

MAINE STATE LEGISLATURE

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STATE OF MAINE
128TH 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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STATE OF MAINE

128TH 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 128th 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 128th 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 291 An Act To Maintain the Income Tax Rate on Persons with Taxable Income above \$200,000 ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CAMPBELL R VOLK A	ONTP	

This bill decreases the highest marginal income tax rate imposed on resident individuals on taxable income in excess of \$200,000 from 7.15% to 4.15% in recognition of the 3% surcharge on income exceeding \$200,000 which was approved by referendum.

See also LDs 337, 571, 708, 829 and 851.

LD 311 An Act To Eliminate Corporate Welfare and Provide Tax Relief ONTP

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

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

This bill proposes to eliminate certain corporate tax expenditures and use the savings to reduce the individual income tax rates.

LD 330 An Act To Provide an Income Tax Credit for Employer Contributions to Section 529 Qualified Tuition Programs ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KORNFIELD T GRATWICK G	ONTP	

This bill provides an income tax credit to an employer that makes up to \$1,000 in matching contributions on behalf of an employee to a qualified tuition program, sometimes referred to as a college savings program, established by the employee under Section 529 of the federal Internal Revenue Code.

LD 337 An Act To Protect Jobs and the Maine Economy by Eliminating the 3% Income Tax Surcharge Imposed on Certain Mainers and the Fund To Advance Public Kindergarten to Grade 12 Education Died On Adjournment

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STETKIS J DAVIS P	ONTP OTP-AM	

This bill repeals the provisions establishing the Fund to Advance Public Kindergarten to Grade 12 Education and the income tax surcharge of 3% imposed on taxable income of \$200,000 or more, which is the source of revenue for the fund.

Committee Amendment "A" (H-562)

Joint Standing Committee on Taxation

This amendment provides that the repeal of the 3% income tax surcharge in the bill applies to tax years beginning on or after January 1, 2017.

This amendment provides one-time funding to the Department of Administrative and Financial Services, Bureau of Revenue Services to mail revised withholding schedules.

This amendment was not adopted.

See also LDs 291, 571, 708, 829 and 851.

The provisions of this bill were enacted in Part D of the biennial budget, LD 390, summarized under the Joint Standing Committee on Appropriations and Financial Affairs.

LD 338 An Act To Exempt Certain Disabled Veterans from the Motor Vehicle Excise Tax **Accepted Majority (ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCLEAN A	ONTP OTP	

This bill provides a motor vehicle excise tax exemption for veterans who are receiving benefits based on 100% permanent service-connected disability.

LD 368 An Act To Welcome Statewide Economic Investment **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GUERIN S VOLK A	ONTP	

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

This bill proposes to provide tax incentives for new economic investment made by businesses whose income is currently taxed at lower rates due to offshore investment of that income when those business repatriate income to the United States.. This bill would offset federal taxes paid on repatriated income with state and local property tax, income tax and employment tax reductions. The offset of taxes would be reduced over a 10-year period by an amount equal to federal taxes paid at an assumed tax rate of 10%. The offset would be allowed for capital invested in business expansion, new equipment purchases, historic property or brownfield redevelopment, new job creation or job retraining for any jobs the investment causes to be displaced. A business qualifying for the incentives would be required to commit to fulfilling the terms of an incentive plan for a period of time double to that of the length of time the incentives are provided.

LD 442 An Act To Create a Family Caregiver Income Tax Credit **CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAVIS P		

This bill provides an income tax credit of up to \$2,500 for certain uncompensated eligible expenditures incurred by