

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

**LD 928 An Act Requiring a Dynamic Fiscal Analysis of Changes to Visual Media
Production Tax Credits and Reimbursements**

**Accepted Majority
(ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PICCHIOTTI J WHITTEMORE R	ONTP OTP-AM	

Part A of this bill requires the Department of Economic and Community Development to undertake by August 1, 2017 a pilot project to develop and evaluate a tax simulation model for state dynamic fiscal analysis of potential changes to the certified visual media production credit and the visual media reimbursement. Maine Revenue Services and the Office of Fiscal and Program Review are required to evaluate the pilot project and determine whether the changes proposed in Part B of the bill have a positive or negative impact on state revenue.

Part B of this bill repeals the certified visual media production credit, increases the reimbursement amount for certified production wages paid from 12% to 25% for residents of Maine, increases the cap on the reimbursement of wages from \$50,000 to \$100,000 and provides for a reimbursement of 20% of nonwage visual media production expenses. These changes take effect only if the result of the joint finding of Maine Revenue Services and the Office of Fiscal and Program Review is that the changes proposed in this Part would result in a positive fiscal impact on state revenue.

Committee Amendment "A" (H-281)

This amendment retains the provisions of the bill and changes certain dates. It extends the completion date for the proposed pilot project until November 1, 2017, the date for Maine Revenue Services and the Office of Fiscal and Program Review to report to the Joint Standing Committee on Taxation until December 15, 2017 and the date to certify the fiscal impact of the proposed changes on state revenue until December 31, 2017.

This amendment was not adopted.

LD 935 An Act To Exempt from Taxation Certain Out-of-state Pensions

**Accepted Majority
(ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BLUME L HILL D	ONTP OTP-AM	

This bill exempts from Maine income tax certain income from out-of-state pensions in order to avoid double taxation of that income. The exemption is calculated as the total amount of the contribution made by the taxpayer that was taxed in the other state divided by the life expectancy of the taxpayer and applies only if the income is included in federal adjusted gross income and not deducted under the general pension deduction. In order to qualify for the exemption, the contribution must have been made using income on which income tax was paid and is available only if the state in which the taxpayer resided at the time of the contribution provides a similar exemption to a former resident of Maine.

Committee Amendment "A" (H-170)

This amendment, which is the minority report, corrects a cross-reference and clarifies a condition of the deduction to refer to contributions made to a pension plan while being a resident of another jurisdiction. The amendment also adds an appropriations and allocations section and a fiscal note.

Joint Standing Committee on Taxation

This amendment was not adopted.

LD 936 An Act To Modernize and Simplify the Tax Code

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HARVELL L DION M	ONTP	

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

This bill proposes to modernize and simplify the tax code.

**LD 945 An Act To Reduce the Burden of Tobacco-related Illness by Increasing
Revenue from the Cigarette Tax for Use for Tobacco Cessation**

**Died On
Adjournment**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCCREIGHT J CHENETTE J	OTP-AM ONTP OTP-AM	

This bill increases the cigarette tax from \$2.00 to \$3.50 per pack of 20 cigarettes, beginning November 1, 2017. This bill also provides increased funding in the amount of \$8,100,000 per year in ongoing funding to the Maine Centers for Disease Control and Prevention for tobacco use prevention and cessation in order to align with United States Department of Health and Human Services, Centers for Disease Control and Prevention recommendations. Finally, this bill provides \$1,000,000 in fiscal year 2017-18 and \$750,000 thereafter for MaineCare members for tobacco cessation medications and counseling.

Committee Amendment "A" (H-560)

This amendment phases in the increase in the cigarette tax by 15 mills per year until it reaches 175 mills on November 1, 2021 and provides that the revenue from the additional tax be deposited in a special account to be administered by the Department of Health and Human Services, Maine Center for Disease Control and Prevention for tobacco use prevention and cessation. This amendment also adjusts the appropriations and allocations to reflect the phasing in of the tax increase as proposed in the amendment.

This amendment was not adopted.

Committee Amendment "B" (H-561)

This amendment changes the amount of the increase in the tax on cigarettes from \$1.50 per pack of 20 cigarettes to \$1.00 per pack. This amendment also adjusts the appropriations and allocations in the bill to reflect the change in the tax proposed in the amendment.

This amendment was not adopted.