

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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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 1448 An Act To Expand the Homestead Exemption for Disabled Veterans

ONTP

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

This bill permits a veteran with a service-connected disability rated by the United States Department of Veterans Affairs to choose to receive a homestead exemption equal to the just value of the homestead multiplied by the veteran's disability rating percentage instead of the current homestead exemption and exemptions for veterans and legally blind persons.

See also LDs 35, 77, 164, 873, 1172 and 1234 for homestead exemption bills. Part H of the biennial budget, PL 2019, c. 343, increased the homestead exemption from \$20,000 to \$25,000 and state reimbursement to municipalities from 62.5% to 70%.

See also LDs 163, 1042, 1194, 1271 and 1326 for veterans' property tax exemption bills.

LD 1452 An Act Regarding the Collection of the Sales and Use Tax by Marketplace Facilitators

PUBLIC 441

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TIPPING R CHIPMAN B	OTP-AM	H-508 H-521 TIPPING R

This bill ensures that persons making sales through physical or electronic marketplaces of tangible personal property and taxable services subject to the sales and use tax are subject to the same sales and use tax collection and remittance responsibilities as other sellers.

Committee Amendment "A" (H-508)

This amendment enacts definitions and other provisions to require a marketplace facilitator to collect and remit the sales tax on sales of tangible personal property and taxable services facilitated on the marketplace facilitator's marketplace that are delivered into the State. It consolidates the sales tax registration provisions by repealing the recently enacted Maine Revised Statutes, Title 36, section 1951-B and reformatting the provision of law requiring certain persons to register with the State Tax Assessor and collect and remit taxes, including the remote seller registration requirements in the new provision, harmonizing the merged provisions and removing obsolete language. It also adjusts the use tax calculation used on the income tax return to report unpaid use tax, lowering the default amount from .08% to .04% of Maine adjusted gross income to account for the increased tax collected by remote sellers and marketplace facilitators.

House Amendment "A" To Committee Amendment "A" (H-521)

This amendment amends the committee amendment. It changes the term "gross revenue" to "gross sales" in a provision designating persons who are required to register. It changes a subsection headnote to better reflect the substance of the subsection. It provides that a marketplace facilitator is considered a retailer for each sale of tangible personal property or taxable services for delivery in this State, instead of into this State, that the marketplace facilitator facilitates on or through its marketplace.

Enacted Law Summary

Public Law 2019, chapter 441, ensures that persons making sales through physical or electronic marketplaces of

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tangible personal property and taxable services subject to the sales and use tax are subject to the same sales and use tax collection and remittance responsibilities as other sellers.

The law makes the following changes.

1. It enacts definitions and other provisions to require a marketplace facilitator to collect and remit the sales tax on sales of tangible personal property and taxable services facilitated on the marketplace facilitator's marketplace that are delivered into the State.
2. It consolidates the sales tax registration provisions by repealing the recently enacted Maine Revised Statutes, Title 36, section 1951-B and reformatting the provision of law requiring certain persons to register with the State Tax Assessor and collect and remit taxes, including the remote seller registration requirements in the new provision, harmonizing the merged provisions and removing obsolete language.
3. It makes technical changes to sales tax registration and administration provisions to facilitate the application of the sales tax law to marketplace facilitators.
4. It adjusts the use tax calculation used on the income tax return to report unpaid use tax, lowering the default amount from .08% to .04% of Maine adjusted gross income to account for the increased tax collected by remote sellers and marketplace facilitators.

LD 1491 **Resolve, To Study Consolidation of Payment of Cost-of-living Tax Credits**

RESOLVE 74

Sponsor(s)

TERRY M
VITELLI E

Committee Report

OTP-AM

Amendments Adopted

H-509

This bill replaces the Maine earned income credit under the income tax with the Maine work credit. The Maine work credit is similar to the federal earned income tax credit but uses different factors for calculating the credit that are intended to produce a state credit for individuals with qualifying children that is approximately equal to 30% of the federal credit and for individuals with no qualifying children that is approximately equal to 100% of the federal credit. The bill also provides eligibility for individuals who are at least 18 years of age but less than 25 years of age who have no qualifying children and creates a minimum credit for students and eligible caregivers.

The bill also establishes a working group to study ways to streamline applications for tax credits intended to assist low to middle income taxpayers with the cost of basic necessities and to permit administration of those credits as advance consolidated payments.

Committee Amendment "A" (H-509)

This amendment strikes the bill and replaces it with a resolve that retains the provision of the bill that establishes a working group to study and report on ways to streamline applications for tax credits intended to assist low to middle income taxpayers with the cost of basic necessities and to permit administration of those credits as advance consolidated payments.

See also LD 104.

Enacted Law Summary

Resolve 2019, chapter 74, establishes a working group appointed by the Associate Commissioner of Tax Policy in the Department of Administrative and Financial Services, bureau of Revenue Services, to study ways to streamline applications for tax credits intended to assist low to middle income taxpayers with the cost of basic necessities and