

# 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

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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 amends the tax credit allowed for employer-assisted day care, which expired at the end of 2015, except for the ability to carry forward unused credits.

This bill revives the credit for tax years beginning in 2017 or later but changes the amount of the credit provided to an employer who provides day care services for the children of its employees, either directly or through payments to a day care operated or licensed by the Department of Health and Human Services. The credit is the lesser of 50% of the employer's income tax liability and 75% of the costs incurred by the employer in providing day care services for children of employees of the taxpayer.

### **Committee Amendment "A" (H-234)**

This amendment incorporates a fiscal note.

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.

<b>LD 1338</b>	<b>An Act To Create and Sustain Jobs through Development of Cooperatives and Employee-owned Businesses</b>	<b>CARRIED OVER</b>
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GROHMAN M CUSHING A		

This bill provides tax benefits for employee-owned businesses and cooperatives in the following ways.

1. It excludes from Maine income tax the amount of gain recognized by a business owner in transferring the business to an employee stock ownership plan, eligible worker-owned cooperative, consumer cooperative or affordable housing cooperative.
2. It excludes from Maine income tax interest from loans that finance transfers of ownership from a business to an employee stock ownership plan, eligible worker-owned cooperative, consumer cooperative or affordable housing cooperative.

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

<b>LD 1405</b>	<b>An Act To Require Remote Sellers To Collect and Remit Sales and Use Tax on Sales into Maine</b>	<b>PUBLIC 245</b>
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COLLINS R PARRY W	OTP-AM OTP-AM	S-181

This bill permits retailers to retain an amount equal to up to 2% of the sales and use taxes they collect.

This bill also requires certain remote sellers to collect and remit to the State the sales or use tax imposed by the State on the sale of tangible personal property for delivery into the State, a product transferred electronically or a service that is taxable by this State. This requirement applies to a person whose gross revenue from delivery of taxable tangible personal property, a product transferred electronically or a service into Maine in the previous calendar year or current calendar year exceeds \$100,000 or to a person that sold taxable tangible personal property, a product transferred electronically or a service into this State in at least 200 separate transactions in the previous calendar year or the current calendar year.

## *Joint Standing Committee on Taxation*

The bill also permits the State to bring an action for a declaratory judgment to establish that the tax collection obligation is valid under state and federal law. If such an action is brought, the court is required to enjoin the State from enforcing the requirement to collect and remit the tax against any person unless that person voluntarily agrees to collect and remit the tax or the person that has previously been adjudicated to be required to collect and remit the tax. If the injunction against the State is lifted, the requirement to collect and remit the sales or use tax may be applied only to prospective sales.

### **Committee Amendment "A" (S-181)**

This amendment, which is the majority report, removes from the bill the provision that authorizes sellers that collect sales and use tax to retain as a collection allowance a portion of the revenue collected.

### **Committee Amendment "B" (S-182)**

This amendment, which is the minority report, changes the amount that may be retained by a seller that collects sales tax to the lesser of \$500 and 1% of the tax collected per filing period.

This amendment was not adopted.

### **Enacted Law Summary**

Public Law 2017, chapter 245 requires certain remote sellers to collect and remit to the State the sales or use tax imposed by the State on the sale of tangible personal property for delivery into the State, a product transferred electronically or a service that is taxable by this State. This requirement applies to a person whose gross revenue from delivery of taxable tangible personal property, a product transferred electronically or a service into Maine in the previous calendar year or current calendar year exceeds \$100,000 or to a person that sold taxable tangible personal property, a product transferred electronically or a service into this State in at least 200 separate transactions in the previous calendar year or the current calendar year.

The law also permits the State to bring an action for a declaratory judgment to establish that the tax collection obligation is valid under state and federal law. If such an action is brought, the court is required to enjoin the State from enforcing the requirement to collect and remit the tax against any person unless that person voluntarily agrees to collect and remit the tax or the person that has previously been adjudicated to be required to collect and remit the tax. If the injunction against the State is lifted, the requirement to collect and remit the sales or use tax may be applied only to prospective sales.

### **LD 1421      Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory**

**RESOLVE 11**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HILLIARD G	OTP-AM	H-195

This resolve, which was submitted by the Department of Administrative and Financial Services, authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the unorganized territory that were acquired by the State due to nonpayment of property taxes.

### **Committee Amendment "A" (H-195)**

This amendment adds an additional property that was authorized for sale in 2016 but did not sell at that time.

### **Enacted Law Summary**

Resolve 2015, chapter 11 authorizes the State Tax Assessor to convey the interest of the State in several parcels of