

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
132<sup>ND</sup> LEGISLATURE  
SECOND REGULAR SESSION



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

JOINT STANDING COMMITTEE ON  
TAXATION

May 2026

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Part C adds to the authority and duty of the Commissioner of Administrative and Financial Services to supervise and direct the administration of the State Claims Commission the authority and duty to supervise and direct the administration of the State Board of Property Tax Review and Independent Office of Tax Appeals.

Part D adds legislative review of the Independent Office of Tax Appeals and changes the year for legislative review of the State Board of Property Tax Review from 2027 to 2028.

Part E transfers all three existing Legislative Count and funding in the Maine Board of Tax Appeals to the newly created Independent Office of Tax Appeals as of January 1, 2027.

**LD 2188 An Act to Amend Certain State Tax Laws**

Public Law 2025, chapter 662 makes the following changes to the State’s tax laws.

Part A makes the following changes to the State’s tax laws.

1. It amends the definition of “notice” to increase from three to seven the number of days after which a notice by first-class mail is deemed to be received.
2. It removes references to the expired Maine capital investment credit and makes other changes related to the removal of those references.
3. It aligns the pension deduction phase-out for married individuals filing separate returns with that of single individuals.
4. It corrects a cross-reference to the law authorizing income tax due date extensions.

Part B makes the following changes to the State’s tax laws.

1. It removes crutches and wheelchairs from the exemption pertaining to prosthetic or orthotic devices under the Maine Revised Statutes, Title 36, section 1760, subsection 5-A and includes crutches and wheelchairs in the definition of “mobility-enhancing equipment” to ensure that they are exempt from sales tax under MRS, Title 36, section 1760, subsection 117.
2. It repeals the sales tax exemption for sales of tangible personal property to be physically incorporated in and become a part of a portable classroom for lease to a school since this exemption is included in the exemption for property used in production, which includes sales to lessors of tangible personal property that becomes an ingredient or component part of property to be leased or rented out.
3. It clarifies the sales tax exemption for property used in production to correspond with the recent inclusion of leases in the definition of “sale.”

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4. It clarifies that the tobacco products tax on smokeless tobacco applies to smokeless tobacco products.

Part C makes the following changes to the State’s tax laws.

1. It clarifies that the property tax year is from April 1st to March 31st instead of the overlapping April 1st to April 1st.
2. It updates provisions regarding the procedure for documenting that a seller of real property has paid the seller’s pro rata share of taxes owed on property that is still the subject of a lien reflecting taxes due from someone else, adds language regarding proof of payment pursuant to a written property tax proration agreement and clarifies that a municipality may collect unpaid real estate taxes through means not specified in the bill.
3. It changes cross-references as they pertain to a lien upon real estate.
4. It repeals, for property acquired by a municipality for delinquent taxes, the law regarding an excess funds process that a municipality is permitted to implement by ordinance. That process was rendered obsolete by the enactment of MRS, Title 36, section 943-C.
5. It corrects a clerical error.
6. It ensures that any sales of real estate upon which a tax lien mortgage has been foreclosed, other than sales to the former owner of the real estate, are made in compliance with the requirements of the United States Supreme Court’s decision in *Tyler v. Hennepin County*, 598 U.S. 631 (2023).
7. It makes a grammatical correction by replacing the term “sum” with “product.”
8. It clarifies that property held in a revocable living trust meets the fee simple estate ownership requirement for the homestead property tax deferral program.
9. It aligns the homestead property tax deferral program’s foreclosure process with the general property tax provisions regarding the sale of foreclosed property.

Part D makes the following changes to the State’s tax laws.

1. It removes the requirement that the State Tax Assessor annually provide each municipality with the amount of state-municipal revenue sharing and state aid for education. The Department of Education and the Office of the Treasurer of State maintain and provide this information on their respective websites.
2. It clarifies the repeal of the law regarding the income subtraction modification for long-term care insurance premiums made in Public Law 2015, chapter 267.

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3. It clarifies that the subtraction modification for any earnings on funds in an account established under a qualified ABLE program applies only to the extent that the amount is included in federal adjusted gross income.

**LD 2222 An Act to Establish Municipal Cost Components for Unorganized Territory Services to Be Rendered in Fiscal Year 2026-27**

Public Law 2025, chapter 656 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. The law also provides for a one-time prepayment in fiscal year 2025-26 to the unorganized territories of Washington County and requires recovery of prepayment through the municipal cost component on or before June 30, 2027.

**LD 2244 An Act to Implement Certain Preliminary Recommendations of the Real Estate Property Tax Relief Task Force and to Make Other Changes to Tax Law**

Public Law 2025, chapter 739 amends Resolve 2025, chapter 108, which established the Real Estate Property Tax Relief Task Force, to allow the task force to meet eight times in 2026. The law also requires the Department of Administrative and Financial Services, Bureau of Revenue Services to administer a survey to assessors to gather data on the administration of the Maine Tree Growth Tax Law.