

MAINE STATE LEGISLATURE

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STATE OF MAINE
130TH LEGISLATURE
SECOND REGULAR SESSION



Disposition of bills and summaries of all laws enacted or finally passed

JOINT STANDING COMMITTEE ON TAXATION

July 2022

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JOINT STANDING COMMITTEE ON TAXATION

1. Requires municipalities to annually provide information needed by the Department of Administrative and Financial Services, Bureau of Revenue Services to conduct state valuation;
2. Removes an obsolete reference to state property tax;
3. Removes the requirement for benevolent and charitable institutions to be incorporated in Maine to be exempt from taxation;
4. Allows assessors to request information from taxpayers regarding property qualifying for an exemption that is subject to full or partial reimbursement by the State;
5. Strikes the provision under the deferred collection of homestead property taxes applying the abatement and appeals process under Title 36, chapter 105, subchapter 8 to situations in which the State Tax Assessor disagrees with the municipal valuation of a property subject to deferral; and
6. Replaces the term “homestead” with the term “permanent residence” in Title 36, section 6234, regarding municipal benefits to veterans, to better align the definition with the benefit to renters allowed under that section.

Part C expands the penalty-free reclassification of land taxed under the Maine Tree Growth Tax Law and farm and open space law to include reclassifications into and out of working waterfront land without incurring a penalty. In addition, it clarifies and aligns the penalty provisions for tree growth, farm and open space and working waterfront current use classifications.

Part D changes the monthly transfer of sales tax revenue to the ATV Recreational Management Fund to a biannual transfer, beginning July 1, 2023, of sales tax revenue from the prior fiscal year and clarifies that the transfer is reduced by the transfer to the Local Government Fund.

LD 1937 An Act To Clarify the Exemption from Income Tax and Withholding Tax Liability for Certain Out-of-state Suppliers of Spirits Purchased by the Bureau of Alcoholic Beverages and Lottery

ENACTED LAW SUMMARY

Public Law 2022, chapter 756 provides for tax years beginning on or after January 1, 2022 an exemption from income tax or tax withholding for certain manufacturers of spirits or suppliers of spirits located outside the State that sell or ship spirits pursuant to an order or request placed by the Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations or an agent or contractor of the bureau. The bill also provides that income tax “nexus” is not established by spirits manufactured or produced outside the State and brought into the State pursuant to an order or request of the bureau, regardless of whether those spirits are stored at a warehouse operated or used by the bureau or at another facility as directed by the bureau, and regardless of whether the amount of the sales or the value of those spirits exceeds the thresholds

JOINT STANDING COMMITTEE ON TAXATION

for the determination of nexus as specified in the Maine Revised Statutes, Title 36, section 5200-B, subsection 1.

LD 1986 An Act To Provide Property Tax Relief for Permanently and Totally Disabled Veterans

ENACTED LAW SUMMARY:

Public Law 2021, chapter 703 provides an additional refundable property tax fairness credit for veterans who are 100% permanently and totally disabled. The additional credit is equal to and in addition to the credit allowed for resident individuals who are not such veterans. The combined credits may not exceed property tax and rent constituting property tax paid with regard to the property during the tax year.

LD 1987 An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2022-23

ENACTED LAW SUMMARY

Public Law 2021, chapter 624 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.

LD 2010 Resolve, To Help Certain Businesses with Electricity Costs

ENACTED LAW SUMMARY

Resolve 2021, chapter 168 establishes a procedure for energy rate relief payments to medium commercial customers of an investor-owned transmission and distribution utility with electricity usage in February 2022 of at least 1,000 kilowatt-hours. The reimbursement procedure is administered by the Department of Economic and Community Development which is authorized to determine the amount of relief payments to eligible customers based on to the number of kilowatt hours of electricity used by an eligible customer and is authorized to use funds for providing energy rate relief to cover the cost of relief payments. The Department may also provide energy rate relief to eligible customers of a consumer-owned transmission and distribution utility. Relief payments must be credited to accounts of eligible customers by October 30, 2022.