sup>th</sup> 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 FINAL 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 128<sup>th</sup> Legislature is Wednesday, November 1, 2017. 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 16**      **An Act To Exempt Certain Individuals Who Are 70 Years of Age or Older from Maine Income Tax**      **ONTP**

| <u>Sponsor(s)</u>    | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|----------------------|-------------------------|---------------------------|
| FOLEY R<br>COLLINS R | ONTP                    |                           |

This bill provides a 100% income tax exemption for a retired individual who is 70 years of age or older. An individual is considered retired if the individual works fewer than 20 hours per week, receives less than \$10,000 compensation for the year and receives Social Security benefits or a pension from employment not covered by Social Security benefits.

**LD 26**      **An Act To Lower the Maine Motor Vehicle Excise Tax**      **ONTP**

| <u>Sponsor(s)</u>    | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|----------------------|-------------------------|---------------------------|
| CEBRA R<br>COLLINS R | ONTP                    |                           |

This bill reduces motor vehicle excise tax mill rates by 10% each year beginning with 2018 registration years until the rates reach 50% of the current rates in 2022 and subsequent years.

See also LD 707 and LD 1521.

**LD 27**      **An Act To Exempt Sales to Parent-Teacher Organizations from the Sales Tax**      **CARRIED OVER**

| <u>Sponsor(s)</u>    | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|----------------------|-------------------------|---------------------------|
| TURNER B<br>CYRWAY S | OTP-AM                  | H-100                     |

This bill provides a sales tax exemption to parent-teacher organizations organized as public benefit corporations.

**Committee Amendment "A" (H-100)**

This amendment incorporates a fiscal note.

This bill was reported out of committee and then carried over to the next special or regular session of the 128th Legislature on the Special Appropriations Table by joint order, S.P. 601.

**LD 72**      **An Act To Clarify the Tax Laws for Title to Real Estate by Releasing Inheritance Tax Liens**      **PUBLIC 16**

| <u>Sponsor(s)</u>   | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|---------------------|-------------------------|---------------------------|
| POULIOT M<br>KATZ R | OTP                     |                           |

This bill releases a lien on real property for inheritance tax resulting from a death occurring before July 1, 1986, when the inheritance tax was replaced by the estate tax.

## *Joint Standing Committee on Taxation*

### Enacted Law Summary

Public Law 2017, chapter 16 releases liens on real property for inheritance tax resulting from deaths occurring before July 1, 1986, when the inheritance tax was replaced by the estate tax.

**LD 73      An Act To Increase the Homestead Property Tax Exemption for Certain Persons Who Are at Least 75 Years of Age      Accepted Majority (ONTP) Report**

| <u>Sponsor(s)</u>         | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|---------------------------|-------------------------|---------------------------|
| MASTRACCIO A<br>VITELLI E | ONTP<br>OTP-AM          |                           |

This bill raises the homestead property tax exemption to \$50,000 for persons who are 75 years of age or older and claimed the homestead as a permanent residence for 10 or more years. The bill requires the State to reimburse municipalities for 100% of the property taxes lost as a result of the increase in the exemption.

#### **Committee Amendment "A" (H-230)**

This amendment, which is the minority report of the Committee, makes technical corrections to facilitate administration of the increased homestead property tax exemption of persons who are at least 75 years of age. It also provides funding to reimburse municipalities for revenue lost due to the increase in the homestead property tax exemption.

This amendment was not adopted.

**LD 74      An Act To Realign the State-Municipal Revenue Sharing Distribution      ONTP**

| <u>Sponsor(s)</u>          | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|----------------------------|-------------------------|---------------------------|
| MASTRACCIO A<br>WOODSOME D | ONTP                    |                           |

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to realign the percentage of revenue from the sales and use taxes, the service provider tax and the income taxes that is transferred monthly from the General Fund to the Local Government Fund under state-municipal revenue sharing.

See also LDs 133, 492, 875 and 1227.

**LD 75      An Act To Provide a Sales Tax Exemption for Materials and Equipment That Enable Older Persons and Persons with Disabilities To Remain in Their Homes      ONTP**

| <u>Sponsor(s)</u>     | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-----------------------|-------------------------|---------------------------|
| SPEAR J<br>MIRAMANT D | ONTP                    |                           |

This bill provides a sales tax exemption for materials and equipment determined by the Maine State Housing Authority to enable homestead accessibility for an individual who is 75 years of age or older or an individual with a