

MAINE STATE LEGISLATURE

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STATE OF MAINE
129TH 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

129TH 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 129th 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 129th 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

machinery, provides administrative provisions for the Bureau of Revenue Services to enforce the exemption and verify required state reimbursement amounts and requires the State to reimburse municipalities for 100% of property taxes lost as a result of the increase in the exemption. This amendment also includes 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.

LD 268 An Act To Create a Credit under the Commercial Forestry Excise Tax Veto Sustained
for Landowners Using Businesses Based in the United States

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T TIPPING R	OTP-AM	S-218 S-277 JACKSON T

This bill 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 bill also requires recapture of the credit if a recipient is found to have been ineligible.

Committee Amendment "A" (S-218)

This amendment requires a landowner seeking the credit against the commercial forestry excise tax to obtain affidavits indicating that businesses or contractors retained by the landowner are based in the United States, that at least 75% of their employees are United States residents and that they are current in the payment of all state and local taxes. It makes other technical changes to the bill.

Senate Amendment "A" To Committee Amendment "A" (S-277)

This amendment changes the starting date for the credit to tax years based on the status of property on or after April 1, 2022, and changes the percentage of employees who must be residents of the United States from 75% to 90% for the first two years of the credit.

This bill was passed to be enacted by the Legislature and then held by the Governor at the end of the First Regular Session of the 129th Legislature.

LD 286 An Act To Provide a Sales Tax Exemption for Menstrual Products CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TEPLER D BREEN C	OTP-AM	H-58

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 on the purchase of feminine hygiene products.

Committee Amendment "A" (H-58)

This amendment changes the term used to describe the products subject to exemption and changes the definition to that in the federal Streamlined Sales and Use Tax Act to simplify multistate administration.

Joint Standing Committee on Taxation

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.

LD 335 An Act To Require the State To Distribute 12 Percent of Adult Use Marijuana Retail Sales and Excise Tax Revenue to Generating Municipalities **CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WARREN C DESCHAMBAULTS	OTP-AM ONTP	H-484 S-287 SANBORN H

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 allocates 25% of the gross sales and excise tax revenue generated by adult use marijuana establishments in the State to the municipalities where the revenue was generated and makes a reduction to the amount deposited in the Adult Use Marijuana Public Health and Safety Fund.

Committee Amendment "A" (H-484)

This amendment, which is the majority report of the committee, changes from 25% to 12% the amount of sales tax and excise tax revenue generated by adult use marijuana establishments required to be transferred to the municipalities where the revenue was generated after the transfer to the Adult Use Marijuana Public Health and Safety Fund and the deduction of state administrative costs. The amendment also adds an appropriations and allocations section.

Senate Amendment "A" To Committee Amendment "A" (S-287)

This amendment makes technical changes to the bill, as amended by Committee Amendment "A," that are necessitated by recent changes to the laws governing adult use marijuana that were enacted in Public Law 2019, chapter 231.

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

LD 403 An Act To Prevent Tax Haven Abuse **CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R JACKSON T		

This bill was carried over in committee from the First Regular Session of the 129th Legislature by joint order, H.P. 1322.

This bill requires corporations that file unitary income tax returns in Maine to include income from certain jurisdictions outside the United States in net income when apportioning income among tax jurisdictions. The State Tax Assessor is required to adopt major substantive rules to determine the income or loss attributable to such corporations and to prevent double taxation or deduction of income. The assessor is required to submit an annual report to the joint standing committee of the Legislature having jurisdiction over taxation matters regarding whether