

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

STATE OF MAINE
131ST LEGISLATURE
FIRST REGULAR AND FIRST SPECIAL SESSIONS



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

JOINT STANDING COMMITTEE ON TAXATION

October 2023

STAFF:

JULIE JONES, SR. LEGISLATIVE ANALYST
OFFICE OF FISCAL AND PROGRAM REVIEW
5 STATE HOUSE STATION
AUGUSTA, ME 04333
(207) 287-1635
<http://legislature.maine.gov/ofpr>

MEMBERS:

SEN. NICOLE GROHOSKI, CHAIR
SEN. BENJAMIN M. CHIPMAN
SEN. JAMES LIBBY

REP. JOSEPH C. PERRY, SR., CHAIR
REP. W. EDWARD CROCKETT
REP. ANN HIGGINS MATLACK
REP. TAVIS ROCK HASENFUS
REP. AMBUREEN RANA
REP. MELDON H. CARMICHAEL
REP. THOMAS A. LAVIGNE
REP. TRACY L. QUINT
REP. LAUREL D. LIBBY
REP. SHELLEY RUDNICKI

STATE OF MAINE
131ST LEGISLATURE
FIRST REGULAR AND FIRST SPECIAL SESSIONS



**LEGISLATIVE DIGEST OF BILLS AND
SUMMARIES OF ENACTED LAWS**

This *Legislative Digest of Bills and Summaries of Enacted Laws* provides the disposition of all LDs and summaries of all laws enacted or finally passed during the First Regular and First Special Sessions of the 131st Maine Legislature. Please note that all LDs and proposed amendments may be found through the Legislature’s webpage, and each includes a summary of what the bill or amendment proposed.

The *Legislative Digest of Bills and Summaries of Enacted Laws* is arranged alphabetically by committee. Within each committee section is a subject index of all LDs considered by that committee as well as a digest of the LDs, arranged by LD number. Also included are enacted law summaries of the LDs enacted or finally passed. Brief analyst notes on certain LDs are also included: a committee digest will indicate if additional notes are provided for an LD. These notes add information staff found useful and may provide useful information to users of this *Digest*; please note that most LDs do not have a note and lack of a note should not be interpreted as having any significance. A separate section of the *Digest* provides a digest of the relatively few LDs that were not referred to a committee or reported from a committee as a committee bill; enacted law summaries of the LDs enacted or finally passed are provided. Finally, an appendix provides a summary of relevant session statistics.

The final disposition of each LD is noted in the relevant summary digest and index. 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 and First Special Sessions of the 131st Legislature is Thursday, June 29, 2023 and Wednesday, October 25, 2023, respectively. 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

Public Law 2023, chapter 150 was enacted as an emergency measure effective June 12, 2023.

LD 1313 An Act to Amend the Tax Credit for Major Business Headquarters Expansions Regarding Employees' Location and Time of Hire for Purposes of the Credit

ENACTED LAW SUMMARY

Public Law 2023, chapter 157 amends the credit for major business headquarters expansions to allow employees of the applicant working anywhere in the State, not just at the applicant's headquarters, to be counted as employees of the applicant for purposes of the credit. The law also changes the time for determining the number of new employees added to January 1, 2018 or later; it is currently the first day of the first year for which the tax credit is claimed. The changes provided in this law are retroactive to January 1, 2021.

LD 1644 An Act to Permit the Expenditure of Accumulated Tax Increment Revenues

ENACTED LAW SUMMARY

Public Law 2023, chapter 203 authorizes tax increment financing revenues to be used for certain identified purposes after the date a development district ends. Funds remaining in a “project cost account” may be used only to pay debt service on certain bonds and notes. Funds remaining in a “development sinking fund account” may be used only to pay approved project costs that are described in the development plan. Funds remaining after the expiration of time for authorized uses must be returned to the municipality or plantation general fund and corresponding tax shift adjustments must be made by Maine Revenue Services.

LD 1739 An Act to Extend Development District Tax Increment Financing Districts

ENACTED LAW

Public Law 2023, chapter 472 provides that for the 10 calendar years following the law’s effective date, a development district that is a tax increment financing district may be extended for an additional 20 years if the district uses at least 75% of the state tax increment revenue for affordable housing or transit-oriented development.

LD 1808 An Act to Amend the State Tax Laws

ENACTED LAW SUMMARY

Public Law 2023, chapter 441 makes minor substantive changes to the tax laws.

Part A of Public Law 2023, chapter 441 makes the following changes to the sales tax law.

JOINT STANDING COMMITTEE ON TAXATION

1. It requires a marketplace facilitator to collect recycling assistance fees on sales that the marketplace facilitator facilitates.
2. It adds the definition of "low-income" as used by the sales tax exemption for sales to a nonprofit housing development organization in the Maine Revised Statutes, Title 36, section 1760, subsection 72 to the corresponding exemption under the service provider tax.

Part B of Public Law 2023, chapter 441 makes the following changes to the property tax law:

1. It simplifies eligibility for the property tax exemption for veterans who served in a federally recognized war period or received an expeditionary medal by removing the distinction between different expeditionary medals.
2. It simplifies and broadens eligibility for the property tax exemption for veterans with specially adapted housing units to include all veterans who receive grants for specially adapted housing.
3. It adjusts the personal property factor calculation used to determine state business equipment tax exemption reimbursement rates to exclude business personal property exempt from property taxation for reasons other than the business equipment tax exemption.
4. It clarifies the three approaches to valuation.
5. It changes the payment due date for the homestead property tax deferral program for senior citizens from April 30th of the calendar year following the year in which the property exited the program to 12 months after the property exited the program and changes the date by which an extension must be requested from August 15th of the calendar year following the year in which the property exited the program upon a death to 12 months after the property exited the program.

Part C of Public Law 2023, chapter 441 makes the following changes to the income tax law.

1. It provides that each required estimated tax payment for nonadmitted insurance premiums be based on contracts written during the estimated tax period.
2. It clarifies that the nonadmitted insurance premiums tax is based on premiums on contracts written by insurers, rather than on premiums paid to insurers.
3. It retroactively repeals the Maine modification related to the federal exclusion of benefits for volunteer firefighters and emergency responders.
4. It eliminates a duplication of benefits by requiring that the military survivor benefits subtraction modification be reduced by the amount of those benefits claimed as a pension deduction under the Maine Revised Statutes, Title 36, section 5122, subsection 2, paragraph M-2.

JOINT STANDING COMMITTEE ON TAXATION

5. It provides that the interest associated with an installment sale of property for which an election is made by a nonresident individual taxpayer to pay the Maine tax on the gain in the year of the sale or in a subsequent year is excluded from Maine taxable income in the year of the election and any year subsequent to the election.
6. It removes the credit for certain homestead modifications for taxable years beginning on or after January 1, 2024, but allows taxpayers to carry forward unused credit amounts for up to four years following the first year of eligibility.
7. It establishes the extended due dates for filing income tax returns of taxable corporations and franchise tax returns of financial institutions as 30 days following the extended due date for filing the related federal income tax return. This change applies to taxable years beginning on or after January 1, 2024.
8. It replaces a reference to "Maine income tax withholding" in the employment tax increment financing program with a reference to "gross wages paid" in order to reflect a recent change in the program to base the benefit on gross wages paid rather than on income tax withholding.

Part D of Public Law 2023, chapter 441 makes the following changes to the property tax stabilization for senior citizens program.

1. It clarifies the property tax year for which individuals request stabilization.
2. It clarifies the form municipalities must use to apply for reimbursement.
3. It authorizes the Department of Administrative and Financial Services, Maine Revenue Services to audit municipal applications for reimbursement and provides for municipal appeal rights.

Part E of Public Law 2023, chapter 441 makes the following changes to the tobacco tax law.

1. It enacts a definition of "remote seller" to mean a seller of premium cigars and pipe tobacco selling directly to consumers located in the State.
2. It enacts a definition of "remote sale" to clearly establish when an economic nexus exists for purposes of regulation and taxation of distributors and remote sellers of tobacco products located outside of the State.
3. It makes other technical changes throughout to ensure clarity and consistency regarding the imposition of the tax and the many different types of distributors who bring or cause to be brought tobacco products into this State for sale.

Part F of Public Law 2023, chapter 441 allows the disclosure of a taxpayer's current mailing address to the Treasurer of State for purposes of returning unclaimed or abandoned property.

Public Law 2023, chapter 441 was enacted as an emergency measure effective July 26, 2023.