

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

Zone benefits report annually on October 1st.

Part E also changes the date by which businesses under the Maine Employment Tax Increment Financing Program must report required information to the Department of Economic and Community Development from April 15th of each year to March 15th of each year. Part E also establishes May 15th of each year as the date by which the department must provide information to the State Tax Assessor necessary for making determinations of eligibility for reimbursement under the program.

Part F reduces from 60 days to 15 days the time that a taxpayer with a final tax liability exceeding \$1,000 has to cooperate with Maine Revenue Services in a plan for liquidating the tax liability before the State Tax Assessor may notify certain licensing authorities of the taxpayer's lack of cooperation, thereby beginning the license revocation process.

Part G specifies that the filing due date is the original due date, without regard to any extension, for purposes of calculating the statute of limitations for assessments and income tax refunds. This Part applies retroactively to tax years beginning on or after January 1, 2017.

Part H makes the following changes to the credit for major food processing and manufacturing facility expansion.

1. It clarifies that the requirement for a facility to process, produce and manufacture food from agricultural products primarily grown and harvested in the State is an ongoing requirement.
2. It clarifies that the expenditures of a qualified applicant and other entities, whether or not incorporated, that are part of a single business enterprise must be aggregated to determine whether a qualified investment has been made.
3. It clarifies that jobs that must be added in order to qualify for the credit must be added after the first day of the year in which the certificate of approval was issued.
4. It clarifies that the headquarters and facility of a certified applicant or of a parent or subsidiary of the certified applicant, must be located in the State and that the annual income of at least 75% of the certified applicant's employees must exceed the most recent annual per capita personal income in the county in which the facility is located in order for the applicant to qualify for a certificate of completion or the credit.

Part I clarifies that property placed in service during tax years beginning on or after January 1, 2015, but before January 1, 2020, for which a bonus depreciation addition modification was required and for which the Maine capital investment credit was not claimed is eligible for a depreciation subtraction modification in tax years beginning after 2019 to allow the taxpayer to fully claim depreciation on that property over the class life of the property for Maine income tax purposes.

Part J extends the credit for rehabilitation of historic properties from allowing a credit for qualified rehabilitation expenditures made prior to December 31, 2023, to allowing a credit for qualified rehabilitation expenditures made by certified project if the Maine Historic Preservation Commission or the United States Department of the Interior, National Park Service, as required, issues a determination on or before December 31, 2025, that the proposed rehabilitation of that structure meets the Secretary of the Interior's standards for rehabilitation.

LD 2061

An Act Regarding the Transportation of Products in the Forest Products Industry

CARRIED OVER

Sponsor(s)

JACKSON T
MCCREAD

Committee Report

Amendments Adopted

Joint Standing Committee on Taxation

This bill provides that land of a landowner that owns 50,000 or more acres of forest land in the State and allows transportation of forest products harvested on the landowner's land from a location in the State to another location in the State in violation of federal law or regulation or an international trade agreement is ineligible for classification under the Maine Tree Growth Tax Law and the landowner may not receive certain tax incentives or state grants or other state funding.

This bill, which had been voted (ONTP/OTP-A) but not yet reported out of committee, was carried over in committee to any special session of the 129th Legislature by joint order, S.P. 788.

LD 2123 An Act To Create Fairness in the Revitalization of Maine's Paper Industry **CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T MARTIN D		

This bill creates a refundable income tax credit for a paper manufacturer that:

1. Makes qualifying investments before January 1, 2024, of at least \$15,000,000 to acquire, modernize or improve the machinery used for the production of paper products at paper manufacturing facilities in this State;
2. Employs at least 400 employees at a paper manufacturing facility in this State, at least 75% of whom earn at least 115% of the most recent annual per capita personal income in the county in which the qualified employee is employed;
3. Is located in an area of the State with high unemployment that is not a low-income community that qualifies under the federal new markets tax credit program;
4. Does not receive a Maine new markets capital investment credit for the same investment; and
5. Is headquartered or will be headquartered in this State.

The refundable credit is equal to 4% of the qualified investment per year for 10 years, subject to certain limitations, such as a cap of \$40,000,000 on the total investment eligible for the credit for all taxpayers, for a maximum of aggregate credit claimed of \$1,600,000 per year.

This bill, which had been referred to committee but not yet heard, was carried over in committee to any special session of the 129th Legislature by joint order, S.P. 778.

LD 2127 An Act To Support Farmland Preservation By Allowing the Siting of Solar Energy Installations on Land Enrolled in the Farm and Open Space Tax Law Program **CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BERRY S DOW D		

This bill allows the siting of solar energy installations on land classified as farmland under the farm and open space tax law as on April 1, 2020, without requiring the portion of the parcel on which the solar energy installation is