

# 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*

**LD 1019    An Act To Increase the Maximum Pension Deduction for State Income Tax**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KEIM L	OTP-AM	S-230

This bill eliminates double taxation of certain employee contributions to retirement benefit plans made in other states by exempting from Maine income tax the portion of retirement benefits attributable to the taxpayer's contribution to an employee retirement plan or an individual retirement account that was taxed by another jurisdiction if those benefits are included in federal adjusted gross income.

**Committee Amendment "A" (S-230)**

This amendment increases the maximum annual income tax pension deduction amount for nonmilitary retirement pensions from \$10,000 to \$35,000 over a five-year period beginning with the 2019 tax year. The \$35,000 pension deduction amount that applies after the 2023 tax year is subject to an annual inflation adjustment.

See also LD 561.

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 1028    An Act To Prevent and Reduce Tobacco Use with Adequate Funding and by Equalizing the Taxes on Tobacco Products and To Improve Public Health**

**PUBLIC 530**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCCREIGHT J	OTP-AM	H-622
CHIPMAN B	ONTP	H-656    TIPPING R

This bill increases the cigarette tax from \$2.00 to \$3.50 per pack of 20 cigarettes and increases the tax on all other tobacco products including electronic cigarettes to 81% of the wholesale sales price, beginning November 1, 2019.

The bill provides that, if the tax on cigarettes is increased on or after November 1, 2019, the tax on all other tobacco products will be adjusted by a rate that is equivalent to the percentage change in the tax rate for one cigarette.

The bill provides ongoing funding, \$11,100,000 per year, to the Department of Health and Human Services, Maine Center for Disease Control and Prevention for tobacco use prevention and cessation in order to align with the United States Department of Health and Human Services, Centers for Disease Control and Prevention recommendations. The bill also provides \$1,000,000 in fiscal year 2019-20 and \$750,000 thereafter for MaineCare members for tobacco use cessation medications and counseling. Finally, the bill provides \$250,000 per year in ongoing funding to the Attorney General's office for increased tobacco enforcement activities.

**Committee Amendment "A" (H-622)**

This amendment, which is the majority report of the committee, strikes the bill and instead increases the tax on tobacco products, other than cigarettes, to 43% of the wholesale sales price, beginning January 2, 2020, and includes electronic smoking devices and liquids used in electronic smoking devices in the definition of "tobacco products." The amendment provides that, if the tax on cigarettes is increased after January 2, 2020, the tax on smokeless tobacco and other tobacco products will be adjusted by a rate that is equivalent to the percentage change in the tax rate for one cigarette.