

# 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*

person attained 65 years of age or purchased the property. Upon transfer of the property to someone other than a family member of the owner, the property would assume the just value at the time of transfer. The State would be required to reimburse a municipality for any revenue lost due to the cap on property taxes.

See also LD 812.

**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 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 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 669      An Act To Provide Housing Relief for Maine Families and Seniors      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MORALES V	ONTP	

This bill replaces the property tax fairness credit with a refundable housing relief credit for tax years beginning on or after January 1, 2020.

Resident individuals are eligible for the housing relief credit if their income is equal to or less than the area median income identified by the federal Department of Housing and Urban Development. The credit is equal to the amount by which a resident individual's housing cost exceeds 25% of the individual's income. Housing cost includes payments made for the purpose of maintaining a homestead, including property tax payments, property insurance payments, mortgage payments, rent payments and payments for heat, electricity, water and sewer, including well and septic maintenance. The maximum credit is \$3,000 for resident individuals under 70 years of age as of the last day of the taxable year or \$4,000 for resident individuals 70 years of age and older as of the last day of the taxable year.

See also LDs 393, 887, 957 and 1158.

**LD 682      An Act To Provide Seniors and Certain Persons with Disabilities Assistance with Property Taxes through the Deferral of Those Taxes      CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BAILEY D	OTP-AM	H-443

This bill reinstates the State's property tax deferral program, which was in effect for applications filed before April 1, 1991. The bill modifies the program to include households with at least one individual who is 65 years of age or

## *Joint Standing Committee on Taxation*

older or who is unable to continue employment due to disability and to surviving spouses who are at least 60 years of age or who are unable to continue employment due to disability and provides that income must be less than \$40,000. This income limit is indexed for inflation in 2021 and annually thereafter. The bill also changes the rate of accrual of interest on deferred property taxes from 6% to the prime rate published in the Wall Street Journal rounded up to the next whole percent minus one percentage point. The bill adds a maximum liquid asset standard for eligibility of property owners and provides that property may not be subject to deferral under both the state deferral program and a municipal deferral program.

### **Committee Amendment "A" (H-443)**

This amendment makes changes to clarify provisions of the State's property tax deferral program and to facilitate the administration of the deferral of property taxes for seniors and certain persons with disabilities, including expanding the authority of guardians to include an agent under a power of attorney or pursuant to a protective arrangement or any other lawful order. The amendment adds an appropriations and allocations section.

See also LDs 529, 751, 1145 and 1242.

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.

<b>LD 709</b>	<b>An Act To Exempt Certain Meals Provided to Food Service Employees from the Sales and Use Tax</b>	<b>CARRIED OVER</b>
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BERRY S VITELLI E	OTP-AM	H-328

This bill exempts from sales and use tax meals, up to a maximum cost to the employer of \$6 per day, provided to an employee of an eating establishment while that employee is working. It provides that, beginning in 2020, the amount of the exemption must be adjusted for inflation.

### **Committee Amendment "A" (H-328)**

This amendment provides that the tax exemption applies to meals that are provided at no cost to an employee who is actually working as a food service employee and that the exempted meals do not include alcoholic beverages. The amendment also removes the maximum meal cost limitation and inflation indexing provisions and allocates the exemption to a more appropriate subsection.

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.

<b>LD 725</b>	<b>An Act To Provide an Income Tax Credit To Encourage Small Business Hiring</b>	<b>ONTP</b>
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FAY J HERBIG E	ONTP	

This bill provides an income tax credit for employers with an average of 25 or fewer full-time employees during a tax year. The credit is equal to the amount of federal social security tax and Medicare tax paid by the employer for the first 40 hours of employment for new employees who are employed for at least 12 consecutive months for year-round jobs or at least two consecutive seasons for seasonal jobs.