

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 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

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. DENISE A. TEPLER
REP. MAUREEN FITZGERALD TERRY
REP. GARY L. HILLIARD
REP. BRUCE A. BICKFORD
REP. MATTHEW G. POULIOT
REP. KARLETON S. WARD

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

LD 1734 An Act To Clarify the Sales Tax Exemption for Vehicles Used in Interstate or Foreign Commerce

INDEF PP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
THIBODEAU M GIDEON S	OTP-AM	

This bill clarifies the exemption from sales and use tax for instrumentalities of interstate or foreign commerce by specifying that property waiting to be loaded or unloaded or not being used while being repaired or maintained is considered to be placed in use in interstate or foreign commerce as long as the intended next use of that property is interstate or foreign commerce. This bill provides that a trailer being used by an entity other than the owner is eligible for the exemption as long as there is a written transportation agreement between the owner and the other entity. This bill provides a definition of "interstate or foreign commerce" that is the same as the definition of "interstate commerce" in the Federal Motor Carrier Safety Regulations. This bill also specifies that the changes made in the bill apply to any ongoing audit or investigation being conducted by the Department of Administrative and Financial Services, Bureau of Revenue Services that is not final by the effective date of the bill.

Committee Amendment "A" (S-438)

This amendment clarifies the calculation of the period during which property eligible for the sales tax exemption is placed in interstate or foreign commerce or intrastate commerce. The amendment provides that a trailer, semitrailer or tow dolly being used by an entity other than the owner is eligible for the exemption as long as there is a written interchange agreement between the owner and the other entity and the transportation being provided is interstate in nature. The amendment adds a definition of "dispatch." The amendment also provides that the changes made in the bill apply retroactively to purchases made on or after January 1, 2012.

The provisions of this bill, as amended by Committee Amendment "A" (S-438), were included in LD 1805, summarized below, which was enacted into law as Public Law 2017, chapter 375.

LD 1744 An Act To Create a Credit under the Commercial Forestry Excise Tax for Landowners Using Businesses Based in the United States

Veto Sustained

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T STANLEY S	OTP-AM ONTP	S-395 S-412 JACKSON T

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

This bill is a concept draft pursuant to Joint Rule 208.

The bill proposes an income tax credit for businesses located in the United States that employ Maine residents who are engaged in logging and trucking in Maine.

Committee Amendment "A" (S-395)

This amendment is the majority report of the Committee. It replaces the bill and provides a credit against the commercial forestry excise tax for landowners who are based in the United States and who employ and retain businesses or contractors that are based in the United States, that employ at least 75% United States residents and that are current in the payment of all state and local taxes. The amendment also requires recapture of the credit if a recipient is found to have been ineligible.

Joint Standing Committee on Taxation

Senate Amendment "A" To Committee Amendment "A" (S-412)

This amendment clarifies that a business employed by a landowner in the harvesting of timber is not required to be assessed personal property taxes in order for the landowner to be eligible for the credit.

LD 1755 An Act To Provide a Sales Tax Exemption for Nonprofit Heating Assistance Organizations

PUBLIC 399

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HERBIG E THIBODEAU M	OTP-AM	H-679

This bill provides an exemption from the sales and use tax to incorporated nonprofit organizations whose purpose is to provide residential heating assistance to low-income individuals.

Committee Amendment "A" (H-679)

This amendment replaces the bill. The amendment provides a sales and use tax exemption to organizations that have been determined by the United States Internal Revenue Service to be exempt from taxation under Section 501(c)(3) of the federal Internal Revenue Code of 1986 and whose primary purpose is to provide residential heating assistance to low-income individuals. It also establishes an effective date of October 1, 2018.

Enacted Law Summary

Public Law 2017, chapter 399 provides a sales and use tax exemption beginning October 1, 2018 to organizations that have been determined by the United States Internal Revenue Service to be exempt from taxation under Section 501(c)(3) of the federal Internal Revenue Code of 1986 and whose primary purpose is to provide residential heating assistance to low-income individuals.

LD 1758 An Act To Strengthen Maine Families with Children by Changing the Income Tax Laws

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FREDETTE K JACKSON T	ONTP	

This bill, for tax years beginning in or after 2018:

1. Doubles the amount of the earned income tax credit a taxpayer may claim to 10% of the federal earned income credit; and
2. Enacts a new child tax credit to allow a taxpayer a credit in an amount equal to the federal child tax credit, which is an amount up to \$1,000 for each qualifying child the taxpayer supports during the tax year. The credit is refundable only to the extent that the federal additional child tax credit is refundable and only for individuals filing as residents or part-year residents.

See also LD 1655, summarized above.