

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

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.

Joint Standing Committee on Taxation

See also LD 1019.

LD 564 An Act To Encourage the Installation of Solar Panels on Residential Property CARRIED OVER

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

This bill provides a property tax exemption for solar panels and associated equipment installed on residential property that qualifies for a homestead exemption.

See also LDs 922, 1191 and 1430.

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

LD 604 An Act To Create an Electric Vehicle Tax Credit ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHENETTE J TERRY M	ONTP	

This bill provides an income tax credit for the purchase of a new plug-in electric-drive motor vehicle that is eligible for a federal income tax credit. The credit is \$300 plus \$50 for each kilowatt-hour of battery capacity in excess of five kilowatt-hours up to a maximum credit of \$1,500.

LD 607 An Act To Provide Equitable Taxation for the Food and Beverage Industry CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GUERIN S	OTP-AM ONTP	S-280

This bill allows a deduction from Maine individual and corporate taxable income equal to the reduction in salaries and wages expense for federal income tax purposes associated with the taxpayer's federal credit for employer social security tax on employee cashed tips. Under current Maine law, when an employer takes the credit available under the federal Internal Revenue Code, the employer receives neither a Maine credit nor a return of the federal disallowed deduction for Maine taxable income purposes; such a deduction is allowed from Maine taxable income for the work opportunity credit and empowerment zone employment credit. This bill makes Maine's treatment consistent across the three federal credits.

Committee Amendment "A" (S-280)

This amendment, which is the majority report of the committee, provides the correct references to the provision of federal law that causes the need for the deductions authorized by the bill and specifies that the deductions apply beginning with the 2019 tax year.

This bill was reported out of committee and then carried over to any special or regular session, or both, of the 129th