

# MAINE STATE LEGISLATURE

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

129<sup>TH</sup> 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 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*

**LD 564      An Act To Encourage the Installation of Solar Panels on Residential Property      ONTP**

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

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

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

**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>
GUERINS	OTP-AM ONTP	S-280

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 allows a deduction from Maine individual and corporate taxable income for the federal tax credit 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 again carried over, still on the Special Appropriations Table, to any special session of the 129th Legislature by joint order, S.P. 788.

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

## *Joint Standing Committee on Taxation*

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.

This bill, which had been voted (OTP-A/ONTP) but not yet reported out of committee, was carried over in committee to any special session of the 129th Legislature by joint order, S.P. 788.

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

### **LD 660      An Act To Exempt Sales to Parent-Teacher Organizations from the Sales Tax**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MASTRACCIO A	OTP-AM	H-183

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 to a parent-teacher organization organized as a public benefit corporation.

#### **Committee Amendment "A" (H-183)**

The amendment adds 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.