

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

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

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>

MEMBERS:

SEN. DANA L. DOW, CHAIR
SEN. ANDRE E. CUSHING III
SEN. JUSTIN M. CHENETTE

REP. RYAN TIPPING, CHAIR
REP. STEPHEN S. STANLEY
REP. JANICE E. COOPER
REP. GAY M. GRANT
REP. JOYCE MCCREIGHT*
REP. DENISE A. TEPLER*
REP. MAUREEN FITZGERALD TERRY
REP. GARY L. HILLIARD
REP. BRUCE A. BICKFORD
REP. MATTHEW G. POULIOT
REP. KARLETON S. WARD

*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

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

Joint Standing Committee on Taxation

real estate in the unorganized territory that were acquired by the State due to nonpayment of property taxes.

LD 1450 An Act To Promote Workforce Development and Provide an Economic Stimulus for Maine-based Filmmakers and Supporting Businesses

Died Between Houses

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DESCHAMBAULT S FECTEAU R	OTP-AM ONTP	

This bill was submitted by the Department of Economic and Community Development. This bill makes the following changes to the visual media production certification process, reimbursement and credit:

1. It specifies that a visual media production expense must be for preproduction, production and postproduction work performed in Maine;
2. It increases the cap on wages that can be included as a visual media production expense from \$50,000 per individual to \$75,000 per individual;
3. It increases the reimbursement rate from 12% of certified production wages that are paid to Maine residents and 10% of certified production wages paid to non-Maine residents to 25% of all visual media production expenses, including wages, and specifies that the reimbursement for wages is for all personnel, including filmmakers, cast members and the technical production and postproduction staff of a visual media production company as long as the company has at least \$75,000 in visual media production expenses from the certified production;
4. It repeals the certified visual media production tax credit and caps reimbursement of expenses at \$750,000;
5. It specifies that, in order to be eligible for the visual media production reimbursement, at least 25% of the above-the-line personnel, as well as 50% of the below-the-line personnel, not including extras, must be Maine residents, and either the visual media production expenses exceed 50% of the total production expenses or at least 75% of the total principal photography days occur in Maine; and
6. It specifies that a person claiming the Pine Tree Development Zone tax credit is not eligible to get the visual media production reimbursement.

Committee Amendment "A" (S-228)

This amendment, which was the majority report, makes changes to certain provisions in the bill regarding visual media production reimbursement.

1. It removes the increase in the bill in the cap on wages that can be included as a visual media production expense and excludes wages that are subject to reimbursement under the Maine Employment Tax Increment Financing Program.
2. It removes airfare as a reimbursable visual media production expense.
3. It deletes a provision in the bill that requires an applicant for reimbursement to be a resident of the State.
4. It reduces the minimum amount that a production company must spend to qualify for reimbursement from \$75,000 to \$25,000.
5. It provides that reimbursement for certified production wages is equal to 25% with respect to a resident of the State and 20% with respect to an individual who is not a resident of the State.