

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

5. Increasing from \$5,000,000 to \$15,000,000 the overall annual limit on total authorized credits.

Committee Amendment "A" (S-169)

This amendment restricts the increase in the overall annual limit on total authorized credits to calendar years 2019 to 2025, removes the requirement that a majority of an eligible business's employment associated with the creation and sale of a product or a provision of services be within the State and provides a structure for the required reporting of data to facilitate an evaluation of the effectiveness of the credit by the Office of Program Evaluation and Government Accountability.

The contents of this bill, as amended by Committee Amendment "A" were enacted in the supplemental budget, Public Law 2019, chapter 616, Part LL. See summary of LD 2126 summarized by the Joint Standing Committee on Appropriations and Financial Affairs.

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 1234 An Act To Expand the Value of the Homestead Exemption to \$25,000 and State Reimbursement to 70 Percent of Lost Property Tax Revenue

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
AUSTIN B	OTP-AM	H-482
LIBBY N	OTP-AM	

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 increases for property tax years beginning April 1, 2020, the value of the homestead exemption benefit under the Maine resident homestead property tax exemption from \$20,000 to \$25,000 and increases the state reimbursement for the lost property tax revenue from 62.5% to 100%. The bill also provides that the property tax assessed on a homestead eligible for the homestead exemption may not be less than \$100.

Committee Amendment "A" (H-482)

This amendment, which is the majority report of the committee, changes to 70% the percentage of state reimbursement of lost property tax revenue due to the increase in the homestead exemption in the bill. It also removes from the bill the provision that the tax assessed on a homestead eligible for the homestead exemption may not be less than \$100. The amendment also adds an appropriations and allocations section.

Committee Amendment "B" (H-483)

This amendment, which is the minority report of the committee, removes from the bill the increase in the value of the homestead exemption and the provision that the tax assessed on a homestead eligible for the homestead exemption may not be less than \$100. The amendment also adds an appropriations and allocations section. This amendment was not adopted.

See also LD 164.

Part H of the biennial budget, Public Law 2019, chapter 343, increased the homestead exemption from \$20,000 to \$25,000 and state reimbursement to municipalities from 62.5% to 70%.

This bill was again carried over, still on the Special Appropriations Table, to any special session of the 129th

Joint Standing Committee on Taxation

Legislature by joint order, S.P. 788.

LD 1238 An Act To Exempt Certain Print Publications from Sales Tax

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HEPLER A GRATWICK G	OTP-AM ONTP	H-330

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 expands the sales tax exemption for free publications to also apply to printed publications, including daily newspapers, that are issued at least once every seven days, on average.

Committee Amendment "A" (H-330)

This amendment, which is the majority report of the committee, removes language from the bill that changes the definition of "publication" to retain the minimum average publication interval of three months, as found in the current law, required for a publication to qualify for the exemption.

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 1254 An Act To Authorize a Local Option Sales Tax on Meals and Lodging and Provide Funding To Treat Opioid Use Disorder

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SYLVESTER M CHIPMAN B	OTP-AM 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 was recommitted to the Taxation Committee at the end of the First Regular Session.

This bill allows a municipality to impose a local option sales tax, which may be seasonal, on prepared food, not including marijuana or marijuana products, and short-term lodging of no more than 1% if approved by referendum of the voters in that municipality. Revenue from the local option sales tax is distributed 85% to the municipality and 15% to all other municipalities. The 15% distributed to a municipality must be used by that municipality for the purposes of preventing and treating opioid use disorder in that municipality. Revenue received by a municipality may not be used to reduce or eliminate funding otherwise due the municipality under other provisions of law.

Committee Amendment "A" (H-536)

This amendment, which was a committee report during the First Regular Session, provides that a municipality adopting a local option sales tax on meals and lodging is limited to a tax rate of 1% and provides that the tax must be assessed year-round. The amendment changes the distribution of local sales tax net revenue to 75% for the municipality imposing the tax and 25% to be distributed to the Maine Rural Development Authority. A local option sales tax may not take effect before July 1, 2021.

This amendment was reported out of committee but removed when the bill was recommitted at the end of the First Regular Session.