

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
128<sup>TH</sup> 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

# STATE OF MAINE

128<sup>TH</sup> LEGISLATURE  
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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 128<sup>th</sup> 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 128<sup>th</sup> 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 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.

*Joint Standing Committee on Taxation*

This amendment was not adopted.

**LD 1180      An Act To Provide a Definition of "Primary Residence" for Purposes of      PUBLIC 273**  
**Property Tax Abatements Based on Hardship or Poverty**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAVIELLO T	OTP	S-282 SAVIELLO T

This bill defines "primary residence" for the purpose of determining abatement of property taxes based on hardship or poverty as the applicant's home, necessary appurtenant structures and reasonable acreage sufficient to support the siting of the homestead.

**Senate Amendment "A" (S-282)**

This amendment revises the definition of "primary residence" as provided in the bill for the purpose of determining abatement of property taxes based on hardship or poverty by specifying that the acreage must satisfy the minimum lot size required by the municipality or, if the municipality has no minimum lot size requirement, the minimum lot size required under the realty subdivision laws.

**Enacted Law Summary**

Public Law 2017, chapter 273 defines "primary residence" for the purpose of determining abatement of property taxes based on hardship or poverty the applicant's home, necessary appurtenant structures and the acreage that is sufficient to satisfy the minimum lot size required by the municipality or, if the municipality has no minimum lot size requirement, the minimum lot size required under the realty subdivision laws.

**LD 1195      An Act To Allow Municipalities To Opt Out of the Collection and      ONTP**  
**Assessment of Personal Property Taxes**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CEBRA R CUSHING A	ONTP	

This bill allows a municipality, by referendum, to exempt all personal property located in that municipality from assessment and collection of tax by that municipality.

**LD 1196      An Act To Assist Seniors and Certain Persons with Disabilities in Paying      CARRIED OVER**  
**Property Taxes**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BAILEY D	OTP-AM	H-236

This bill reinstates the State's property tax deferral program, which was in effect for applications filed before April 1, 1991. The bill modifies the program to include households with at least one individual who is 65 years of age or older or who is retired from gainful employment due to disability and to surviving spouses who are at least 60 years of age or who are retired from gainful employment due to disability and provides that household income must be less than \$40,000. This limit is indexed for inflation in 2019 and annually thereafter. The bill also eliminates provisions requiring accrual of interest on deferred property taxes.

**Committee Amendment "A" (H-236)**