

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

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

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TEPLER D LIBBY N	ONTP	

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**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MELARAGNO G	ONTP OTP-AM	

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)

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This amendment, which is the minority report, clarifies the administrative provisions for collection of the water excise tax and changes the distribution of revenues to provide that 10% must support lake water quality monitoring activities and that 5% must be used for well water remediation. The amendment provides that the tax first applies to bottled water operators that extracted more than 1,000,000 gallons of water in this State in calendar year 2016. The amendment also provides funding for a position in the Department of Environmental Protection.

This amendment was not adopted.

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

CARRIED OVER

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

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.

This amendment was not adopted.

Committee Amendment "B" (S-119)

This amendment, which was 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.

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 541 An Act Regarding the Commercial Forestry Excise Tax

Died Between Houses

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HICKMAN C MAKER J	OTP-AM ONTP	

This bill strikes the formula for calculation of the commercial forestry excise tax based on the cost of forest fire protection and the number of acres of commercial forest land subject to the tax and replaces it with a tax of 26¢ per acre of commercial forest land.

Committee Amendment "A" (H-171)

This amendment, which was the majority report, replaces the bill and repeals the commercial forestry excise tax.