

# 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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SEN. HEATHER SANBORN  
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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 1145      An Act To Improve the Law Authorizing Municipalities To Allow      ONTP**  
**Low-income Seniors To Defer Payment of Municipal Property Taxes**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COOPER J SANBORN H	ONTP	

This bill lowers from 70 years of age to 65 years of age the age of eligibility for municipal property tax deferral programs for homesteads of low-income seniors and requires the State to reimburse municipalities for the taxes deferred. The State acquires a lien on the property for the amount of taxes deferred plus interest.

See also LDs 529, 682, 751 and 1242.

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

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

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

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

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

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

This bill establishes the Savings Account Program for Small Businesses in the Finance Authority of Maine to certify corporations eligible to claim an income tax credit for contributions made to qualifying savings accounts. The bill creates the tax credit and establishes that withdrawals from the savings accounts are taxable income.

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

**LD 1158      An Act To Provide Property Tax Relief      CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TALBOT ROSS R SANBORN H	OTP-AM	H-382

This bill amends the property tax fairness credit under the income tax laws for tax years beginning on or after January 1, 2020 by changing the formula for calculation of benefits to reflect the calculation that applied under the

## *Joint Standing Committee on Taxation*

Maine Residents Property Tax Program, referred to as "the circuitbreaker program," which was in effect prior to enactment of the property tax fairness credit.

### **Committee Amendment "A" (H-382)**

This amendment changes "calendar year" to "tax year" in the definition of "household income" and clarifies that the income factor for the calculation proposed in the bill of the property tax fairness credit is household income. This amendment also adds an appropriations and allocations section.

See also LDs 393, 669, 887 and 957.

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.

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 1163     An Act Regarding Energy, Utilities and Technology**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LAWRENCE M		

This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to amend the laws regarding energy, utilities and technology.

This bill was rereferred to the Taxation Committee by the Joint Standing Committee on Energy, Utilities and Technology with a recommended draft of an income tax credit for investments in qualified high-speed internet projects.

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

### **LD 1164     An Act To Improve the Educational Opportunity Tax Credit**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M TIPPING R	OTP-AM	S-229

This bill makes the current income tax credit for educational opportunity inapplicable to tax years beginning on or after January 1, 2020, and creates a new simplified tax credit for student loan repayment applicable to tax years beginning on or after January 1, 2020. The new credit contains the following provisions.

1. A qualified individual must be a full-year Maine resident who has obtained an associate, bachelor's or graduate degree from an accredited Maine or non-Maine community college, college or university after 2007 and who works at least part time in Maine or on a vessel at sea or is deployed for military service in the United States Armed Forces during the taxable year.
2. Loans obtained from related persons, such as family members and certain businesses, trusts and exempt