

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

LD 922 An Act To Provide a Property Tax Exemption for Renewable Energy Fixtures ONTP

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|------------------------|-------------------------|---------------------------|
| COOPER J MIRAMANT D | ONTP | |

This bill provides a property tax exemption for renewable energy fixtures installed on or after September 1, 2019.

See also LDs 564, 1191 and 1430.

LD 957 An Act To Increase the Property Tax Fairness Credit ONTP

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|--------------------------|-------------------------|---------------------------|
| INGWERSEN H POULIOT M | ONTP | |

This bill increases the maximum credit available under the property tax fairness credit from \$750 to \$1,000 for resident individuals under 65 years of age and from \$1,200 to \$1,500 for resident individuals 65 years of age and older and decreases the threshold from 6% to 5% of the resident individual's income for purposes of calculating the credit.

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, 887 and 1158.

LD 958 An Act To Amend the Maine Income Tax Laws ONTP

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| TIPPING R | ONTP | |

This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to amend the Maine income tax laws.

LD 963 An Act To Exempt Overtime Pay from Individual Income Tax Died Between Houses

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-----------------------|-------------------------|---------------------------|
| GRIGNON C FARRIN B | ONTP OTP-AM | |

This bill excludes from income tax overtime compensation if the employer is required by law to pay the overtime compensation to the employee.

Joint Standing Committee on Taxation

Committee Amendment "A" (H-259)

This amendment, which is the minority report of the committee and which was adopted in the Senate, adds an appropriations and allocations section to fund costs of activities necessary to administer the tax change provided in the bill.

This amendment was not adopted.

Senate Amendment "A" To Committee Amendment "A" (S-256)

This amendment, which was adopted in the Senate, imposes a surcharge in the amount of 2.15% on income above \$1,450,000. The revenue from the surcharge must be used to offset the loss of revenue attributable to the exclusion of overtime pay from income tax provided for in the bill.

This amendment was not adopted.

| | | |
|---------------|------------------------------------------------------------------------------------------------|---------------------|
| LD 977 | An Act To Restore the Super Credit for Substantially Increased Research and Development | CARRIED OVER |
|---------------|------------------------------------------------------------------------------------------------|---------------------|

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-----------------------|-------------------------|---------------------------|
| HEPLER A BELLOWS S | OTP-AM | H-621 |

Under a tax credit that expired January 1, 2014, a taxpayer that qualified for a research expense tax credit was allowed a so-called super credit for qualified research expenses for research conducted in this State. A taxpayer who had unused credits may carry over any unused credit for the next succeeding 10 years, except that the credit is limited to no more than 25% of the taxpayer's tax due after the allowance of other tax credits.

This bill restores the availability of the super credit, retroactive to January 1, 2014, and resets the base amount to the average annual amount spent by the taxpayer on qualified research expenses during the three years before the credit is taken or during the three years before the effective date of this legislation, whichever is greater.

Committee Amendment "A" (H-621)

This amendment restores the super credit for substantially increased research and development for tax years beginning on or after January 1, 2019. The amendment also provides reporting and evaluation requirements to permit evaluation of the credit in meeting its intended purposes.

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 989 | An Act To Improve Maine's Tax Laws | CARRIED OVER |
|---------------|-------------------------------------------|---------------------|

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| CHIPMAN B | | |

This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to enact changes to improve the application and efficacy of the tax laws.

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