

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
129<sup>TH</sup> 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

129<sup>TH</sup> 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 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*

The bill modifies the program to include households with at least one individual who is 65 years of age or older or who retired from gainful employment due to physical disability and to surviving spouses who are at least 60 years of age and provides that household income must be less than \$40,000. This limit is indexed for inflation in 2020 and annually thereafter.

The bill limits the total amount of property taxes that a taxpayer may defer to 80% of the taxpayer's equity in the property and requires the Finance Authority of Maine to establish a loan program to ensure adequate funding of reimbursements to municipalities.

See also LDs 682, 751, 1145 and 1242.

**LD 560      An Act To Improve Access to Property Tax Exemptions for New Homeowners**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GROHOSKI N	OTP-AM ONTP	H-77 H-194 GROHOSKI N

This bill provides that a permanent resident of the State who owns a homestead in the State does not need to own a homestead for the preceding 12 months in order to qualify for the Maine resident homestead property tax exemption.

**Committee Amendment "A" (H-77)**

This amendment, which was the majority report of the committee, provides that the bill's expansion of the homestead property tax exemption to include persons who have not owned a homestead for the preceding 12 months first applies for property tax years beginning on or after April 1, 2020. The amendment also adds an appropriations and allocations section.

**House Amendment "A" To Committee Amendment "A" (H-194)**

This amendment increases the state reimbursement rate of property taxes lost due to such participation to 100% for the first year the exemption is received; thereafter, the rate of state reimbursement returns to the current rate of 62.5%.

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 561      An Act To Exempt from Taxation Certain Out-of-state Pensions**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BLUME L	ONTP	

This bill exempts from Maine income tax certain income from out-of-state pensions in order to avoid double taxation of that income. The exemption is only for the amount of the contribution made by the taxpayer divided by the life expectancy of the taxpayer and applies only if the income is included in federal adjusted gross income and not deducted under the general pension deduction.

In order to qualify for the exemption, the contribution must have been made using income on which income tax was paid and is available only if the state in which the taxpayer resided at the time of the contribution provides a similar exemption to a former resident of Maine.