

MAINE STATE LEGISLATURE

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STATE OF MAINE
129TH 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

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 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 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 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.

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 1042 An Act To Exempt Disabled Veterans from Property Taxes in Accordance with Their Disability Ratings

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ROBERTS T	OTP-AM	H-748

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

This bill permits a veteran with a service-connected disability rated by the United States Department of Veterans Affairs at 30% or greater to choose to receive a homestead exemption equal to 50% of the just value of the homestead multiplied by the veteran's percentage disability rating instead of the current homestead exemption and exemptions for veterans and legally blind persons. The bill requires the State to reimburse municipalities for 75% of the revenue loss attributable to the new exemption.

Committee Amendment "A" (H-748)

This amendment changes the property tax exemption proposed in the bill from a homestead exemption to an exemption for the estates of veterans for property tax years beginning on or after April 1, 2021. Like current exemptions for the estates of veterans, the exemption is also made available to an eligible survivor, who may be a widow or widower, a minor child or a parent of an eligible disabled veteran, following the death of the eligible disabled veteran. The calculation of the exemption is changed to provide a flat exemption amount that increases from \$1,500 to \$6,000 based on the percentage of the veteran's service-connected disability. The amendment also requires state reimbursement to municipalities and the Unorganized Territory Education and Services Fund for 100% of the property tax revenue lost as a result of the exemptions.

Joint Standing Committee on Taxation

See also LDs 163 and 1194.

This bill was carried over on the Special Appropriations Table to any special session of the 129th Legislature by joint order, S.P. 788.

LD 1076 *An Act To Account for Market Change in the Adult Use Marijuana Excise Tax* ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BERRY S	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 changes the excise tax on adult use marijuana cultivation facilities from a tax based on quantity to a tax based on a percentage of the average market price for the category of marijuana sold. The bill requires the average market price to be determined quarterly by the Department of Administrative and Financial Services. The tax would not apply to sales by a cultivation facility to a licensee with which it is vertically integrated.

LD 1150 *An Act To Amend the Maine Tree Growth Tax Law To Encourage Public Access* CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MARTIN J JACKSON T	ONTP OTP-AM	

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

This bill excludes from benefits under the Maine Tree Growth Tax Law a parcel of land to which public access for recreational use is limited or prohibited.

Committee Amendment "A" (H-749)

This amendment is the minority report of the committee. The amendment limits the application of the public access requirement in the bill to parcels of land larger than 50,000 acres.

This bill was carried over in the House to any special session of the 129th Legislature by joint order, S.P. 788, pending acceptance of the ONTP report.

LD 1156 *An Act To Create the Savings Account Program for Small Businesses* ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STEWART T JACKSON T	ONTP	

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