

MAINE STATE LEGISLATURE

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STATE OF MAINE
129TH LEGISLATURE
FIRST REGULAR SESSION



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

JOINT STANDING COMMITTEE ON TAXATION

August 2019

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STATE OF MAINE

129TH 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 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

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.

LD 276 An Act To Provide Equity in the State Income Tax Deduction for Maine ONTP Public Employees Retirement System Pensions

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MIRAMANT D MCCREIGHT J	ONTP	

This bill provides an income tax deduction for retirement benefits under state, local or federal government retirement plans that are based on employment compensation for which contributions are not made to the federal Social Security system.

See also LD 162.

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 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 model Streamlined Sales and Use Tax Agreement to simplify multistate administration.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

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

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

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)

Joint Standing Committee on Taxation

This amendment 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. (See LD 1652 summarized below.)

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 393 An Act To Change the Eligibility Requirements for the Property Tax ONTP **Fairness Credit**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COOPER J DESCHAMBAULT S	ONTP	

This bill changes the formula for calculation of the property tax fairness credit to expand the credit to residents whose property taxes or rent constituting property taxes on homestead property exceeds 5%, rather than 6% in current law, of the residents' income for tax years beginning on or after January 1, 2020.

Part H of the biennial budget, PL 2019, chapter 343, makes the change provided in this bill.

See also LDs 669, 887, 957 and 1158.

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 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 jurisdictions should be added to or deleted from the list of tax havens based on specified criteria.

This bill was carried over to any special or regular session, or both, of the 129th Legislature by joint order, H.P. 1322.

LD 420 An Act To Amend the Maine Exclusion Amount in the Estate Tax CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COLLINGS B CHIPMAN B	OTP-AM ONTP	