

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

This bill, submitted by the Department of Administrative and Financial Services, makes the following changes to the sales and use tax laws.

Part A moves the point of taxation with respect to leases of tangible personal property from a use tax on the lessor to a sales tax on each lease payment, in order to simplify the law and provide consistency with the tax treatment of leases in other states that impose a sales tax. It updates the Maine Revised Statutes, Title 36, Part 3 to include leases, rentals and lessors in many existing provisions regarding sales and sellers and to add new provisions regarding leases, rentals and lessors that correspond to existing provisions regarding sales and sellers. It also updates sales tax exemptions that currently exempt sales to certain entities to also exempt leases and rentals to those entities. It sources the first lease or rental payment to this State for taxation when the property is received in this State. Subsequent payments are sourced to this State as long as the primary property location for the period covered by the payment is in this State. It applies to sales occurring, and lease or rental agreements executed, on or after January 1, 2018.

Part B clarifies when owners of property that has been used outside of Maine are liable for a use tax when the property is brought into Maine. It updates several provisions, enacting a clear 90-day standard for use in Maine to give rise to a use tax liability. It applies to sales occurring, and lease or rental agreements executed, on or after January 1, 2018.

Part C terminates, as of December 31, 2017, the ability to claim a motor vehicle excise tax reimbursement for rental vehicles.

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

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

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

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.

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

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

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.

Joint Standing Committee on Taxation

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.

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

LD 1600 An Act To Establish an Opioid Addiction Prevention and Rehabilitation Treatment Program Funded by a Tax Imposed upon the Sale of Opioids **Accepted Majority (ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL M BELLOWS S	ONTP OTP-AM	

This bill establishes the Opioid Addiction Prevention and Rehabilitation Program, to be funded by revenue generated by a tax imposed on the sale and distribution of products that contain opioids at the rate of 1¢ per milligram of active opioid ingredient.

Committee Amendment "A" (H-388)

This amendment, which was the minority report, provides that the tax on opioids that the bill proposes must be paid by manufacturers of opioids that are distributed in the State and changes the rate of tax to 0.1¢ per morphine milligram equivalent. The amendment removes wholesalers from the provisions of the bill and a provision basing the tax on the first sale within the State. The amendment excludes from the tax opioids that are used in medication-assisted treatment of substance use disorder and directs the Maine Board of Pharmacy to provide a list of those medications to the State Tax Assessor annually.

The amendment strikes from the bill the section establishing the Opioid Addiction Prevention and Rehabilitation Program and provides that revenue from the tax must be deposited in a special account to be used by the Department of Health and Human Services for the Opioid Health Home Program.

The amendment authorizes the State Tax Assessor to adopt rules to facilitate administration of this tax including requiring pharmacies or other persons in the State to provide information identifying manufacturers of opioids distributed in the State and the volume of opioids distributed by each manufacturer.