

# 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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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

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for the commercial production and use of biofuels. The amendment also removes provisions establishing different tiers of credit calculation if a taxpayer uses contractors that are third-party certified by a northeast master logger program and has employees at least 50% of whom or 75% of whom are residents of the United States.

This amendment was not adopted.

### **LD 1713     An Act To Return Funds to Maine Property Tax Payers**

**PUBLIC 448**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GIDEON S JACKSON T	OTP-AM ONTP	H-620

This bill changes the name and purpose of the Tax Relief Fund for Maine Residents which was originally established to provide income tax reductions. Under this bill the fund is renamed the Property Tax Relief Fund for Maine Residents to be used to provide property tax relief payments directly to residents of this State whose residence qualifies for an exemption under the Maine homestead property tax exemption. The amount of the tax relief payment is determined annually by dividing the total amount of funds available in the Property Tax Relief Fund for Maine Residents by the total number of homesteads that qualify for the Maine homestead property tax exemption. If that amount is at least \$100, the Treasurer of State is required, by December 1st, to mail checks for the tax relief payment to each owner of a qualifying homestead.

#### **Committee Amendment "A" (H-620)**

This amendment, which is the majority report of the committee, changes the responsibility for calculating property tax relief payments from the State Tax Assessor to the Treasurer of State and changes dates for steps in the process of calculating and making relief payments. The amendment also provides that the Treasurer of State's costs in administering relief payments and in making state payments to municipalities for mandate costs are also paid from the Property Tax Relief Fund for Maine Residents and it adds an appropriations and allocations section.

#### **Enacted Law Summary**

Public Law 2019, chapter 448, changes the name and purpose of the Tax Relief Fund for Maine Residents which was originally established to provide income tax reductions. Under this law the fund is renamed the Property Tax Relief Fund for Maine Residents to be used to provide property tax relief payments directly to residents of this State whose residence qualifies for an exemption under the Maine homestead property tax exemption. The amount of the tax relief payment is determined annually by dividing the total amount of funds available in the Property Tax Relief Fund for Maine Residents by the total number of homesteads that qualify for the Maine homestead property tax exemption. If that amount is at least \$100, the Treasurer of State is required, by December 1st, to mail checks for the tax relief payment to each owner of a qualifying homestead. The Treasurer of State's costs in administering relief payments and in making state payments to municipalities for mandate costs are also paid from the Property Tax Relief Fund for Maine Residents.

### **LD 1718     An Act To Exempt Purchases by Pet Food Pantries from Sales Tax**

**HELD BY  
GOVERNOR**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HERBIG E BICKFORD B	OTP-AM	S-241