

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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JULIE JONES, SENIOR LEGISLATIVE ANALYST

OFFICE OF FISCAL AND PROGRAM REVIEW
5 STATE HOUSE STATION
AUGUSTA, ME 04333
(207) 287-1635
<http://legislature.maine.gov/ofpr>

*Committee member for a portion of the session

STATE OF MAINE

128TH LEGISLATURE
FIRST REGULAR SESSION



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, 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.

Joint Standing Committee on Taxation

Following discovery that the amendment had been incorrectly labeled as the minority report, this bill was referred back to committee.

This amendment was not adopted.

Committee Amendment "B" (H-385)

This amendment, which was the majority report, replaces the bill and repeals the commercial forestry excise tax. This amendment is the same as Committee Amendment "A," (H-171), except that a labeling error in (H-171) was corrected and Committee Amendment "B" is correctly identified as the majority report.

This amendment was not adopted.

LD 571	An Act To Eliminate the 3 Percent Surcharge on Certain Income and Provide an Alternative Funding Source for the Fund To Advance Public Kindergarten to Grade 12 Education	Died On Adjournment
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DOW D WARD K		

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

The bill proposes to eliminate the 3% surcharge imposed on individual income over \$200,000, which is imposed to fund the Fund to Advance Public Kindergarten to Grade 12 Education. Instead, this bill would supplant the revenue from the surcharge with two alternate sources:

1. All of the revenue from the tax imposed on the sale of recreational marijuana products, except for the amount retained for training law enforcement personnel on marijuana-related laws and rules; and
2. All surplus revenue generated by growth in the Maine economy up to the amount needed by the State to meet its obligation of funding 55% of public education from kindergarten to grade 12.

The committee voted to carry this bill over to the next regular session; however, that request was not approved by the presiding officers, and the bill was removed from the Committee pursuant to Joint Rule 309. The bill died in the possession of the Senate.

See also LDs 291, 337, 708, 829 and 851.

LD 583	An Act To Improve the Tax Appeal Process for Maine Businesses and Consumers	PUBLIC 257
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LIBBY N STANLEY S	OTP-AM	S-227

This bill expands the tax appeals process for taxpayers by permitting purchasers from whom sales tax or service provider tax has been collected to request a refund from the State Tax Assessor when taxes have been collected erroneously or illegally and the retailer or service provider has not refunded the tax. The bill also permits a person appealing a reconsideration determination to request the legal basis of the determination.

Committee Amendment "A" (S-227)