

MAINE STATE LEGISLATURE

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STATE OF MAINE
128TH LEGISLATURE
FIRST SPECIAL, SECOND REGULAR AND SECOND SPECIAL SESSIONS



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

JOINT STANDING COMMITTEE ON TAXATION

October 2018

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STATE OF MAINE

128TH LEGISLATURE

FIRST SPECIAL, SECOND REGULAR AND SECOND SPECIAL SESSIONS



LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contain summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Special, Second Regular and Second Special Sessions 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 dates for non-emergency legislation enacted in the First Special, Second Regular or Second Special Sessions of the 128th Legislature are: Monday, February 5, 2018; Wednesday, August 1, 2018; and Thursday, December 13, 2018, respectively. 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

The bill removes the requirement that a veteran must have served during a federally recognized war period to be eligible for a property tax exemption, thereby making the exemption available to all veterans of the Armed Forces of the United States who are 62 years of age or older or have qualifying disabilities. This bill does not change the amounts of the exemption or the other qualifying conditions.

Committee Amendment "A" (H-232)

This amendment, which is the majority report, adds a General Fund appropriation of \$15,000 in fiscal year 2018-19 to the Department of Administrative and Financial Services to reimburse municipalities for state mandated administrative costs associated with implementing this property tax exemption and includes a fiscal note indicating the amount required in the next biennium for constitutionally mandated reimbursement to municipalities for state-mandated administrative costs associated with implementing this property tax exemption.

Committee Amendment "B" (H-233)

This amendment, which is one of two minority reports, requires the State to reimburse municipalities for 100% of the property tax revenue loss as a result of the extension of the veterans' property tax exemption to veterans who did not serve during a federally recognized war period. This amendment also adds a General Fund appropriation of \$15,000 in fiscal year 2018-19 to the Department of Administrative and Financial Services to reimburse municipalities for state-mandated administrative costs associated with implementing this property tax exemption.

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

ONTP

Sponsor(s)
DAVIS P

Committee Report
ONTP

Amendments Adopted

This bill was carried over from the First Regular Session to the Second Regular Session of the 128th Legislature.

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

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year up to a maximum of \$2,500.

LD 513 An Act To Increase the Maximum Pension Deduction for State Income Tax

Died On Adjournment

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BELLOWS S DOORE D	OTP-AM OTP-AM	S-119

This bill was reported out of committee in the First Regular Session of the 128th Legislature and then carried over to the Second Regular Session on the Special Appropriations Table. The bill was again carried over, still on the Special Appropriations Table, from the Second Regular Session to the next special session by joint order S.P. 748.

This bill provides a complete income tax exemption for retirement benefits under state, local or federal government retirement plans that are based on employment compensation for which contributions are not made to the federal Social Security system.

Committee Amendment "A" (S-118)

This amendment, which is the majority report, provides that the maximum income tax deduction for a retired individual receiving retirement benefits under a retirement plan based on employment compensation for which contributions are not made to the federal social security system is equal to the maximum annual social security benefit that may be received by a person retiring at 66 years of age in January of the applicable year.

Committee Amendment "B" (S-119)

This amendment, which is the minority report, increases the maximum annual income tax pension deduction amount for nonmilitary retirement pensions from \$10,000 to \$35,000 over a five-year period beginning with the 2017 tax year. The \$35,000 pension deduction amount that applies after 2021 is subject to an annual inflation adjustment.

LD 781 An Act To Support the Trades through a Tax Credit for Apprenticeship Programs

Died On Adjournment

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HERBIG E DOW D	OTP-AM	H-416

This bill was reported out of committee in the First Regular Session of the 128th Legislature and then carried over to the Second Regular Session on the Special Appropriations Table. The bill was again carried over, still on the Special Appropriations Table, from the Second Regular Session to the next special session by joint order S.P. 748.

This bill provides an income tax credit to employers with apprenticeship programs approved by the Department of Labor. The credit is equal to \$2,500 for each registered apprentice employed by the taxpayer during the taxable year in an approved apprenticeship program.

Committee Amendment "A" (H-416)

This amendment replaces the bill. It permits an employer who employs an apprentice participating in an approved apprenticeship program to receive a tax credit and establishes procedures for employing units to be eligible for a partial credit if they employ a participating apprentice for fewer than 2,000 hours during a calendar year. The amendment also adds an appropriations and allocations section.