

STATE OF MAINE
126TH LEGISLATURE
SECOND REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

JOINT STANDING COMMITTEE ON TAXATION

May 2014

STAFF:

JULIE JONES, SENIOR LEGISLATIVE ANALYST
OFFICE OF FISCAL AND PROGRAM REVIEW
5 STATE HOUSE STATION
AUGUSTA, ME 04333
(207) 287-1635

MEMBERS:

SEN. ANNE M. HASKELL, CHAIR
SEN. REBECCA J. MILLETT
SEN. DOUGLAS A. THOMAS

REP. ADAM A. GOODE, CHAIR
REP. STEPHEN S. STANLEY
REP. NATHAN L. LIBBY
REP. MATTHEW W. MOONEN
REP. RYAN D. TIPPING-SPITZ
REP. L. GARY KNIGHT
REP. PAUL EDWARD BENNETT
REP. DONALD G. MAREAN
REP. ROGER A. JACKSON
REP. JOSEPH E. BROOKS

STATE OF MAINE
126TH LEGISLATURE
SECOND REGULAR SESSION
LEGISLATIVE DIGEST OF BILL SUMMARIES AND
ENACTED LAWS

The *Digest* is arranged 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.

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 HOUSESHouse & 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
EMERGENCYenacted 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 Second Regular Session of the 126th Legislature is August 1, 2014. 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 369 An Act To Redesign Maine's School Funding Model

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JOHNSON C BERRY	ONTP	

This bill was carried over from the First Regular Session of the 126th Legislature by the Joint Standing Committee on Education and referred to the Joint Standing Committee on Taxation.

This bill is a concept draft pursuant to Joint Rule 208. The bill proposes a redesign of Maine's school funding formula to achieve equal educational opportunity for Maine students and statewide equity in property tax burden. When rereferring this bill, the Joint Standing Committee on Education asked the Joint Standing Committee on Taxation to address the impact of the school funding formula on property tax burden through amendments to the property tax fairness credit under the income tax.

See also LD 1751.

LD 743 An Act To Extend and Improve the Maine Seed Capital Tax Credit Program

PUBLIC 438

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VALENTINO HOBBINS	OTP-AM	S-213 S-341 HILL

This bill was enacted by the Legislature during the First Regular Session of the 126th Legislature and was held by the Governor; final disposition occurred at the beginning of the Second Regular Session.

This bill extends the Maine Seed Capital Tax Credit Program, which is approaching the statutory cap on credits that can be authorized, and makes a number of changes. The bill makes the amount of the tax credit the same for individual investors and venture capital funds, clarifies that producers of value-added natural resource products are eligible, removes the ambiguous eligibility for businesses that "bring capital into the State" and specifies that eligible businesses must certify that the investment is necessary to allow the business to create or retain jobs in the State. The bill increases the maximum annual sales limit of \$3,000,000, which has been in effect since 1997, to \$5,000,000 for investments made in 2014 or after. The bill authorizes additional tax credits of \$2,000,000 for investments made between June 1, 2013 and December 31, 2013, \$4,000,000 for investments made in calendar year 2014 and \$5,000,000 each year for investments made in each subsequent year.

Committee Amendment "A" (S-213)

This amendment clarifies that investors other than private venture capital funds are eligible for a tax credit certificate. It requires businesses applying under the Maine Seed Capital Tax Credit Program to certify that the amount of the credit is necessary to allow the business to create or retain jobs in the State. It adds a definition of "value-added" and applies it to the term "natural resource enterprise," which is a defined term. It changes the limits on the amount of investment by a private venture capital fund eligible for a credit from \$500,000 per entity to \$500,000 multiplied by the number of investors in the private venture capital fund or \$4,000,000, whichever is less.

Senate Amendment "A" To Committee Amendment "A" (S-341)

This amendment limits the amount of additional seed capital tax credit certificates that may be issued to \$675,000 between January 1, 2014 and December 31, 2014, to \$4,000,000 for investments made in calendar year 2015 and to

Joint Standing Committee on Taxation

\$5,000,000 each year for investments made in calendar years beginning with 2016.

Enacted Law Summary

Public Law 2013, chapter 438 extends the Maine Seed Capital Tax Credit Program, which is approaching the statutory cap on credits that can be authorized, and makes the following changes.

1. It makes the amount of the tax credit the same for individual investors and venture capital funds.
2. It clarifies that investments in value-added natural resource enterprises may be eligible for the credit.
3. It removes the eligibility requirement for businesses that "bring capital into the State" and specifies instead that eligible businesses must certify that the amount of the credit is necessary to allow the business to create or retain jobs in the State.
4. It increases the maximum annual sales limit of an eligible business for which a qualifying investment may be made from \$3,000,000 to \$5,000,000 beginning in 2014.
5. It changes the limits on the amount of investment by a private venture capital fund eligible for a credit from \$500,000 per entity to \$500,000 multiplied by the number of investors in the private venture capital fund or \$4,000,000, whichever is less.
6. It limits the value of additional seed capital tax credit certificates that may be issued to \$675,000 between January 1, 2014 and December 31, 2014, to \$4,000,000 for investments made in calendar year 2015 and to \$5,000,000 each year for investments made in calendar years beginning with 2016.

LD 816 An Act To Reduce the Property Tax Burden and Improve the Circuitbreaker Program

ONTP

Sponsor(s)

POWERS
HASKELL

Committee Report

ONTP

Amendments Adopted

This bill was carried over from the First Regular Session of the 126th Legislature.

This bill is a concept draft that proposes to improve the Circuitbreaker Program by simplifying the determination of eligibility, transitioning the application period to the income tax filing period, permitting application to be made through the Department of Health and Human Services' integrated eligibility system and ensuring an adequate source of funding.

Certain proposals in this bill were enacted as part of the FY 2013-14 biennial budget bill during the First Regular Session, Public Law 368, Part L.

LD 916 An Act To Promote Investment in Maine's Communications Network and Natural Gas Network

ONTP

Sponsor(s)

BROOKS
HASKELL

Committee Report

ONTP

Amendments Adopted

This bill was carried over from the First Regular Session of the 126th Legislature.

Joint Standing Committee on Taxation

This bill provides sales tax exemptions for telecommunications equipment sold to a provider of telecommunications services and natural gas heating equipment sold to a business or residential consumer.

**LD 936 An Act To Authorize Municipalities To Impose Service Charges on
Tax-exempt Property Owned by Certain Nonprofit Organizations**

**Accepted Majority
(ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHASE THIBODEAU	ONTP OTP-AM	

This bill was carried over from the First Regular Session of the 126th Legislature.

This bill expands municipal authority to impose service charges on the owner of certain property that is currently exempt from property tax by vote at a special or general election.

Committee Amendment "A" (H-622)

This amendment, which is the minority report of the committee, provides that a municipality may impose service charges on property that is exempt from taxation because it is owned or used by entities in the following categories: benevolent and charitable institutions; literary and scientific institutions; chambers of commerce and boards of trade; fraternal organizations operating under a lodge system; and property jointly owned or used by those entities. Service charges may not be imposed on property exempt as a house of worship or parsonage or a veterans organization.

Service charges must meet the following conditions:

1. The property must be owned by an entity that owns exempt property in the municipality that would have a total assessed value of at least \$1,000,000 if assessed for property tax purposes. The property must be owned by, rented to, or otherwise occupied by a person or entity that provides any employee or independent contractor engaged to provide professional management services with compensation, exclusive of health benefits, in excess of four times the median household income for the county in which the property is located;
2. The municipality must adopt an ordinance imposing service charges approved by the voters through a referendum process;
3. The municipality may not impose a service charge on individual properties without imposing service charges on all other property in that municipality that is within the same category of exempt property;
4. The calculation of service charges imposed by municipalities must be based on the square footage of building space that is exempt from taxation, unless the municipality determines that a different measure more accurately represents the cost of services for which the service charges are imposed; and
5. Service charges must be reduced by any payments made or services provided to the municipality by the exempt entity in lieu of taxes.

The amendment provides that municipal ordinances adopted before the effective date of the legislation remain valid even if they do not comply with the new requirements. The amendment retains the requirement in current law that service charges may not exceed 2% of the entity's gross annual revenue.

Joint Standing Committee on Taxation

LD 996 An Act To Improve the Accuracy of Fuel Tax Reporting

**Died On
Adjournment**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
THIBODEAU VOLK	OTP-AM	S-381

This bill was carried over from the First Regular Session of the 126th Legislature.

This bill changes the method of measuring gallons of fuel for fuel tax purposes to include an adjustment for temperature based on net gallons. Currently, taxes are based on gross fuel amounts without specific adjustments for temperature or barometric pressure. This bill requires that fuel be measured in gallons after it is adjusted to a temperature of 60 degrees Fahrenheit and a barometric pressure of 14.7 pounds per square inch or in gross gallons if elected by the licensed supplier or licensed distributor.

Committee Amendment "B" (S-381)

This amendment replaces the bill and provides that, for tax returns filed beginning with calendar year 2015, a licensed distributor that accounts for taxes on internal combustion engine fuel, or a licensed supplier of special fuel that accounts for taxes on special fuel, on a net gallons basis that takes temperature into account is not allowed to use the allowance for shrinkage caused by temperature variation. An allowance may still be used for evaporation and handling losses.

This bill was placed on the Special Highway Table and died on adjournment.

LD 1120 An Act To Improve Maine's Tax Laws

Veto Sustained

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GOODE HASKELL	OTP-AM ONTP	H-749

This bill was carried over from the First Regular Session of the 126th Legislature.

This bill is a concept draft pursuant to Joint Rule 208 and proposes to amend the tax laws by:

1. Amending the law to reduce the use of so-called off-shore tax havens, thus reducing the loss of revenue to the State; and
2. Establishing a task force to undertake a comprehensive analysis of the biennial report of tax expenditures prepared by the Department of Administrative and Financial Services, Bureau of Revenue Services and identify any tax expenditures that may be reduced or eliminated with the goal of achieving a targeted savings of \$30,000,000 in fiscal year 2014-15.

Committee Amendment "A" (H-749)

This amendment replaces the bill. The amendment strikes provisions relating to the review of tax expenditures and requires corporations that file unitary income tax returns in Maine to include income from certain jurisdictions outside the United States in net income when apportioning income among tax jurisdictions. Under this amendment the State Tax Assessor is required to adopt major substantive rules to determine the income or loss attributable to such corporations and to prevent double taxation or deduction of income.

Joint Standing Committee on Taxation

LD 1370 An Act To Exempt from Sales Tax the Sales of Adaptive Equipment To Make a Vehicle Handicapped Accessible

PUBLIC 442

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAUCIER JACKSON T	OTP-AM	H-192 S-361 HILL

This bill was enacted by the Legislature during the First Regular Session of the 126th Legislature and was held by the Governor; final disposition occurred at the beginning of the Second Regular Session.

This bill exempts from sales tax the sales of adaptive equipment to a person with a disability or a family member of a person with a disability for installation in or on a motor vehicle to make the vehicle accessible by a person with a disability.

Committee Amendment "A" (H-192)

This amendment provides that the sales tax exemption applies to sales of such equipment to a person with a disability or a person at the request of a person with a disability for installation in or on a motor vehicle to make the vehicle operable or accessible by a person with a disability who is issued a disability plate or placard by the Secretary of State. The amendment also provides an effective date of October 1, 2013.

Senate Amendment "A" To Committee Amendment "A" (S-361)

This amendment changes the effective date from October 1, 2013 to July 1, 2014.

Enacted Law Summary

Public Law 2013, chapter 442 provides a sales tax exemption for sales to a person with a disability or to a person at the request of a person with a disability of adaptive equipment for installation in or on a motor vehicle to make that vehicle operable or accessible by a person with a disability who is issued a disability plate or placard by the Secretary of State.

LD 1402 An Act To Amend the Taxes Imposed on Alcohol and Lodging

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MOONEN	ONTP	

This bill was carried over from the First Regular Session of the 126th Legislature.

The bill makes the following changes to sales and excise taxes imposed on alcoholic beverages and the sales tax on lodging.

Part A repeals the excise taxes and premiums imposed on spirits, wine and malt liquor and the requirements regarding those excise taxes and premiums.

Part B increases the sales and use tax imposed on lodging from 7% to 9% and on liquor sold for consumption on or off the premises of licensed establishments from 7% to 9%. Part B also amends the exemption of casual rentals of living quarters to decrease the exempt period from fewer than 15 days to fewer than 8 days.

Changes to the taxes addressed in this bill were enacted in other bills during the First Regular Session of the 125th

Joint Standing Committee on Taxation

Legislature. Please see Public Law 2013, chapter 368, Parts N and XXXX.

LD 1421	An Act To Permit a Student Holding a Degree from a Non-Maine Institution To Participate in the Job Creation Through Educational Opportunity Program	Died On Adjournment
----------------	------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
NADEAU C THIBODEAU	OTP-AM	H-596

This bill was carried over from the First Regular Session of the 126th Legislature.

This bill provides that an individual whose associate degree or bachelor's degree was obtained from an accredited non-Maine institution may participate in the Job Creation Through Educational Opportunity Program if the degree obtained was not available from an accredited Maine institution.

Committee Amendment "A" (H-596)

This amendment clarifies that students eligible for the bill's expansion of the income tax credit for student loan repayment are those that received a degree in a course of study available only at a public institution outside the State as part of the New England regional student program offered by the New England Board of Higher Education and provides that those students may claim the credit in tax years beginning on or after January 1, 2015.

This bill was placed on the Special Appropriations Table and died on adjournment.

LD 1463	Resolve, To Develop a Process for Tax Expenditure Review	RESOLVE 115
----------------	-----------------------------------------------------------------	--------------------

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ROTUNDO KNIGHT	OTP-AM ONTP	H-800

This bill was carried over from the First Regular Session of the 126th Legislature.

This bill is a concept draft pursuant to Joint Rule 208, which proposes to direct the Joint Standing Committee on Taxation to examine best practices relating to tax expenditures and examine various approaches to tax expenditures, including but not limited, to placing a cap on tax expenditures and developing expenditure budgets in order to determine the best way to achieve the goals of tax expenditures in the most effective and efficient manner possible and to ensure transparency and accountability.

Committee Amendment "A" (H-800)

This amendment replaces the bill with a resolve that directs the Office of Program Evaluation and Government Accountability to develop a proposal for implementation of a process for ongoing review of tax expenditures by the Legislature. The office is required to submit the proposal by March 1, 2015 to the Government Oversight Committee and the joint standing committee of the Legislature having jurisdiction over taxation matters. The joint standing committee may submit legislation related to the proposal to the First Regular Session of the 127th Legislature.

Enacted Law Summary

Joint Standing Committee on Taxation

Resolve 2013, chapter 115 directs the Office of Program Evaluation and Government Accountability to develop a proposal for implementation of a process for ongoing review of tax expenditures by the Legislature. The office is required to submit the proposal by March 1, 2015 to the Government Oversight Committee and the joint standing committee of the Legislature having jurisdiction over taxation matters. The joint standing committee may submit legislation related to the proposal to the First Regular Session of the 127th Legislature.

LD 1535 An Act To Provide Maine's Businesses Tax Relief for Destroyed or Stolen Products ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FREDETTE	ONTP	

This bill was carried over from the First Regular Session of the 126th Legislature.

This bill requires the State Tax Assessor to reimburse a qualified licensed cigarette retailer for the value of cigarette tax stamps destroyed or stolen.

LD 1547 An Act To Support Municipal Volunteers ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
EVES COLLINS	ONTP	

This bill was carried over from the First Regular Session of the 126th Legislature by the Joint Standing Committee on State and Local Government and referred to the Joint Standing Committee on Taxation.

This bill authorizes municipalities to provide benefits of up to \$750 for persons who serve as volunteer firefighters or volunteer emergency medical services' personnel.

**LD 1607 An Act To Reinstate Statutory Authority for Local Property Tax Assistance Programs PUBLIC 455
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CAREY SAVIELLO	OTP	

Public Law 2013, chapter 368, Part L, discontinued the statutory authority for municipal property tax relief programs for applications filed on or after August 1, 2013. This bill restores statutory authority for municipal property tax relief programs retroactive to the effective date of Public Law 2013, chapter 368 to June 26, 2013, and repeals language linking the municipal program to the state Circuitbreaker Program which was terminated on August 1, 2013.

Enacted Law Summary

Public Law 2013, chapter 455 restores statutory authority for municipal property tax relief programs and repeals language linking the municipal program to the state Circuitbreaker Program which was terminated on August 1, 2013.

Public Law 2013, chapter 455 was enacted as an emergency measure effective March 9, 2014 and applies the restoration of municipal authority retroactively to June 26, 2013.

Joint Standing Committee on Taxation

LD 1608 An Act To Amend the Law Governing the Collection of Minor Amounts of Property Taxes ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WELSH BOYLE	ONTP	

This bill permits municipal officers to discharge tax collectors from any obligation to collect unpaid property taxes on real property that the municipal officers determines to be too small or too burdensome to collect economically.

LD 1609 An Act To Establish an Education and Skills Training Tax Credit for Veterans ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MASTRACCIO PATRICK	ONTP	

This bill provides an income tax credit to veterans to cover the costs of education and skills training necessary to obtain, retain or improve employment if the costs are not reimbursable by the Federal Government or are not reimbursed by any other source. The credit may not exceed \$1,200 annually or \$2,400 over the veterans's lifetime.

LD 1610 An Act To Allow a Municipality To Abate Taxes Assessed on Property That Is Destroyed Accepted Majority (ONTP) Report

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COOPER WOODBURY	ONTP OTP-AM	

This bill allows municipal assessors, or the State Tax Assessor, for property in the unorganized territory, to abate the property taxes of residential real property that, due to destruction by fire, explosion or natural disaster, suffers at least a 50% decrease in just value to improvements on that residential real property.

LD 1627 An Act To Amend the Reporting Requirements for the Business Equipment Tax Exemption PUBLIC 544 EMERGENCY

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HASKELL	OTP-AM	S-462

This bill amends the reporting requirements for the business equipment tax exemption program in the following ways:

1. It eliminates the requirement that a taxpayer seeking an exemption on property exceeding two percent of the total taxable valuation of the municipality provide annually to the municipality income and expense information that is sufficient for the municipal assessor to determine the value of all property owned by the taxpayer located in the municipality as well as the property for which exemption is sought;
2. It eliminates a restriction in current law that specifies a taxpayer applying for an exemption who fails to provide

Joint Standing Committee on Taxation

sufficient information to the assessor is ineligible for the exemption;

3. It repeals a provision of law regarding confidential information and enacts a new provision to specify that proprietary information, such as trade secrets or otherwise not publicly available information, that is part of a taxpayer's application for the exemption is confidential information, exempt from the Freedom of Access Act;
4. It eliminates the requirement that the municipal assessor certify to the State Tax Assessor that the municipal assessor has received the taxpayer's income and expense information and has considered that information in the valuation and exemption determination; and
5. It specifies that the changes apply to property tax years beginning on or after April 1, 2014.

Committee Amendment "A" (S-462)

This amendment replaces the bill and removes changes to the reporting requirements under the business equipment tax exemption enacted by Public Law 2013, chapter 368, Part O. This amendment also specifies the information that an assessor or the State Tax Assessor may request pursuant to the Maine Revised Statutes, Title 36, section 706 regarding property subject to the property tax exemption for business equipment and adds confidentiality provisions applicable to proprietary information provided pursuant to that section.

Enacted Law Summary

Public Law 2013, chapter 544 repeals changes to the reporting requirements under the business equipment tax exemption enacted by Public Law 2013, chapter 368, Part O. It also specifies the information that an assessor or the State Tax Assessor may request pursuant to the Maine Revised Statutes, Title 36, section 706 regarding property subject to the property tax exemption for business equipment and adds confidentiality provisions applicable to proprietary information provided pursuant to that section.

Public Law 2013, chapter 544, was enacted as an emergency measure effective April 15, 2014 and applies to property tax years beginning on or after April 1, 2014.

LD 1646 An Act To Provide Property Tax Relief to Seniors Residing in Maine

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DUTREMBLE GOODE	ONTP	

This bill requires municipalities to "abate" property taxes if the owner is at least 65 years of age, is a permanent resident of this State, has household income of no more than \$65,000, has resided in the household for which the abatement is sought for at least 5 years prior to application and has been retired for at least 5 years. The amount of the tax reduction is equal to the difference between the property taxes imposed on the residence the year of the initial application and the property taxes imposed each year following the year of the initial application. The bill requires the State to reimburse a municipality 50% of the property tax revenue loss suffered by the municipality due to the property tax reduction.

LD 1649 An Act To Make Maine Mills More Competitive by Encouraging the Processing of Forest Products at Mills in the United States

Died Between Houses

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T HERBIG	ONTP OTP-AM	

Joint Standing Committee on Taxation

This bill provides a complete exemption from property tax for land enrolled under the Maine Tree Growth Tax Law when the forest products harvested from that land are processed solely at mills located in the United States.

Committee Amendment "A" (S-397)

This amendment, which is the minority report of the committee, changes the date of application of the Act from property tax years beginning on or after April 1, 2014 to property tax years beginning on or after April 1, 2015. The amendment also adds an appropriations and allocations section.

LD 1654	An Act To Amend the Municipal Hardship or Poverty Tax Abatement Law To Reflect the Replacement of the Circuitbreaker Program	ONTP
----------------	-------------------------------------------------------------------------------------------------------------------------------------	-------------

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAVIELLO BEAVERS	ONTP	

This bill allows municipal officers when considering a request for a property tax abatement based on hardship or poverty to take into account any property tax fairness credit received by that the applicant when determining the ability of the applicant to pay the assessed property taxes.

LD 1661	An Act To Clarify the Provisions of a Historic Preservation Tax Credit	PUBLIC 550
----------------	-------------------------------------------------------------------------------	-------------------

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CRAVEN GOODE	OTP-AM	S-493

Under current law a person is entitled to an income tax credit of not more than \$5,000,000 for each certified rehabilitation project engaged in by that person. This bill provides that certified rehabilitation projects include rehabilitation projects involving only a portion of a certified historic structure or complex of certified historic structures when undertaken in phases or by different entities.

Committee Amendment "A" (S-493)

This amendment provides that the \$5,000,000 cap on the tax credit applies with respect to each certified rehabilitation or to each building that is a component of a certified historic structure, whichever is greater. The amendment also provides that a certified rehabilitation that is placed in service over multiple taxable years is allowed up to \$5,000,000 in credit for the portion of the certified rehabilitation placed in service for each taxable year. This change allows a portion of a building or a single building in a complex to qualify for the \$5,000,000 cap. The change applies to credits for which the first credit installment is claimed on a return filed for a tax year beginning on or after January 1, 2014.

Enacted Law Summary

Public Law 2013, chapter 550 provides that the \$5,000,000 cap on the historic rehabilitation tax credit applies with respect to each certified rehabilitation or to each building that is a component of a certified historic structure, whichever is greater. The law also provides that a certified rehabilitation that is placed in service over multiple taxable years is allowed up to \$5,000,000 in credit for the portion of the certified rehabilitation placed in service for each taxable year. This change allows a portion of a building or a single building in a complex to qualify for the \$5,000,000 cap. The change applies to credits for which the first credit installment is claimed on a return filed for a tax year beginning on or after January 1, 2014.

Joint Standing Committee on Taxation

LD 1664 An Act To Encourage Charitable Contributions to Nonprofit Organizations

PUBLIC 590

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BOYLE NELSON	OTP-AM	S-492 S-542 HILL

This bill removes from the \$27,500 cap on itemized deductions donations made to a nonprofit organization and applies the change retroactively to tax years beginning on or after January 1, 2013.

Committee Amendment "A" (S-492)

This amendment replaces the bill. The amendment provides that, for tax years beginning on or after January 1, 2015, certain charitable contributions included in federal itemized deductions that exceed the \$27,500 limitation on Maine itemized deductions may be claimed on a Maine return. The amount of charitable contributions that may be claimed in excess of the limitation on itemized deductions is \$10,000 for tax years beginning in 2015 and \$18,000 for tax years beginning in 2016. For tax years beginning on or after January 1, 2017, any charitable contributions in excess of the limitation may be claimed on a Maine return.

Senate Amendment "A" To Committee Amendment "A" (S-542)

This amendment removes the provision in the committee amendment that, for tax years beginning in 2015, allows charitable contributions included in federal itemized deductions that exceed the limit on Maine itemized deductions by \$10,000 to be claimed on a Maine income tax return.

Enacted Law Summary

Public Law 2013, chapter 590 provides that, for tax years beginning on or after January 1, 2016, certain charitable contributions included in federal itemized deductions that exceed the \$27,500 limitation on Maine itemized deductions may be claimed on a Maine return. The amount of charitable contributions that may be claimed in excess of the limitation on itemized deductions is \$18,000 for tax years beginning in 2016. For tax years beginning on or after January 1, 2017, any charitable contributions in excess of the limitation may be claimed on a Maine return.

LD 1696 An Act To Clarify That Veterans Who Served in Iraq and Afghanistan Qualify for the Veterans' Property Tax Exemption

PUBLIC 471

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FOWLE PATRICK	OTP-AM	H-623

This bill specifies that property tax exemptions for veterans of federally-recognized war periods apply to veterans of Operation Enduring Freedom, Operation Iraqi Freedom and Operation New Dawn.

Committee Amendment "A" (H-623)

This amendment changes the title of the bill to more accurately describe its effect and incorporates a fiscal note.

Enacted Law Summary

Public Law 2013, chapter 471 specifies that property tax exemptions for veterans of federally-recognized war periods apply to veterans of Operation Enduring Freedom, Operation Iraqi Freedom and Operation New Dawn.

Joint Standing Committee on Taxation

LD 1705 An Act To Conform the Maine Tax Laws to the United States Internal Revenue Code

**PUBLIC 472
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HASKELL	OTP	

This bill updates references to the United States Internal Revenue Code of 1986 contained in the Maine Revised Statutes, Title 36 to refer to the United States Internal Revenue Code of 1986 as amended through December 31, 2013, for tax years beginning on or after January 1, 2013 and for any prior tax years as specifically provided by the United States Internal Revenue Code of 1986, as amended. This bill primarily affects the State's income tax laws.

Enacted Law Summary

Public Law 2013, chapter 472 updates references to the United States Internal Revenue Code of 1986 contained in the Maine Revised Statutes, Title 36 to refer to the United States Internal Revenue Code of 1986 as amended through December 31, 2013, for tax years beginning on or after January 1, 2013 and for any prior tax years as specifically provided by the United States Internal Revenue Code of 1986, as amended.

Public Law 2013, chapter 472 was enacted as an emergency measure effective March 6, 2014.

LD 1706 Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory

RESOLVE 92

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HASKELL	OTP-AM	S-406

This resolve authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory acquired for nonpayment of property taxes.

Committee Amendment "A" (S-406)

This amendment incorporates a fiscal note.

Enacted Law Summary

Resolve 2014, chapter 92 authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory acquired for nonpayment of property taxes.

LD 1707 An Act To Amend the State's Tax Laws

PUBLIC 546

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HASKELL	OTP-AM	S-472

This bill was submitted by the Department of Administrative and Financial Services and makes the following changes to the tax laws.

1. It clarifies that the State Tax Assessor is allowed to review veterans' property tax exemption applications on file at the municipal assessor's office in order to determine that exemptions have been properly allowed and to be able to determine the amount of reimbursement a municipality is entitled to receive.

Joint Standing Committee on Taxation

2. It clarifies that the term "tangible personal property" includes any product transferred electronically as that term is defined in Maine sales and use tax law.
3. It clarifies sales and use tax seller registration law as it relates to persons presumptively required to register.
4. It clarifies that the updated allocation rates for the fire investigation and prevention tax apply for 5 years following the year of determination.
5. It corrects an erroneous reference to the United States Internal Revenue Code of 1986, as amended and an erroneous date reference.
6. It clarifies that benefits paid under a military retirement plan are retirement plan benefits for purposes of modifying federal adjusted gross income.
7. It corrects an oversight relating to the recapture of bonus depreciation add-back modifications by shareholders of electing S corporations.
8. It authorizes the State Tax Assessor to establish an alternative due date for an information statement with respect to tax withholding as long as the date established by the assessor is consistent with the due date of the related federal statement to provide consistency with federal reporting due dates.
9. It clarifies that the payments other than wages that qualify for the visual media production reimbursement do not need to be subject to withholding in order to qualify for the reimbursement.

Committee Amendment "A" (S-472)

This amendment requires the State Tax Assessor to obtain state and national criminal history record information from the Federal Bureau of Investigation and the State Bureau of Identification for any person not already employed with Maine Revenue Services who is applying for employment on or after January 1, 2015 as part of the process of evaluating applicants for employment with Maine Revenue Services and includes changes in the laws relating to the Department of Public Safety, State Bureau of Identification to facilitate the fingerprinting process.

Enacted Law Summary

Public Law 2013, chapter 546 makes the following changes to the tax laws.

1. It clarifies that the State Tax Assessor is allowed to review veterans' property tax exemption applications on file at the municipal assessor's office in order to determine that exemptions have been properly allowed and to be able to determine the amount of reimbursement a municipality is entitled to receive.
2. It clarifies that the term "tangible personal property" includes any product transferred electronically as that term is defined in Maine sales and use tax law.
3. It clarifies sales and use tax seller registration law as it relates to persons presumptively required to register.
4. It clarifies that the updated allocation rates for the fire investigation and prevention tax apply for 5 years following the year of determination.
5. It corrects an erroneous reference to the United States Internal Revenue Code of 1986, as amended and an erroneous date reference.
6. It clarifies that benefits paid under a military retirement plan are retirement plan benefits for purposes of modifying federal adjusted gross income.

Joint Standing Committee on Taxation

7. It corrects an oversight relating to the recapture of bonus depreciation add-back modifications by shareholders of electing S corporations.

8. It authorizes the State Tax Assessor to establish an alternative due date for an information statement with respect to tax withholding as long as the date established by the assessor is consistent with the due date of the related federal statement to provide consistency with federal reporting due dates.

9. It clarifies that the payments other than wages that qualify for the visual media production reimbursement do not need to be subject to withholding in order to qualify for the reimbursement.

10. It requires the State Tax Assessor to obtain state and national criminal history record information from the Federal Bureau of Investigation and the State Bureau of Identification for any person not already employed with Maine Revenue Services who is applying for employment on or after January 1, 2015 as part of the process of evaluating applicants for employment with Maine Revenue Services and includes changes in the laws relating to the Department of Public Safety, State Bureau of Identification to facilitate the fingerprinting process.

LD 1715 An Act To Provide Property Tax Relief to Persons Receiving Long-term Care ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HARLOW	ONTP	

This bill provides a property tax exemption for an owner of residential property in this State who is receiving long-term care under the following circumstances.

1. If the person is in a nursing home with no reasonable expectation that the person will return to that person's residence and the residence is owned in joint tenancy with another person who is occupying the residence, the property tax exemption is 100%.
2. If the person is receiving home health care services, the amount of the property tax exemption is obtained by dividing the actual costs of the home health care services incurred by the person applying for the exemption by the average cost of nursing home care in the county in which the residential real estate is located and multiplying the result by the property taxes assessed on that residential real estate. The exemption may not exceed 100%.

LD 1718 An Act To Improve the Job Creation Through Educational Opportunity Program PUBLIC 525

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GOODE	OTP-AM	H-746

This bill was submitted by the Department of Administrative and Financial Services and consolidates under the tax laws the provisions of statute that govern the determination of the income tax credit for educational opportunity for the purpose of clarifying eligibility for the credit and, without changing the amount of the credit, the method by which the credit is calculated. The bill also makes the following changes to the credit.

1. The bill extends the refundable portion of the credit available to individuals receiving all associate degrees obtained from accredited Maine community colleges, colleges or universities for tax years beginning, and individuals graduating, on or after January 1, 2015.

Joint Standing Committee on Taxation

2. The bill requires that, in order to qualify for the credit, an individual may work in Maine after graduation in order to qualify for the credit, except that an individual may work outside Maine for up to three months and still qualify and removes the requirement that an individual work for an employer located in Maine.

3. The bill clarifies that self-employed individuals who are not employers may participate in the program.

Committee Amendment "A" (H-746)

1. This amendment clarifies that only loan payments paid directly to a lender by an employer qualify for an employer tax credit, consistent with current law.

2. The amendment clarifies the proper calculation of the principal cap for individuals obtaining an associate degree.

3. The amendment clarifies that an employee may claim the deduction for loan payments made by an employer only if the employer pays the education loan payments directly to a lender.

4. The amendment clarifies that eliminating the requirement that a qualified individual work for an employer located in Maine and extending the credit to self-employed individuals apply to tax years beginning on or after January 1, 2015.

5. The amendment clarifies that only loan payments made directly to lenders qualify for the credit and provides that certain changes apply to tax years beginning on or after January 1, 2015: the requirement that loan payments must be made during that part of the tax year during which the qualified individual worked in Maine; the exception that allows an individual to work in Maine for only part of a month to be considered to have worked in Maine for the whole month; and the exception that allows an individual to work outside Maine for up to three months and still be considered to have worked in Maine during those months.

6. The amendment removes the provision in the bill that made the credit refundable for all associate degrees rather than just those in science, technology, engineering and mathematics disciplines.

Enacted Law Summary

Public Law 2013, chapter 525 consolidates under the tax laws the provisions of statute that govern the determination of the income tax credit for educational opportunity for the purpose of clarifying eligibility for the credit and, without changing the amount of the credit, the method by which the credit is calculated. Chapter 525 also makes the following changes to the credit.

1. It requires, beginning with 2015 tax years, that an individual work in Maine after graduation in order to qualify for the credit, except that an individual may work outside Maine for up to 3 months and still qualify and removes the requirement that an individual work for an employer located in Maine.

2. It clarifies that self-employed individuals who are not employers may participate in the program.

3. It clarifies the application of the credit calculation to loan payments made by employers.

LD 1722 An Act To Exempt from Sales and Use Tax Sales of Publications To Be Distributed without Charge and Printed Materials Included in Publications

**PUBLIC 564
EMERGENCY**

Sponsor(s)

BERRY
MASON G

Committee Report

OTP-AM

Amendments Adopted

H-609
S-536 HILL

Joint Standing Committee on Taxation

This bill enacts a sales and use tax exemption for certain printed free publications and for printed materials purchased for inclusion in a publication.

Committee Amendment "A" (H-609)

This amendment incorporates a fiscal note.

Senate Amendment "A" To Committee Amendment "A" (S-536)

This amendment provides funding to the Department of Administrative and Financial Services, Bureau of Revenue Services to contract with the Kennebec County Sheriff's office for a contractor-provided audit selection system and for one Revenue Agent position to aid the bureau in tax collections.

Enacted Law Summary

Public Law 2013, chapter 564, enacts a sales and use tax exemption for certain printed free publications and for printed materials purchased for inclusion in a publication and provides funding to the Department of Administrative and Financial Services, Bureau of Revenue Services to contract with the Kennebec County Sheriff's office for a contractor-provided audit selection system and for one Revenue Agent position to aid the bureau in tax collections.

Public Law 2013, chapter 564 was enacted as an emergency measure effective April 24, 2014 and applies retroactively to sales occurring on or after October 1, 2013.

**LD 1733 An Act Regarding the Registration of Motor Vehicles of Deployed
Members of the National Guard or Reserves of the United States Armed
Forces**

PUBLIC 532

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CROCKETT	OTP-AM	H-747

This bill extends the motor vehicle excise tax exemption for persons on active duty serving in the Armed Forces of the United States to members of the National Guard or Reserves of the United States Armed Forces if that member is under an order to active duty for more than 30 days. This bill also specifies that a vehicle jointly owned with a spouse of a member of the Armed Forces of the United States who is on active duty is eligible for the exemption.

Committee Amendment "A" (H-747)

This amendment replaces the bill and specifies that a vehicle jointly owned by a member of the Armed Forces of the United States who is on active duty and the member's spouse is eligible for the motor vehicle excise tax exemption whether registered by the service member or the service member's spouse as long as the joint ownership is indicated in the motor vehicle's title documentation. The amendment removes provisions from the bill that propose to extend the exemption to motor vehicles owned by members of the National Guard or Reserves of the Armed Forces.

Enacted Law Summary

Public Law 2013, chapter 532 provides that a vehicle jointly owned by a member of the Armed Forces of the United States who is on active duty and the member's spouse is eligible for the motor vehicle excise tax exemption whether registered by the service member or the service member's spouse as long as the joint ownership is indicated in the motor vehicle's title documentation.

Joint Standing Committee on Taxation

LD 1751 An Act To Provide Property Tax Relief to Maine Residents

PUBLIC 551

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
EVES ALFOND	OTP-AM	H-785

This bill creates the Property Tax Fairness Fund to create a mechanism for increasing the cap on the tax credit available under the property tax fairness credit. Currently, the cap on the credit is \$300 for eligible residents under 70 years of age and \$400 for eligible residents 70 years of age and older.

This bill requires 10% of the unappropriated General Fund surplus after all required deductions of appropriations, budgeted financial commitments and adjustments considered necessary by the State Controller have been made and 20% of the amount by which General Fund budgeted revenue for that fiscal year exceeds the General Fund appropriation limitation calculated for that fiscal year to be transferred to the Property Tax Fairness Fund. The bill also decreases the amount of the unappropriated surplus transferred to the Tax Relief Fund for Maine Residents for income tax rate reductions from 20% to 10% and the amount of the excess General Fund budgeted revenue from 40% to 20%.

Annually, the State Controller is required to notify the State Tax Assessor of the amount available in the Property Tax Fairness Fund. Based on that amount, the State Tax Assessor is required to increase the maximum credit available under the property tax fairness credit in equal amounts for residents under 70 years of age and 70 years of age and older. The higher caps apply to the income tax year immediately following the increase.

Committee Amendment "A" (H-785)

This amendment strikes the bill and makes the following changes to the Maine resident property tax fairness credit for tax years beginning on or after January 1, 2014.

1. It changes the definition of "income" that is considered in determining eligibility for the credit by starting with an adjustment to federal adjusted gross income, corresponding to federal total income as reported on the individual's federal income tax return, increased by nontaxable social security and railroad retirement benefits, tax exempt interest, certain deductions and certain business and capital losses.
2. It changes the formula for calculating the amount of the credit by providing that benefits are equal to 50% of the amount by which the benefit base exceeds 6% of the individual's income up to a maximum benefit of \$600 for filers under 65 years of age and \$900 for filers 65 years of age and older. The benefit base is the amount of property taxes or rent constituting property taxes up to a maximum of \$2,000 for single filers, \$2,600 for joint filers and head of household filers claiming no more than two personal exemptions, \$3,200 for joint filers and head of household filers claiming three or more personal exemptions and, for married individuals filing separately, 1/2 of the benefit base limitation amount applicable to married individuals filing jointly.
3. It changes the portion of rent constituting property taxes from 25% to 15% and removes the exclusion of persons whose rent is subsidized by government programs.
4. It provides that the benefit base maximum amounts will be adjusted annually for inflation for tax years beginning after 2015.
5. It provides funding to cover administrative costs to implement the changes to the property tax fairness credit.

Enacted Law Summary

Public Law 2013, chapter 551 makes the following changes to the Maine resident property tax fairness credit for tax

Joint Standing Committee on Taxation

years beginning on or after January 1, 2014.

1. It changes the definition of "income" that is considered in determining eligibility for the credit by starting with an adjustment to federal adjusted gross income, corresponding to federal total income as reported on the individual's federal income tax return, increased by nontaxable social security and railroad retirement benefits, tax exempt interest, certain deductions and certain business and capital losses.
2. It changes the formula for calculating the amount of the credit by providing that benefits are equal to 50% of the amount by which the benefit base exceeds 6% of the individual's income up to a maximum benefit of \$600 for filers under 65 years of age and \$900 for filers 65 years of age and older. The benefit base is the amount of property taxes or rent constituting property taxes up to a maximum of \$2,000 for single filers, \$2,600 for joint filers and head of household filers claiming no more than two personal exemptions, \$3,200 for joint filers and head of household filers claiming three or more personal exemptions and, for married individuals filing separately, 1/2 of the benefit base limitation amount applicable to married individuals filing jointly.
3. It changes the portion of rent constituting property taxes from 25% to 15% and removes the exclusion of persons whose rent is subsidized by government programs.
4. It provides that the benefit base maximum amounts will be adjusted annually for inflation for tax years beginning after 2015.
5. It provides funding to cover administrative costs to implement the changes to the property tax fairness credit.

LD 1754 **Resolve, To Require a Study of the Payment of Motor Vehicle Excise Tax by Public Utilities INDEF PP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HARVELL	OTP-AM OTP-AM	H-774

This bill treats public utilities like other corporations and partnerships by requiring the payment of excise tax to the place where the owner has a permanent location where its motor vehicles are kept rather than the place in which the public utility's main office is located.

Committee Amendment "A" (H-774)

This resolve, which is the majority report of the committee, establishes the Study Group to Evaluate the Payment of Motor Vehicle Excise Tax by Public Utilities to study and analyze current law regarding the location of payment of motor vehicle excise tax by public utilities as compared to other corporations. The study group is required to report the results of its study and analysis to the Joint Standing Committee on Taxation for presentation to the joint standing committee of the Legislature having jurisdiction over taxation matters of the First Regular Session of the 127th Legislature. The committee is authorized to submit legislation related to the report pursuant to the joint rules.

This bill, as amended by Committee Amendment "A," was placed on the Special Study Table pending enactment, removed from the table and indefinitely postponed.

LD 1785 **An Act To Make Consistent the Sales and Use Tax Imposed on Various Fuels Used To Heat Buildings for Human Habitation ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T STANLEY	ONTP	

Joint Standing Committee on Taxation

This bill permits hotels to be eligible for the sales tax exemption for gas used for cooking and heating buildings designed and used for both human habitation and sleeping.

LD 1795 An Act To Remove Medical and Dental Expenses from the Itemized Deduction Cap

**Died On
Adjournment**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KNIGHT BURNS	OTP-AM	H-767

This bill removes medical and dental expenses included in an individual's federal itemized income tax deductions from the \$27,500 cap on state itemized deductions for tax years beginning on or after January 1, 2014.

Committee Amendment "A" (H-767)

This amendment provides allocations to the Department of Administrative and Financial Services, Bureau of Revenue Services to increase contingent-fee funding for contracted tax collection services to hire 8 additional collectors and improve automated collection functions.

This bill was placed on the Special Appropriations Table and died on adjournment. The substance of this bill was enacted in a supplemental budget bill, Public Law 2013, chapter 595, Part T. (See LD 1858.)

LD 1803 An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2014-15

**PUBLIC 522
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM	H-748

This bill establishes municipal cost components for state and county services provided to the unorganized territory that would be paid for by a municipality. The municipal cost components constitute the property tax for the unorganized territory.

Committee Amendment "A" (H-748)

This amendment incorporates a fiscal note.

Enacted Law Summary

Public Law 2013, chapter 522 establishes municipal cost components for state and county services provided to the unorganized territory that would be paid for by a municipality. The municipal cost components constitute the property tax for the unorganized territory.

Public Law 2013, chapter 522, was enacted as an emergency measure effective April 5, 2014.

Joint Standing Committee on Taxation

LD 1813 An Act To Hold an Advisory Referendum on Tax Reform

**Accepted Majority
(ONTP) Report**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
THOMAS	ONTP OTP-AM	

This bill directs the Secretary of State to hold an advisory referendum at a statewide election in June to determine whether the voters of the State favor lowering income tax rates, implementing alternative taxes and reducing overall tax revenues and government spending by at least \$100,000,000 in order to make Maine more economically competitive and improve the job creation environment. If the voters approve the advisory referendum question, the Governor is required to direct the Commissioner of Administrative and Financial Services to include in the biennial budget for fiscal years 2015-16 and 2016-17 submitted to the First Regular Session of the 127th Legislature proposals to lower the income tax rates, implement alternative taxes and reduce overall tax revenues and government spending by at least \$100,000,000.

LD 1839 An Act To Increase the Deduction for Pension Income

**Died On
Adjournment**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BENNETT	ONTP OTP-AM	H-801

This bill increases the maximum Maine individual income tax pension deduction amount from \$10,000 to \$30,000 for tax years beginning on or after January 1, 2014.

Committee Amendment "A" (H-801)

This amendment, which is the minority report of the committee, increases the maximum Maine individual income tax pension deduction amount from \$10,000 to \$15,000 beginning in 2015, \$20,000 beginning in 2017, \$25,000 beginning in 2019 and \$30,000 beginning in 2021.

This bill was placed on the Special Appropriations Table and died on adjournment.

Joint Standing Committee on Taxation

SUBJECT INDEX

Administration of Tax Laws

Enacted

LD 1707 An Act To Amend the State's Tax Laws PUBLIC 546

Cigarette and Tobacco Taxes

Not Enacted

LD 1535 An Act To Provide Maine's Businesses Tax Relief for Destroyed or Stolen Products ONTP

Fuel Tax

Not Enacted

LD 996 An Act To Improve the Accuracy of Fuel Tax Reporting Died On Adjournment

Income Tax - General

Enacted

LD 1705 An Act To Conform the Maine Tax Laws to the United States Internal Revenue Code PUBLIC 472 EMERGENCY

Not Enacted

LD 1120 An Act To Improve Maine's Tax Laws Veto Sustained

Income Tax Credits, Exemptions, Deductions and Incentives

Enacted

LD 743 An Act To Extend and Improve the Maine Seed Capital Tax Credit Program PUBLIC 438

LD 1661 An Act To Clarify the Provisions of a Historic Preservation Tax Credit PUBLIC 550

LD 1664 An Act To Encourage Charitable Contributions to Nonprofit Organizations PUBLIC 590

LD 1718 An Act To Improve the Job Creation Through Educational Opportunity Program PUBLIC 525

Not Enacted

LD 1421 An Act To Permit a Student Holding a Degree from a Non-Maine Institution To Participate in the Job Creation Through Educational Opportunity Program Died On Adjournment

LD 1609 An Act To Establish an Education and Skills Training Tax Credit for Veterans ONTP

LD 1795 An Act To Remove Medical and Dental Expenses from the Itemized Deduction Cap Died On Adjournment

LD 1839 An Act To Increase the Deduction for Pension Income Died On Adjournment

Miscellaneous Taxes

Not Enacted

LD 1402 An Act To Amend the Taxes Imposed on Alcohol and Lodging ONTP

Motor Vehicle Excise Tax

Enacted

LD 1733 An Act Regarding the Registration of Motor Vehicles of Deployed Members of the National Guard or Reserves of the United States Armed Forces PUBLIC 532

Not Enacted

LD 1754 Resolve, To Require a Study of the Payment of Motor Vehicle Excise Tax by Public Utilities INDEF PP

Property Tax - Exemptions

Enacted

LD 1696 An Act To Clarify That Veterans Who Served in Iraq and Afghanistan Qualify for the Veterans' Property Tax Exemption PUBLIC 471

Not Enacted

LD 936 An Act To Authorize Municipalities To Impose Service Charges on Tax-exempt Property Owned by Certain Nonprofit Organizations Majority (ONTP) Report

LD 1649 An Act To Make Maine Mills More Competitive by Encouraging the Processing of Forest Products at Mills in the United States Died Between Houses

LD 1715 An Act To Provide Property Tax Relief to Persons Receiving Long-term Care ONTP

Property Tax - General

Not Enacted

LD 1608 An Act To Amend the Law Governing the Collection of Minor Amounts of Property Taxes ONTP

LD 1610 An Act To Allow a Municipality To Abate Taxes Assessed on Property That Is Destroyed Majority (ONTP) Report

LD 1654 An Act To Amend the Municipal Hardship or Poverty Tax Abatement Law To Reflect the Replacement of the Circuitbreaker Program ONTP

Property Tax - Personal Property and Business Equipment

Enacted

LD 1627 An Act To Amend the Reporting Requirements for the Business Equipment Tax Exemption PUBLIC 544 EMERGENCY

Property Tax Relief Programs

Enacted

LD 1607 An Act To Reinstate Statutory Authority for Local Property Tax Assistance Programs PUBLIC 455 EMERGENCY

LD 1751 An Act To Provide Property Tax Relief to Maine Residents PUBLIC 551

Not Enacted

LD 369 An Act To Redesign Maine's School Funding Model ONTP

LD 816 An Act To Reduce the Property Tax Burden and Improve the Circuitbreaker Program ONTP

LD 1547 An Act To Support Municipal Volunteers ONTP

LD 1646 An Act To Provide Property Tax Relief to Seniors Residing in Maine ONTP

Sales Tax Exemptions, Exclusions or Refunds

Enacted

LD 1370 An Act To Exempt from Sales Tax the Sales of Adaptive Equipment To Make a Vehicle Handicapped Accessible PUBLIC 442

LD 1722 An Act To Exempt from Sales and Use Tax Sales of Publications To Be Distributed without Charge and Printed Materials Included in Publications PUBLIC 564 EMERGENCY

Not Enacted

LD 916	An Act To Promote Investment in Maine's Communications Network and Natural Gas Network	ONTP
LD 1785	An Act To Make Consistent the Sales and Use Tax Imposed on Various Fuels Used To Heat Buildings for Human Habitation	ONTP

Tax Expenditure Review

Enacted

LD 1463	Resolve, To Develop a Process for Tax Expenditure Review	RESOLVE 115
---------	----------------------------------------------------------	-------------

Tax Reform - Tax and Spending

Not Enacted

LD 1813	An Act To Hold an Advisory Referendum on Tax Reform	Majority (ONTP) Report
---------	-----------------------------------------------------	---------------------------

Unorganized Territory

Enacted

LD 1706	Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory	RESOLVE 92
LD 1803	An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2014-15	PUBLIC 522 EMERGENCY

LD INDEX

LD #		Page #
LD 369	-----	Page 1
LD 743	-----	Page 1
LD 816	-----	Page 2
LD 916	-----	Page 2
LD 936	-----	Page 3
LD 996	-----	Page 4
LD 1120	-----	Page 4
LD 1370	-----	Page 5
LD 1402	-----	Page 5
LD 1421	-----	Page 6
LD 1463	-----	Page 6
LD 1535	-----	Page 7
LD 1547	-----	Page 7
LD 1607	-----	Page 7
LD 1608	-----	Page 8
LD 1609	-----	Page 8
LD 1610	-----	Page 8
LD 1627	-----	Page 8
LD 1646	-----	Page 9
LD 1649	-----	Page 9
LD 1654	-----	Page 10
LD 1661	-----	Page 10
LD 1664	-----	Page 11
LD 1696	-----	Page 11
LD 1705	-----	Page 12
LD 1706	-----	Page 12
LD 1707	-----	Page 12
LD 1715	-----	Page 14
LD 1718	-----	Page 14
LD 1722	-----	Page 15
LD 1733	-----	Page 16
LD 1751	-----	Page 17
LD 1754	-----	Page 18
LD 1785	-----	Page 18
LD 1795	-----	Page 19
LD 1803	-----	Page 19
LD 1813	-----	Page 20
LD 1839	-----	Page 20