

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

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

Joint Standing Committee on Taxation

a family caregiver for the care and support of an eligible family member 18 years of age or older.

Eligible expenditures include the improvement of or alteration to the caregiver's primary residence to permit the eligible family member to remain mobile, safe and independent in the home and community; the caregiver's purchase or lease of equipment necessary to assist the eligible family member in carrying out one or more activities of daily living; and costs incurred to assist the caregiver to provide care to an eligible family member, such as expenditures related to hiring a home care aide, respite care, adult day care and transportation and for technology to assist the family caregiver to care for the eligible family member.

To be eligible for the tax credit, a family caregiver claiming the credit must have a federal adjusted gross income of less than \$75,000 if filing as a single individual or a married person filing separately and \$150,000 if filing as a head of household or on a married joint return.

An eligible family member must require assistance with at least one activity of daily living, as certified by a qualified licensed health care practitioner, and qualify as a dependent of, spouse of, registered domestic partner of, parent of or other relation by blood or marriage to the family caregiver or a registered domestic partner of the family caregiver.

The amount of the credit is equal to the eligible expenditures incurred by the eligible caregiver during the taxable year up to a maximum of \$2,500.

This bill was carried over to any special or regular session the of the 128th Legislature by joint order, H.P. 1138.

LD 492 An Act To Restore Revenue Sharing

ONTP

Sponsor(s)

TEPLER D
LIBBY N

Committee Report

ONTP

Amendments Adopted

This bill reverts the percentage of state-municipal revenue sharing from 2% of the tax base to 5% beginning October 1, 2017, but then requires a fixed portion of that amount to be transferred to the General Fund beginning in fiscal year 2017-18 and fiscal year 2018-19.

See also LDs 74, 133, 875 and 1227.

LD 493 An Act To Tax the Extraction of Water for Certain Commercial Purposes and Fund Water Quality Programs

Accepted Majority (ONTP) Report

Sponsor(s)

MELARAGNO G

Committee Report

ONTP
OTP-AM

Amendments Adopted

This bill creates an excise tax of 1¢ per 25 gallons of groundwater or surface water extracted from springs or other underground sources in this State by a bottled water operator that extracted more than 1,000,000 gallons in the previous calendar year if the water is packaged for sale. The revenues from the tax are transferred to a newly created Maine Water Quality Testing and Monitoring Fund to be administered by the Department of Environmental Protection. Of the money transferred, 85% will support well water testing and 15% will support lake water quality monitoring and support.

Committee Amendment "A" (H-239)