

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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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>

*Committee member for a portion of the session

STATE OF MAINE

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

employees for each year after the third year of qualifying for the tax credit. The employees added must be based in the State.

A business that qualifies is allowed a refundable tax credit equal to 2% of the amount of the qualified investment each tax year for 20 years. The total investment that may be approved for any one business may not exceed \$85,000,000 and the total aggregate investment that may be approved is limited to \$100,000,000. The maximum amount of tax credits that may be received by a business under one construction or expansion project is \$34,000,000.

Committee Amendment "A" (S-228)

This amendment adds an emergency preamble and an emergency clause to the bill. The amendment also adds provisions that change the calculation of the credit, and that facilitate administration of the credit and the review of the credit by the Office of Program Evaluation and Government Accountability under the tax expenditure laws.

Enacted Law Summary

Public Law 2019, chapter 386 provides an income tax credit to a food processing and manufacturing business that:

1. Has been headquartered in this State for the five years prior to application;
2. Pays at least 75% of its employees a salary that exceeds the most recent annual per capita personal income for the county in which the facility that is the subject of the application is located;
3. Agrees to make an investment of at least \$35,000,000 in the construction or expansion in this State of a facility for that business; and
4. Adds a total of 40 new full-time employees by the end of the first year of qualifying for the tax credit, maintains that number for the next two years and then adds 20 more full-time employees, maintaining a total of 60 full-time employees for each year after the third year of qualifying for the tax credit. The employees added must be based in the State.

A business that qualifies is allowed a refundable tax credit equal to 1.8% of the amount of the qualified investment each tax year for 20 years. The total investment that may be approved for any one business may not exceed \$85,000,000 and the total aggregate investment that may be approved is limited to \$100,000,000. The maximum amount of tax credits that may be received by a business under one construction or expansion project is \$34,000,000.

A certified applicant, the Commissioner of Economic and Community Development and the State Tax Assessor are required to submit annual reports regarding the credit, and the credit is subject to review by the Office of Program Evaluation and Government Accountability under the tax expenditure review laws.

Public Law 2019, chapter 386 was enacted as an emergency measure effective June 19, 2019.

LD 1597

An Act To Provide a Sales Tax Exemption for Purchases Made by Nonprofit Youth Camps

**HELD BY
GOVERNOR**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAMPSON H	OTP-AM ONTP	H-381

This bill provides a sales tax exemption for purchases made by nonprofit organizations that operate seasonal campgrounds in Maine.

Joint Standing Committee on Taxation

Committee Amendment "A" (H-381)

This amendment provides that the sales tax exemption applies to nonprofit youth camps that are licensed by the Department of Health and Human Services and are entitled to a property tax exemption. The amendment also adds an appropriations and allocations section.

LD 1608 An Act To Exempt Trailers Sold to Out-of-state Entities from Sales and Use Tax **CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MIRAMANT D NADEAU C	OTP-AM	S-168

This bill provides an exemption from the sales and use tax for trailers that are purchased in the State but then driven or transported outside the State immediately upon delivery.

Committee Amendment "A" (S-168)

This amendment incorporates a fiscal note.

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 1643 An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2019-20 **PUBLIC 212
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM	H-326

This bill establishes municipal cost components for state and county services provided to the unorganized territory that would normally be paid for by a municipality. The municipal cost components constitute the property tax for the unorganized territory.

Committee Amendment "A" (H-326)

This amendment incorporates a fiscal note.

Enacted Law Summary

Public Law 2019, chapter 212, establishes municipal cost components for state and county services provided to the unorganized territory that would normally be paid by a municipality. The municipal cost components constitute the basis for the property tax in the unorganized territory.

Public Law 2019, chapter 212, was enacted as an emergency measure effective June 6, 2019.

LD 1645 An Act To Create Affordable Workforce and Senior Housing and Preserve Affordable Rural Housing **CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FECTEAU R POULIOT M	OTP-AM	H-481