

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
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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 1247 An Act To Repeal the Income Tax on Pick-up Contributions Paid to the Maine Public Employees Retirement System and To Clarify the Taxation of Pick-up Contributions Distributed in the Form of a Rollover **Died On Adjournment**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M	OTP-AM	H-194

This bill, which is submitted by the Department of Administrative and Financial Services, repeals the individual income tax addition modification for state contributions to the Maine Public Employees Retirement System on behalf of the taxpayer and allows the subtraction modification for pick-up contributions distributed to the taxpayer in the form of a rollover to be subtracted from taxable income within a three-year period beginning with the year of the rollover. The changes apply to tax years beginning on or after January 1, 2017.

Committee Amendment "A" (H-194)

This amendment provides that the changes proposed in the bill apply to tax years beginning on or after January 1, 2018 rather than on or after January 1, 2017.

LD 1265 An Act To Allow the Creation of a Local Option Sales Tax by Referendum **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHENETTE J HOGAN G	ONTP	

This bill allows a municipality to impose a local option sales tax of up to 1% by local referendum. The sales tax may be seasonal. The local sales tax applies to the state sales tax base except that certain items, such as motor vehicles and major household appliances are excluded.

See also LDs 741, 915, 1230 and 1522.

LD 1270 An Act To Allow Municipalities To Include Itemized Fees on Property Tax Bills **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MOONEN M	ONTP	

This bill allows a municipality that issues a property tax bill to a taxpayer to include in the tax bill other fees or assessments owed by the taxpayer to the municipality if the other fees and assessments are itemized and distinct from the information on the tax bill that is required by law.

LD 1276 An Act To Change the Exemption Amount under the Estate Tax **Died On Adjournment**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BROOKS H	OTP-AM ONTP	

Joint Standing Committee on Taxation

Under Maine law, the amount of an estate exempt from Maine estate tax is defined as the same amount that is exempt under federal law, which is currently \$5,000,000. Amounts over the exclusion amount are taxed at 8%, 10% and 12% based on the amount of the estate.

This bill specifies that the amount of a Maine estate that is exempt from Maine estate tax is \$1,000,000 for estates of persons dying on or after January 1, 2018. The same tax rates as under the current law are maintained.

Committee Amendment "A" (H-559)

This amendment adds an appropriation to cover the costs of administering the bill. The amendment provides funding for three Senior Revenue Agent positions and related costs to audit and process estate tax returns.

This amendment was not adopted.

LD 1283 An Act To Modernize the Mining Excise Tax

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAVIELLO T		

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

The bill proposes to update the mining tax laws to reflect current terminology and practice and to impose a new rate of tax on mining activities.

This bill was carried over to any special or regular session of the 128th Legislature by joint order, H.P. 1138.

LD 1285 An Act To Tax Political Expenditures Made Immediately before an Election

**Accepted Majority
(ONTP) Report**

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

This bill imposes a 50% tax on the value of a political expenditure made during the two weeks immediately before a primary, general, special or referendum election. "Political expenditure" has the same meaning as "expenditure" for the purpose of campaign finance reports, which includes a purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value made for the purpose of influencing the nomination or election of any person or a ballot measure, such as a so-called people's veto or initiated bill. The tax is imposed on the person making the political expenditure and must be paid within 30 days of making the political expenditure.

Committee Amendment "A" (S-218)

This amendment provides one-time funding for programming costs associated with the new tax proposed in the bill.

This amendment was not adopted.