

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

STAFF:

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>

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*Committee member for a portion of the session

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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

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

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

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.

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 782 An Act To Provide a Sales Tax Exemption for Certain Nonprofit Organizations Supporting Veterans Died On Adjournment

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SANDERSON D	OTP-AM	H-193

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

The bill proposes to create a sales tax exemption for goods purchased by certain veterans' facilities.

Committee Amendment "A" (H-193)

This amendment strikes the bill. This amendment expands the sales tax exemption for incorporated nonprofit organizations organized for the purpose of providing direct supportive services in the State to certain veterans and their families to include veterans with combat injuries. The amendment also adds an appropriations and allocations section.

LD 783 An Act Regarding Business Income Tax ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STEWART H	ONTP	

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

This bill proposes to provide an income tax credit for a business that makes a voluntary contribution to fully or partially fund a qualifying local project that would otherwise need to be funded by the State. Qualifying projects would include those funded through the Maine Municipal Bond Bank or local projects involving high-priority

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infrastructure or otherwise approved by a municipality as a priority project.

LD 784 An Act To Prevent Tax Haven Abuse

**Died Between
Houses**

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

This bill requires corporations that file unitary income tax returns in Maine to include income from certain jurisdictions outside the United States in net income when apportioning income among tax jurisdictions. The State Tax Assessor is required to adopt major substantive rules to determine the income or loss attributable to such corporations and to prevent double taxation or deduction of income and to submit an annual report to the joint standing committee of the Legislature having jurisdiction over taxation matters regarding whether jurisdictions should be added to or deleted from the list of tax havens based on specified criteria.

Committee Amendment "A" (H-169)

This amendment which is the majority report, changes the schedule for the State Tax Assessor's review of tax-haven jurisdictions to a biennial review and adds an appropriations and allocations section.

This amendment was not adopted.

**LD 829 An Act To Increase the Income Tax Surcharge Threshold Imposed on
Households**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DIAMOND B COREY P	ONTP	

This bill amends the 3% surcharge imposed on individual taxable income over \$200,000 to increase the threshold, for tax years beginning after 2017, to \$300,000 for taxpayers filing as heads of households and to \$400,000 for taxpayers filing married joint returns or surviving spouses permitted to file a joint return. Single individuals and married persons filing separate returns remain subject to the surcharge on taxable income over \$200,000.

See also LDs 291, 337, 571, 708 and 851.

**LD 851 An Act To Repeal and Subject to Referendum in 2018 the Fund To
Advance Public Kindergarten to Grade 12 Education and the 3 Percent
Income Tax Surcharge**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SIROCKI H LANGLEY B	ONTP	

Part A of this bill repeals the 3% surcharge imposed on taxable individual income over \$200,000 for tax years beginning in or after 2017 and the Fund to Advance Public Kindergarten to Grade 12 Education, both as enacted in Initiated Bill 2015, chapter 4. The repeal is retroactive to the effective date of the initiated bill.

Part B of this bill enacts a 3% surcharge on taxable individual income over \$200,000 for tax years beginning in or