

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
129<sup>TH</sup> LEGISLATURE  
FIRST SPECIAL AND SECOND REGULAR SESSIONS



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

**JOINT STANDING COMMITTEE ON TAXATION**

November 2020

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# STATE OF MAINE

129<sup>TH</sup> 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 129<sup>th</sup> 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 129<sup>th</sup> Legislature is Thursday, September 19, 2019. 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 was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill provides an income tax exemption for military compensation for active duty service by members of the Armed Forces of the United States, including reserve components, when that service is performed within the State.

### **Committee Amendment "A" (S-31)**

This amendment incorporates a fiscal note.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

<b>LD 73</b>	<b>An Act To Provide an Income Tax Deduction for Certain Student Loan Payments Made Directly to a Lender on Behalf of a Taxpayer</b>	<b>CARRIED OVER</b>
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M TIPPING R	OTP-AM	S-219

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill provides an income tax credit for certain student loan repayments made by the Finance Authority of Maine or an entity managed or administered by the Finance Authority of Maine. The credit is equal to the amount an individual is required to include in federal adjusted gross income as the result of student loan payments made directly to the individual's student loan lender by the Finance Authority of Maine, or an entity managed or administered by the Finance Authority of Maine, for residents of the State employed by a business located in the State multiplied by the individual's highest federal marginal income tax rate.

### **Committee Amendment "A" (S-219)**

This amendment strikes the provisions of the bill and provides an income tax deduction for student loan 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. The amendment also adds an appropriations and allocations section.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

<b>LD 85</b>	<b>An Act To Establish a Sales Tax Exemption for the Purchase of Firearm Safety Devices</b>	<b>CARRIED OVER</b>
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COREY P DIAMONDB	OTP-AM	H-59

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill provides a sales tax exemption for the purchase of firearm safety devices and an income tax deduction of

## *Joint Standing Committee on Taxation*

up to \$250 for the purchase of a safe or lockbox for securing firearms.

### **Committee Amendment "A" (H-59)**

This amendment strikes the bill and instead establishes a sales tax exemption for a safe, lockbox, trigger lock or barrel lock that is specifically designed for securing firearms.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

<b>LD 104</b>	<b>An Act To Replace the Earned Income Tax Credit with the Maine Work Credit</b>	<b>CARRIED OVER</b>
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VITELLIE	OTP-AM	S-297
TEPLER D	OTP-AM	

This bill was carried over on the Special Appropriations Table from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill expands the earned income tax credit by increasing the credit from 5% to 15% of the federal earned income tax credit and extending the credit to persons from 18 to 24 years of age who have no qualifying child. This bill also requires the Department of Labor, Bureau of Labor Standards to provide a poster or notice to employers that states that employees may be eligible for the earned income tax credit. This bill requires employers to post the poster or notice in a place that is accessible to the employers' employees.

### **Committee Amendment "A" (S-297)**

This amendment, which is the majority report of the committee, replaces the provisions of the bill amending the earned income tax credit with the Maine work credit. The Maine work credit is similar to the federal earned income tax credit but uses different factors for calculating the credit that are intended to produce a state credit for individuals with qualifying children that is approximately 23% of the federal credit and for individuals with no qualifying children that is approximately 70% of the federal credit. The amendment also provides eligibility for individuals who are at least 18 years of age but less than 25 years of age who have no qualifying children and creates a minimum credit for students and eligible caregivers. The amendment also adds an appropriations and allocations section.

### **Committee Amendment "B" (S-298)**

This amendment, which is the minority report of the committee, expands the earned income tax credit by increasing the credit from 5% of the federal earned income tax credit to 60% for individuals with no qualifying children and 15% of the federal earned income tax credit for all other eligible individuals for tax years beginning in 2020 and increasing each year until it reaches 23% for tax years beginning in 2023 and after. This amendment also adds an appropriations and allocations section. This amendment was not adopted.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.