

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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*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

1. The credit available to qualified individuals, is equal to the amount of eligible education loan payments made during the tax year, up to the greatest of \$1,000 for individuals having obtained an associate degree, \$2,000 for individuals having obtained a bachelor's degree and \$3,000 for individuals having obtained a graduate degree.
2. A qualified individual must be a full-year Maine resident who has obtained an associate, bachelor's or graduate degree from an accredited Maine or non-Maine community college, college or university after 2007 and who works at least part time in Maine or on a vessel at sea or is deployed for military service in the United States Armed Forces during the taxable year.
3. Loans obtained from related persons, such as family members and certain businesses, trusts and exempt organizations, do not qualify for the credit.
4. The credit for employers of qualified employees is equal to the amount of eligible education loan amounts paid during the taxable year, except that the credit attributable to part-time employees is limited to 50% of the credit otherwise determined.

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

LD 1548 An Act To Establish the Let's Grow Maine Program

**Died Between
Houses**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HAMANN S LANGLEY B	ONTP OTP-AM	

This bill establishes the Let's Grow Maine Program, to be administered by the Finance Authority of Maine through the use of private sector partners with the purpose of purchasing fruits and vegetables from farm businesses in the State for distribution to schools, senior citizens and individuals with low income. The program is funded through a newly created Food and Farm Fund that will receive dedicated revenue, starting in July 2019, based on 1/2 of the tax revenues from noncigarette smoking tobacco products. The bill increases the tax for noncigarette smoking tobacco products from 20% of the wholesale sales price to 47%, effective January 1, 2018. If the tax on cigarettes is increased on or after January 1, 2018, this tax, as well as the taxes on smokeless tobacco, will be adjusted by a rate that is equivalent to the percentage change in the tax rate for one cigarette.

Committee Amendment "A" (H-492)

This amendment changes administration of the proposed Let's Grow Maine Program from the Finance Authority of Maine to the Department of Agriculture, Conservation and Forestry, deletes provisions increasing taxes on certain tobacco products and provides funding for the program from Temporary Assistance for Needy Families block grant funds.

This amendment was not adopted.

LD 1549 An Act To Create a Tax on the Production of Electricity from Wind Resources

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STEARNS P DAVIS P	ONTP	

Joint Standing Committee on Taxation

This bill creates an excise tax on wind energy producers for the privilege of using wind power to produce electricity from wind resources for sale or trade beginning January 1, 2018. The tax is equal to \$1 per megawatt-hour of electricity produced as measured at the point of interconnection with an electric transmission line. The tax first applies three years after the turbines producing the electricity first begin operation. The tax does not apply to the Federal Government, the State, a county or municipality in the State or any individual producing electricity from wind resources for that individual's personal use.

Revenue from the tax is transferred to a newly created Wind Energy Impact Fund to be administered by the Public Utilities Commission. The commission is required to establish a process for distribution of revenues to ratepayers in areas affected by the wind energy production that is subject to the tax.

LD 1550 An Act To Tax Sugar-sweetened Beverages To Fund Programs To ONTP
Provide Resources for Veterans and Others

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HAMANN S MILLETT R	ONTP	

This bill establishes an excise tax on sugar-sweetened beverages, including syrups and powders used to make sugar-sweetened beverages. The tax is imposed on distributors. Funds from the excise tax must be used to support the Drug Court Fund, the Veterans Fund, the Head Start Fund, the Drug Treatment Fund, the Obesity and Chronic Disease Fund, Healthy Food Access Fund, the After-school Program Fund and the Maine Drinking Water Fund.

LD 1551 An Act To Amend the Maine Tax Laws PUBLIC 211

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BICKFORD B	OTP-AM	H-463

This bill is submitted by the Department of Administrative and Financial Services and makes changes to numerous provisions of tax laws.

Part A makes the following changes to the administration of the tax laws.

1. It adds a tax information confidentiality exception to allow disclosures by the Maine Revenue Services to the Revenue Forecasting Committee in order to make available relevant tax information in support of the committee's statutory duties.
2. It amends tax lien provisions beginning August 1, 2017 to increase the State's ability to be first in line in priority ahead of certain other creditors for payment on a tax debt. The changes also clarify that the new lien provision does not affect liens related to municipal property taxes.
3. It amends the general provision for the annual calculation of the interest rate applicable to the Maine Revised Statutes, Title 36 tax underpayments and overpayments, effectively reducing the applicable interest rate.
4. It adds an exclusion to allow the public disclosure of information, except when the statute specifically designates the information as confidential.
5. It broadens an existing authorization for disclosure of confidential tax information to allow disclosures to the Department of Administrative and Financial Services, Division of Financial and Personnel Services, as well as to