

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
129<sup>TH</sup> 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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# STATE OF MAINE

129<sup>TH</sup> 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 129<sup>th</sup> 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 129<sup>th</sup> 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.

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2. Aligns the record-keeping requirements imposed by the Maine Revised Statutes, Title 28-B with those of Title 36 by extending the record-keeping period in Title 28-B from three tax years to six tax years;
3. Excludes foods containing marijuana and marijuana products from the category of tax-exempt grocery staples; and
4. Imposes the 10% tax rate on adult use marijuana and marijuana products sold by marijuana establishments on all marijuana and marijuana products sold by any person to an individual who is not a qualifying patient.

Part B moves the adult use marijuana excise tax from Title 28-B to Title 36. In addition, Part B:

1. Requires that applicants for an adult use marijuana license, except a testing facility license, register with the State Tax Assessor to collect and remit sales tax, as is currently required by Title 36, as a condition for obtaining the license;
2. Requires cultivation facilities to register with the State Tax Assessor to collect and remit the adult use marijuana excise tax as a condition for receiving a cultivation facility license; imposes penalties on cultivation facilities that sell marijuana without registering with the State Tax Assessor; and allows for the suspension and revocation of the registration for failure to comply with the adult use marijuana excise tax laws;
3. Clarifies that the adult use marijuana excise tax is imposed when a person holding both a cultivation facility license and either a marijuana store license or products manufacturing facility license transfers marijuana from the cultivation facility to either the marijuana store or products manufacturing facility or otherwise undertakes an activity with the marijuana pursuant to the marijuana store license or products manufacturing facility license; and
4. Moves the adult use excise tax due date from the last day of the month to the 15th day of the month to coincide with the sales tax due date.

Public Law 2019, chapter 231 was enacted as an emergency measure effective June 7, 2019.

### **LD 1671**    **An Act To Amend the Laws Governing the Maine Capital Investment Credit To Ensure Fairness for Maine Businesses and To Reduce Taxes on Lower-income Working Families**

**PUBLIC 527**

Sponsor(s)

TIPPING R

Committee Report

OTP-AM

Amendments Adopted

H-623

This bill is a concept draft pursuant to Joint Rule 208 that proposes to amend the Maine capital investment credit to ensure that Maine businesses benefit to the same extent as out-of-state businesses.

#### **Committee Amendment "A" (H-623)**

This amendment replaces the concept draft with the following changes to the income tax laws for tax years beginning on or after January 1, 2020.

Part A makes changes to the Maine capital investment credit and related subtraction modification provisions to provide greater fairness in the treatment of Maine businesses compared to out-of-state businesses.

Part B expands the earned income tax credit to individuals who are 18 to 24 years of age and have no qualifying children, increases the credit from 5% to 25% of the federal earned income tax credit for individuals with no qualifying children and 12% of the federal earned income tax credit for all other eligible individuals and requires

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employers to post a notice provided by the Department of Labor, Bureau of Labor Standards regarding the availability of the earned income credit.

### **Enacted Law Summary**

Public Law 2019, chapter 527 makes the following changes to the income tax laws for tax years beginning on or after January 1, 2020.

Part A makes changes to the Maine capital investment credit and related subtraction modification provisions to provide greater fairness in the treatment of Maine businesses compared to out-of-state businesses.

Part B expands the earned income tax credit to individuals who are 18 to 24 years of age and have no qualifying children, increases the credit from 5% to 25% of the federal earned income tax credit for individuals with no qualifying children and 12% of the federal earned income tax credit for all other eligible individuals and requires employers to post a notice provided by the Department of Labor, Bureau of Labor Standards regarding the availability of the earned income credit.

### **LD 1698     An Act To Create Jobs and Slow Climate Change by Promoting the Production of Natural Resources Bioproducts**

**HELD BY  
GOVERNOR**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FECTEAU R JACKSON T	OTP-AM OTP-AM	H-552

This bill provides an income tax credit for the production of renewable chemicals by the conversion of renewable biomass from the forest, farms, the sea or solid waste. The credit is equal to 7¢ per pound of renewable chemical produced in the State, 9¢ per pound of renewable chemical produced in the State if the taxpayer demonstrates to the satisfaction of the Department of Economic and Community Development that the contractors hired or retained by a landowner to harvest renewable biomass used in production of the renewable chemicals are third-party certified by the Northeast Master Logger program or successor program and at least 50% of the contractors' employees are residents of the United States or 12¢ per pound of renewable chemical produced in the State if the taxpayer demonstrates to the satisfaction of the Department of Economic and Community Development that the contractors hired or retained by a landowner to harvest renewable biomass used in such production are third-party certified by the Northeast Master Logger program and at least 75% of the contractors' employees are residents of the United States. Renewable chemicals are defined to include chemicals, polymers, plastics and formulated products, and to exclude substances used for food, feed or fuel, with limited exceptions.

The bill also reinstates the tax credit for commercial production and use of biofuels.

#### **Committee Amendment "A" (H-552)**

This amendment, which is the majority report of the committee, includes a provision permitting the Department of Administrative and Financial Services, Maine Revenue Services to provide to the Department of Economic and Community Development information necessary for administration of the renewable chemicals tax credit and strikes language that would create an overlap of the renewable chemicals tax credit and the credit for the commercial production and use of biofuels.

#### **Committee Amendment "B" (H-553)**

This amendment, which is the minority report of the committee, includes a provision permitting the Department of Administrative and Financial Services, Maine Revenue Services to provide to the Department of Economic and Community Development information necessary for administration of the renewable chemicals tax credit and strikes language that would create an overlap of the renewable chemicals tax credit and the credit