

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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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

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

Joint Standing Committee on Taxation

Legislature on the Special Appropriations Table by joint order, H.P. 1322.

LD 609 An Act To Provide Municipalities Additional Sales Tax Revenue from Lodging Sales CARRIED OVER

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

This bill provides an incremental sales tax of 1% for those sales currently subject to the 9% sales tax on lodging. The incremental revenue, after reduction for administrative costs, is returned to the municipality or unorganized territory to which the revenue is attributable. The amount received may not be used to reduce any other state aid or revenue sharing to municipalities or the unorganized territory.

See also LDs 65, 156, 1110 and 1254.

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

LD 625 An Act To Phase Out the Insurance Premium Tax on Annuities CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STANLEY S DOW D	OTP-AM	H-32

This bill phases out the insurance premium tax on annuity considerations over four years beginning in 2020. During the phase-out period, the prescribed rate applies only if the insurer credits the savings from the rate reductions to annuity holders. The bill also specifies that certain deductions related to annuities may be deducted from annuity considerations for tax periods beginning on or after January 1, 2020.

Committee Amendment "A" (H-32)

This amendment changes the phase-out of the insurance premium tax on annuity considerations from four years to nine years and provides that during the phase-out period the retaliatory tax on non-Maine insurance companies does not apply. The amendment also adds an appropriations and allocations section.

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 645 RESOLUTION, Proposing an Amendment to the Constitution of Maine To Cap the Property Tax on the Primary Residence of Certain Residents Who Are 65 Years of Age or Older ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CRAVEN M	ONTP	

This resolution proposes to amend the Constitution of Maine to authorize the Legislature to require municipalities to cap property taxes on property owned and occupied as a person's primary residence if that person is at least 65 years of age and the household income for the residents of the property does not exceed 400% of the federal poverty level. The tax would be stabilized at the amount assessed on the property on the later of the date by which the