

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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*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

Enacted Law Summary

Public Law 2017, chapter 121 establishes municipal cost components for state and county services provided to the unorganized territory that would normally be paid for by a municipality. The municipal cost components constitute the property tax for the unorganized territory.

Public Law 2017, chapter 121 was enacted as an emergency measure effective June 2, 2017.

LD 1106 RESOLUTION, Proposing an Amendment to the Constitution of Maine To Dedicate All Sales Taxes from All Vehicle Sales and Any Vehicle-related Sales to the Highway Fund for Roads and Bridge Capital Improvements **Died Between Houses**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PARRY W MIRAMANT D	OTP-AM ONTP	

This resolution proposes to amend the Constitution of Maine to dedicate all sales and use tax revenue from sales of motor vehicles and sales related to motor vehicles to the Highway Fund for roads and bridge capital improvements.

Committee Amendment "A" (H-387)

This amendment, which was the majority report, incorporates a fiscal note.

This amendment was not adopted.

LD 1121 An Act Regarding the Exclusive Use of Tax Exempt Property **Accepted Majority (ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KINNEY J CUSHING A	ONTP OTP-AM	

This bill amends the exemption from property tax provided to benevolent and charitable incorporated institutions and to scientific and literary institutions to specify that the exemption does not apply to property that is used incidentally in the provision of goods, services or materials in exchange for any type of consideration.

Committee Amendment "A" (H-104)

This amendment, which is the minority report, incorporates a fiscal note.

This amendment was not adopted.

LD 1123 An Act To Allow an Income Tax Deduction for Interest Paid on Student Loans **Accepted Majority (ONTP) Report**

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

Joint Standing Committee on Taxation

This bill provides an additional income tax deduction for interest paid on qualified education loans that exceeds the amount allowable under the United States Internal Revenue Code. The maximum deduction is increased from \$2,500 to \$5,000 and the modified adjusted gross income thresholds for phase-out of the deduction are increased by \$15,000 for taxpayers filing as single individuals and \$30,000 for individuals filing a joint return.

Committee Amendment "A" (S-178)

This amendment, which is the minority report, adds an appropriation to cover the costs of a tax examiner position to establish and implement the income tax credit for interest paid on student loans.

This amendment was not adopted.

See also LD 946.

LD 1144 An Act To Support Maine Families by Increasing the Dependent Care Credit

**Died Between
Houses**

Sponsor(s)

HERBIG E
CUSHING A

Committee Report

OTP-AM
ONTP

Amendments Adopted

This bill increases the income tax credit for child care expenses from 25% to 50% of the federal tax credit allowable for child and dependent care expenses and increases the amount that is refundable from \$500 to \$750. The increase applies to tax years beginning on or after January 1, 2017.

Committee Amendment "A" (H-235)

This amendment, which is the majority report, retains the provisions of the bill that increase the income tax credit for child care expenses but amends the provision of current law that doubles the credit when the child care expenses are incurred through the use of quality child care services to provide that the credit is multiplied by 1.5 in that situation.

This amendment was not adopted.

LD 1172 An Act To Repeal the Maine Personal Property Tax

**Accepted Majority
(ONTP) Report**

Sponsor(s)

CUSHING A
FREDETTE K

Committee Report

ONTP
OTP-AM

Amendments Adopted

This bill repeals the provisions of law requiring a tax to be imposed on personal property and specifies that all individually owned personal property is exempt from taxation.

This bill removes numerous references in the Maine Revised Statutes to the personal property tax.

Committee Amendment "A" (S-179)

This amendment, which is the minority report, adds an appropriation to reimburse municipalities for 50% of the revenue loss due to the repeal of the tax on personal property. Reimbursement is required under the Constitution of Maine, Article IV, Part Third, Section 23.