

MAINE STATE LEGISLATURE

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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

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129TH 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 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

This amendment, which is the majority report of the Committee, 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 adopted in the House but not in the Senate.

This amendment was not adopted.

House Amendment "A" To Committee Amendment "A" (H-593)

This amendment limits the local option sales tax to lodging. This amendment was adopted in the House but not in the Senate.

This amendment was not adopted.

See also LDs 65, 156, 609 and 1110.

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

LD 1256 An Act To Provide a Health Care Preceptor Tax Credit

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERRY A MOORE M	OTP-AM	H-331

This bill establishes a refundable tax credit in the amount of \$500 per student, up to a maximum of \$1,500 per year, for a health care preceptor who provides, without compensation, instruction to and supervision of advanced practice registered nursing students in an approved course of study. A health care preceptor may be a licensed physician, physician's assistant or advanced practice registered nurse.

Committee Amendment "A" (H-331)

This amendment requires a health care preceptor to submit documentation of the activities necessary for the preceptor to qualify for an income tax credit and removes the provision making the credit refundable.

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 1265 An Act To Establish a Maine Low-income Housing Tax Credit

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POULIOT M COLLINGS B	ONTP	

This bill creates an income tax credit for owners of low-income housing developments that qualify for tax credits under federal law and are financed with tax-exempt bonds, located in the State and determined by the Maine State Housing Authority to be eligible for a federal tax credit whether or not a federal tax credit is allocated to the development. A taxpayer that receives the credit must agree to enter a restrictive covenant to maintain and operate the development as low-income housing and follow various federal requirements for 15 years. The aggregate amount of new credits allocated by the Maine State Housing Authority may not exceed \$42,000,000 in each year.

Joint Standing Committee on Taxation

The state tax credit is for six years and has a recapture provision if the basis, as determined under federal law, of the development goes below a certain amount. An insurance company is allowed to apply the credit against the company's insurance premium tax. The Maine State Housing Authority is required annually to report various details of the qualified developments that received a credit for the prior tax year.

See also LD 1645.

LD 1271 An Act To Exempt Permanently Disabled Veterans from Payment of Property Tax **ONTP**

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

This bill provides a 100% veterans property tax exemption in the municipality of residence for a veteran receiving benefits based on a rating of 100% for a service-connected disability.

See also LDs 163, 1042, 1194 and 1326.

LD 1278 RESOLUTION, Proposing an Amendment to the Constitution of Maine Requiring the State To Share Not Less Than 5 Percent of State Sales and Income Tax Revenue with Municipalities **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MOORE M TUELL W	ONTP	

This resolution proposes an amendment to the Constitution of Maine to require that not less than 5% of state sales and income tax revenue be distributed to municipalities.

Part H of the biennial budget, PL 2019, chapter 343, sets state municipal revenue sharing at 3% of the revenue sharing base in fiscal year 2019-20 and 3.75% of the revenue sharing base in fiscal year 2020-21.

See also LDs 133, 193 and 444.

LD 1292 An Act To Lower Maine's Individual Income Tax **Accepted Majority (ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'CONNOR B DOW D	ONTP OTP-AM	

This bill decreases over three years the rate of taxation imposed on individual income by:

1. Decreasing the lowest rate from 5.8% to 5.2% for tax years 2020 and 2021 and to 5% beginning in 2022;
2. Decreasing the middle rate from 6.75% to 6.3% for tax years 2020 and 2021 and to 6% beginning in 2022; and
3. Decreasing the highest rate from 7.15% to 7.05% for tax years 2020 and 2021 and to 7% beginning in 2022.