

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

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

MEMBERS:

SEN. BEN CHIPMAN, CHAIR
SEN. HEATHER SANBORN
SEN. MATTHEW POULIOT

REP. RYAN TIPPING, CHAIR
REP. STEPHEN S. STANLEY
REP. MAUREEN FITZGERALD TERRY
REP. KRISTEN SARA CLOUTIER
REP. DIANE M. DENK
REP. ANN HIGGINS MATLACK
REP. DONALD G. MAREAN
REP. BRUCK A. BICKFORD
REP. HAROLD TREY STEWART*
REP. THEODORE JOSEPH KRYZAK, JR.
REP. PHILIP CURTIS*

STAFF:

JULIE JONES, SENIOR LEGISLATIVE ANALYST
OFFICE OF FISCAL AND PROGRAM REVIEW
5 STATE HOUSE STATION
AUGUSTA, ME 04333-0005
(207) 287-1635
<http://legislature.maine.gov/ofpr>

*Committee member for a portion of the session

STATE OF MAINE

129TH 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 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

This bill sets the annual property tax on equipment for water well drilling owned by a licensed well driller at \$2,500 for tax years beginning January 1, 2020 and thereafter.

Committee Amendment "A" (H-442)

This amendment strikes and replaces the bill and provides that water well drilling equipment attached to a self-propelled vehicle is not considered part of the motor vehicle for purposes of the motor vehicle excise tax.

Enacted Law Summary

Public Law 2019, chapter 430, provides that water well drilling equipment attached to a self-propelled vehicle is not considered part of the motor vehicle for purposes of the motor vehicle excise tax.

LD 887 An Act To Improve the Property Tax Fairness Credit

ONTP

Sponsor(s)

BLUME L

Committee Report

ONTP

Amendments Adopted

This bill increases the maximum credit available under the property tax fairness credit to \$2,000 for resident individuals, regardless of age. Current law provides a maximum credit of \$750 for resident individuals under 65 years of age and \$1,200 for resident individuals 65 years of age and older. This bill also removes the inclusion of benefits received under the federal Social Security Act and railroad retirement benefits from being included as income for purposes of determining the credit. The credit is fully refundable after the application of nonrefundable credits.

Part H of the biennial budget, PL 2019, chapter 343, changes the formula for calculation of the property tax fairness credit to expand the credit to residents whose property taxes or rent constituting property taxes on homestead property exceeds 5%, rather than 6% in current law, of the residents' income for tax years beginning on or after January 1, 2020.

See also LDs 393, 669, 957 and 1158.

LD 892 Resolve, To Require the Examination of Alternatives to the Service Provider Tax

RESOLVE 81

Sponsor(s)

VITELLI E
MCCREIGHT J

Committee Report

OTP-AM

Amendments Adopted

S-289

This bill repeals the service provider tax for so-called MaineCare Appendix C private nonmedical institutions, which are residential care facilities maintained wholly or partly for the purpose of providing residents with medical and remedial treatment services. The service provider tax continues to apply to private nonmedical institution services that are provided by MaineCare Appendix B, D, E or F private nonmedical institutions.

Committee Amendment "A" (S-289)

This amendment replaces the bill with a resolve that directs the Department of Health and Human Services in partnership with the Department of Administrative and Financial Services and other state agencies that the departments determine should be included to examine the service provider tax and alternatives to the tax and submit a report on their findings to the Joint Standing Committee on Taxation by March 1, 2020. The committee is authorized to submit a bill to the Second Regular Session of the 129th Legislature.

Joint Standing Committee on Taxation

See also LD 465.

Enacted Law Summary

Resolve 2019, chapter 81, directs the Department of Health and Human Services in partnership with the Department of Administrative and Financial Services and other state agencies that the departments determine should be included to examine the service provider tax and alternatives to the tax and submit a report on their findings to the Joint Standing Committee on Taxation by March 1, 2020. The committee is authorized to submit a bill to the Second Regular Session of the 129th Legislature.

LD 903	An Act To Improve Corporate Tax Fairness by Amending the Rates Imposed on Corporate Income	CARRIED OVER
---------------	---	---------------------

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CUDDY S CHIPMAN B		

This bill establishes two new tax brackets and three new rates for corporate income tax purposes for tax years beginning on or after January 1, 2020. Under the bill, corporate income between \$2,000,000 and \$3,000,000 is taxed at the rate of 8.5% and corporate income between \$3,000,000 and \$3,500,000 is taxed at the rate of 8.75%; such income is taxed under current law at the rate of 8.33%. The top tax rate, which is imposed on corporate income over \$3,500,000, is increased from 8.93% to 9%.

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

LD 905	An Act To Exempt Long-term Capital Gains from Income Tax for Certain Income Levels	Accepted Report B (ONTP)
---------------	---	---------------------------------

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAUGHTRY M	OTP-AM ONTP	

This bill exempts from Maine income tax net capital gains on the sale of securities held for 10 years or longer and that are subject to federal income tax for individuals with federal adjusted gross income of \$300,000 or less if filing married joint returns and \$150,000 or less for all other individuals.

Committee Amendment "A" (H-211)

This amendment, which was one of two reports, each supported by six members of the committee, provides an income tax deduction for certain long-term capital gains related to securities held for at least 10 years after October 1, 2019 that were not acquired by gift or inheritance if at least one of the taxpayers filing the tax return is 62 years of age or older and the federal adjusted gross income of the individuals filing the return is \$150,000 or less for individuals filing married joint returns and \$75,000 or less for all other returns.

This amendment was not adopted.