

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
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

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)

Joint Standing Committee on Taxation

This amendment requires a person requesting a refund of sales and use tax to submit an affidavit to the State Tax Assessor stating that a refund or credit has not been and will not be requested from the retailer. The requirement applies to pending reconsiderations and administrative appeals. The amendment also revises the process for a customer of a service provider to obtain a refund or credit of tax that was erroneously or illegally computed.

Enacted Law Summary

Public Law 2017, chapter 257 requires a person requesting a refund of sales and use tax to submit an affidavit to the State Tax Assessor stating that a refund or credit has not been and will not be requested from the retailer. The requirement applies to pending reconsiderations and administrative appeals. Chapter 257 also revises the process for a customer of a service provider to obtain a refund or credit of tax that was erroneously or illegally computed.

LD 620 An Act To Restore the Tax Deduction for Contributions to College Savings Accounts **Accepted Majority (ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M DOW D	ONTP OTP-AM	

This bill restores an income tax deduction that was repealed in 2015 for contributions to a qualified tuition program established under Section 529 of the United States Internal Revenue Code of 1986 and sets the deduction at a maximum of \$1,000 annually per designated beneficiary. The change applies to tax years beginning on or after January 1, 2017.

Committee Amendment "A" (H-102)

This amendment, which is the minority report, reduces the maximum contribution that qualifies for a deduction to \$250 per designated beneficiary. This was the maximum contribution allowed when the deduction was repealed in 2015. The amendment also adds an appropriations and allocations section.

This amendment was not adopted.

LD 621 An Act To Retain Professionals and Attract Professionals to Maine by Amending Maine's Income Tax Code **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R JACKSON T	ONTP	

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

This bill proposes to recruit and retain professionals in Maine by:

1. Creating or enhancing certain income tax credits, such as the dental care access credit and the primary care access credit, which provide an income tax credit for dentists and medical professionals practicing in an underserved area of the State; and
2. Creating or enhancing loan and loan forgiveness programs, such as the Educators for Maine Program and the Health Professions Loan Program, which provide loans to students in the areas of education or health who then agree to complete a certain length of service in Maine in return for forgiveness of those loans.

See also LD 1287.