

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

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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

LD 1698

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

PUBLIC 628

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FECTEAU R	OTP-AM	H-552
JACKSON T	OTP-AM	H-731 FECTEAU R

This bill, as amended by Committee Amendment "A," was passed to be enacted by the Legislature and then held by the Governor at the end of the First Regular Session. During the Second Regular Session this bill was recalled from the Governor's desk and, as described in this summary, was acted upon without reference to committee.

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 was the majority report of the committee during the First Regular Session, 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 was the minority report of the committee during the First Regular Session, 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. 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.

House Amendment "A" To Committee Amendment "A" (H-731)

This amendment, adopted during the Second Regular Session, changes the credit allowed under the bill to remove the variable credit of between 7¢ and 12¢ per pound of renewable chemical, which is based on the certification level of the contractors hired or retained to harvest the renewable biomass and the residency of those contractors' employees, to a flat credit of 8¢ per pound of renewable chemical as long as the taxpayer demonstrates to the Department of Economic and Community Development that at least 75% of the employees of the contractors hired or retained to harvest renewable biomass used in the production of the renewable chemicals meet the eligibility

Joint Standing Committee on Taxation

conditions specified in the Employment Security Law, in the Maine Revised Statutes, Title 26, chapter 13. This amendment also delays by one year the application date of the tax credit.

This amendment also corrects numbering conflicts in the bill and Committee Amendment "A" created when a different chaptered law enacted provisions with the same paragraph letter or section number.

Enacted Law Summary

Public Law 2019, chapter 628 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 8¢ 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 at least 75% of the employees of the contractors hired or retained to harvest renewable biomass used in the production of the renewable chemicals meet the eligibility conditions specified in the Employment Security Law, in the Maine Revised Statutes, Title 26, chapter 13. 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 law also reinstates the tax credit for commercial production and use of biofuels.

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

PUBLIC 551

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

This bill was passed to be enacted by the Legislature and then held by the Governor at the end of the First Regular Session of the 129th Legislature. It became law without her signature at the beginning of the Second Regular Session.

The bill provides an exemption from the sales and use tax for purchases made by nonprofit organizations that provide pet food and supplies for little or no charge to low-income owners of pets.

Committee Amendment "A" (S-241)

This amendment provides that, in order to be eligible for a sales tax exemption, an incorporated nonprofit organization must be organized for the purpose of providing food or other supplies intended for pets at no charge to owners of those pets. The amendment also adds an appropriations and allocations section.

Enacted Law Summary

Public Law 2019, chapter 551 provides an exemption from the sales and use tax for purchases made by nonprofit organizations that are organized for the purpose of providing food or other supplies intended for pets at no charge to owners of those pets.

LD 1808 An Act To Provide a Sales Tax Exemption for Certain Nonprofit Charitable Organizations

PUBLIC 552

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STEWART T JACKSON T	OTP-AM	H-599

This bill was passed to be enacted by the Legislature and then held by the Governor at the end of the First Regular