

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

STAFF:

JULIE JONES, SENIOR LEGISLATIVE ANALYST
OFFICE OF FISCAL AND PROGRAM REVIEW
5 STATE HOUSE STATION
AUGUSTA, ME 04333-0005
(207) 287-1635
<http://legislature.maine.gov/ofpr>

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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

services and to identify sustainable sources of funding. The commissioner is directed to present a report of the study group's findings and recommendations to the Joint Standing Committee on Taxation and the Joint Standing Committee on Appropriations and Financial Affairs by January 10, 2020. Each committee may submit legislation to the Second Regular Session of the 129th Legislature regarding the results of the report. This amendment was not adopted.

House Amendment "B" To Committee Amendment "A" (H-650)

This amendment to the committee amendment strikes the list of information that must be reported annually by a manufacturer of opioids to the Department of Health and Human Services and substitutes a requirement that the department adopt major substantive rules establishing the information that must be reported. The amendment also provides a different method of determining the products subject to the two levels of tax specified in the committee amendment and changes elements of the calculation of the rates.

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 1424 An Act To Create an Access to Justice Income Tax Credit

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BAILEY D	OTP-AM	H-332

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 provides an income tax credit for five years for attorneys who practice law in the State and agree to practice for at least five years in an underserved area of the State as determined by the Supreme Judicial Court. Eligibility for the credit is open from 2020 through 2025. The court may certify up to five eligible attorneys each year. The joint standing committee of the Legislature having jurisdiction over taxation matters is directed to review the effectiveness of the credit and may submit legislation to extend or revise it.

Committee Amendment "A" (H-332)

This amendment changes the entity reporting information to the Legislature regarding the access to justice credit from the State Tax Assessor to the Supreme Judicial Court and clarifies that the authorized disclosure by the assessor of tax information related to the credit is to the Supreme Judicial Court for purposes of making the report to the Legislature.

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 1520 An Act To Create and Sustain Jobs and Encourage Affordable Housing through Development of Cooperatives and Employee-owned Businesses

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LIBBY N DAUGHTRY M	OTP-AM	S-260

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.

Joint Standing Committee on Taxation

This bill supports employee-owned businesses and cooperatives in the following ways.

1. It excludes from Maine income tax the amount of gain, up to a maximum of \$750,000 recognized by a business owner in transferring the business to an employee stock ownership plan, eligible worker-owned cooperative, consumer cooperative or affordable housing cooperative.
2. It excludes from Maine income tax interest from loans that finance transfers of ownership from a business to an employee stock ownership plan, eligible worker-owned cooperative, consumer cooperative or affordable housing cooperative.
3. It requires the Department of Economic and Community Development, Office of Business Development to encourage and assist employee-owned businesses by requiring the office to: develop educational programs, including convening an annual conference on employee ownership issues; provide information about employee ownership and technical assistance to retiring business owners, employees of plants threatened with closure and entrepreneurs interested in creating businesses with broadly shared ownership; link Maine businesses interested in implementing employee ownership to available financial, technical and legal resources; and help businesses interested in implementing some form of employee ownership to obtain financing, as well as undertake other duties.
4. It requires the Commissioner of Economic and Community Development to give priority to employee-owned businesses, either established or in the process of becoming employee-owned, when providing loans or grants from funds or programs maintained by the department.
5. It requires the Maine Public Employees Retirement System to conduct a study to determine how funds held by the system may be invested responsibly in employee-owned businesses in this State and to report its findings to the Joint Standing Committee on Innovation, Development, Economic Advancement and Business, which is authorized to report out a bill to the Second Regular Session of the 129th Legislature based on the study and recommendations of the system.

Committee Amendment "A" (S-260)

This amendment requires the Department of Economic and Community Development, Office of Business Development to contract with a nonprofit development organization with relevant expertise to develop and manage the Maine Employee Ownership Center to provide information and programs to assist businesses in the transition to employee or cooperative ownership, rather than requiring the office to provide those services.

The amendment removes requirements that the Department of Administrative and Financial Services, Maine Revenue Services collect specified data and report annually to the Office of Program Evaluation and Government Accountability and that the Maine Public Employees Retirement System study investment of funds in employee-owned businesses.

The amendment also makes changes to facilitate the administration and evaluation of the deductions provided in the bill.

The amendment also adds an appropriations and allocations section.

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.