

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

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.

Joint Standing Committee on Taxation

6. It eliminates from the bill provisions requiring that certain percentages of production expenses must occur in the State.

7. It retains provisions in current law requiring a visual media production company to report certain information to the Maine State Film Office following completion of the production and deletes reporting requirements added by the bill.

8. It provides that a taxpayer that is certified as a Pine Tree Development Zone business is not eligible for reimbursement.

9. It provides that the changes made by the legislation apply to visual media productions that are certified by the Department of Economic and Community Development on or after the effective date of the Act.

10. It adds definitions necessary for administration of the proposed changes.

This amendment was not adopted.

LD 1461 An Act To Encourage the Construction of Affordable Housing

CARRIED OVER

Sponsor(s)
VOLK A

Committee Report

Amendments Adopted

This bill creates a credit against income tax and insurance premium tax for owners of low-income housing developments that qualify for tax credits under federal law and are financed with tax-exempt bonds, located in the State and determined by the Maine State Housing Authority to be eligible for a federal tax credit whether or not a federal tax credit is allocated to the development. The aggregate amount of credits that may be authorized by the Maine State Housing Authority is \$42,000,000.

A taxpayer who receives the credit must agree to enter a restrictive covenant to maintain and operate the development as low-income housing and follow various federal requirements for 15 years. The tax credit is for six years and has a recapture provision if the basis of the development goes below a certain amount. An insurance company is allowed to apply the credit against the company's insurance premium tax. The Maine State Housing Authority is required to report annually various details of the qualified developments that received a credit for the prior tax year.

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

LD 1479 An Act To Modernize and Improve Maine's Property Tax System

CARRIED OVER

Sponsor(s)
STANLEY S
SAVIELLO T

Committee Report

Amendments Adopted

This bill amends Maine's property tax laws by:

1. Requiring centralized assessment by the Department of Administrative and Financial Services, Maine Revenue Services of complex manufacturing facilities valued at more than \$10,000,000;