

MAINE STATE LEGISLATURE

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STATE OF MAINE
128TH LEGISLATURE
FIRST SPECIAL, SECOND REGULAR AND SECOND SPECIAL SESSIONS



Summaries of bills, adopted amendments and laws enacted or finally passed

JOINT STANDING COMMITTEE ON TAXATION

October 2018

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STATE OF MAINE

128TH LEGISLATURE

FIRST SPECIAL, SECOND REGULAR AND SECOND SPECIAL SESSIONS



LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contain summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Special, Second Regular and Second Special Sessions 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 dates for non-emergency legislation enacted in the First Special, Second Regular or Second Special Sessions of the 128th Legislature are: Monday, February 5, 2018; Wednesday, August 1, 2018; and Thursday, December 13, 2018, respectively. 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

education loans during the taxable year and 15% of the outstanding eligible education loan debt on the date the first education loan payment is made after a degree is earned.

3. It changes the calculation of the credit for employers to the lesser of the amount paid by an employer on behalf of a qualified employee during the taxable year during the term of employment and 20% of the outstanding eligible education loan debt on the date the first education loan payment is made after December 31, 2018.

4. It provides that the credit is available to the spouse of an individual eligible for a credit even if the spouse is not employed.

5. It provides income tax deductions for student loan payments made directly to a lender by an employer on behalf of a qualified employee and payments made directly to a lender on behalf of a taxpayer by a student loan repayment program funded by a nonprofit foundation and administered by the Finance Authority of Maine for residents of the State employed by a business located in the State.

House Amendment "A" (H-721)

This amendment corrects the definition of "educational opportunity tax credit" to reflect the new credit for student loan repayment.

Senate Amendment "A" To Committee Amendment "A" (S-478)

This amendment provides that the annual credit may include loan amounts paid in excess of the amount due during a taxable year. The amendment also provides that credits in excess of those that may be used during a taxable year may be carried over for the next succeeding five years. This amendment also makes technical corrections.

LD 1565 An Act To Ensure the Effectiveness of Tax Increment Financing

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WARD K VOLK A	ONTP	

This bill was carried over from the First Regular Session to the Second Regular Session of the 128th Legislature.

This bill was submitted by the Department of Economic and Community Development. It provides that beginning with tax increment financing development programs approved by DECD on or after April 1, 2018, at least 80% of the area within the district must be designated for development by an entity engaged in a qualified business activity that is directly related to financial services, manufacturing or targeted technologies.

LD 1597 An Act To Exempt from Sales Tax the Fee Associated with the Paint Stewardship Program

PUBLIC 438

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BREEN C TUCKER R	OTP-AM ONTP	S-183 S-514 HAMPER J

This bill was reported out of committee in the First Regular Session of the 128th Legislature and then carried over to the Second Regular Session on the Special Appropriations Table. The bill was again carried over, still on the Special Appropriations Table, from the Second Regular Session to the next special session by joint order S.P. 748.

This bill exempts from the sales and use tax the fee imposed to fund the paint stewardship program, regardless of

Joint Standing Committee on Taxation

whether the fee is paid by a retailer or distributor or passed on to the consumer.

Committee Amendment "A" (S-183)

This amendment provides for proper administration of the exclusion from sales tax of the paint stewardship assessment by providing that the assessment is excluded from the sale price to which the sales tax applies. The amendment includes an effective date and application provision.

Senate Amendment "A" To Committee Amendment "A" (S-514)

This amendment changes the effective date from December 1, 2017 to December 1, 2018.

Enacted Law Summary

Public Law 2017, chapter 438 excludes the paint stewardship assessment from sales tax by providing that the assessment is not included in the sale price to which the sales tax applies. The exclusion takes effect December 1, 2018.

LD 1599 An Act To Improve the Maine Tree Growth Tax Law

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STANLEY S	ONTP	

This bill was carried over from the First Regular Session to the Second Regular Session of the 128th Legislature.

This bill, which is a Governor's bill, makes the following changes to the Maine Tree Growth Tax Law.

1. It includes harvesting as an expressly stated purpose for land in the Maine Tree Growth Tax Law program.
2. It removes certain items from the definition of forest products that have commercial value under the Maine Tree Growth Tax Law program.
3. It increases the minimum parcel size from 10 acres to 25 acres for the Maine Tree Growth Tax Law program for parcels enrolled on or after April 1, 2018.
4. It authorizes the Department of Agriculture, Conservation and Forestry, Bureau of Forestry to audit parcels of land enrolled in the Maine Tree Growth Tax Law program to ensure compliance of the landowner with the requirements of the program and that the parcel is being managed in substantial compliance with the forest management and harvest plan for that parcel. The bureau is required to order the removal from the program of any parcel that is not substantially compliant with the requirements of the program. The owner of that removed parcel may apply to reclassify the parcel under the farm and open space tax law in the Maine Revised Statutes, Title 36, chapter 105, subchapter 10. The audit provisions are repealed January 1, 2020.
5. It requires the State Tax Assessor to deny reimbursement to a municipality if any parcel of land enrolled in the Maine Tree Growth Tax Law program is not compliant with the program.

At the request of the Joint Standing Committee on Taxation at the end of the First Regular Session, a task force of interested parties was appointed to review the issues addressed in the bill. The task force reported to the Committee in February 2018 and recommended no statutory changes at that time.

See also LD 1891, summarized below.