

## Tax and Fee Changes Affecting State and Local Tax Burden 125th Legislature, Second Regular Session

Tax Category and Description	Law/Bill Reference	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
<b>Sales and Use Tax</b>					
Creates a new sales and use tax exemption for positive airway pressure equipment used in respiratory ventilation, and for supplies, repair parts and replacement parts for such equipment.	PL 2011, c. 655, Part PP	(\$112,850)	(\$261,000)	(\$269,613)	(\$279,319)
Expands the scope of Title 36, section 2013, which provides for the refund of sales tax on purchases of depreciable machinery or equipment used for commercial agriculture and certain other purposes, to include items used in commercial wood harvesting and in the commercial production of greenhouse and nursery products and expands the scope of Title 36, section 1760, subsection 7-B, which provides a sales tax exemption for products used in commercial agriculture production, to include horticulture.	PL 2011, c. 657, Part N	\$0	\$0	(\$847,850)	(\$869,166)
Establishes a Use Tax Compliance Program to be conducted from July 1, 2012 through December 30, 2012 covering purchases made in calendar years 2006-2011. Taxpayer is absolved from further liability prior to January 1, 2012 and criminal prosecution, if form and payments are submitted as required. Payment of the tax and interest (no penalties) would be required for the three calendar years with the highest use tax liability; use tax liability - including interest and late charges - would be forgiven for the three "low years."	PL 2011, c. 657, Part Q	\$0	\$5,600,000	\$0	\$0
Enhances revenue discovery and collections opportunities by authorizing an "Overtime Initiative" to be undertaken by Maine Revenue Services.	PL 2011, c. 657, Part A	\$0	\$1,200,000	(\$300,000)	(\$150,000)
Increases the amounts presumed to be purchased for residential use from 200 pounds to 1,000 pounds for purchases of wood pellets through 9/30/2013 and all purchases of wood pellets thereafter and up to 1 cord of firewood including bundled campfire wood.	PL 2011, c. 670	(\$2,500)	(\$20,800)	(\$66,210)	(\$84,365)
Provides a sales tax exemption for off-peak residential electricity used by electric thermal storage devices.	PL 2011, c. 673	(\$2,200)	(\$8,900)	(\$8,989)	(\$9,079)
Applies sales tax on camper trailers and motor homes purchased for rental in the same manner as on automobiles purchased for rental effective 10/1/2012.	PL 2011, c. 684	\$0	(\$58,384)	(\$117,709)	(\$105,938)
<b>Individual Income Tax</b>					
Enhances revenue discovery and collections opportunities by authorizing an "Overtime Initiative" to be undertaken by Maine Revenue Services.	PL 2011, c. 657, Part A	\$0	\$800,000	(\$200,000)	(\$100,000)

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<b>Individual Income Tax (continued)</b>					
Exempts from Maine income tax active duty military pay earned outside of Maine for service performed pursuant to written orders during tax years beginning on or after January 1, 2014.	PL 2011, c. 657, Part M	\$0	\$0	(\$780,000)	(\$1,972,000)
Amends the pension income tax subtraction modification to raise the \$6,000 limit to \$10,000 for tax years beginning on or after January 1, 2014.	PL 2011, c. 657, Part R	\$0	\$0	(\$7,578,000)	(\$21,894,737)
Amends the education opportunity tax credit to make it refundable in the case of students majoring in science, technology, engineering or mathematics, makes the credit available to certain students who transfer to an accredited Maine community college, college, or university from an accredited out-of-state institution, and removes restrictions on the term of eligible loans.	PL 2011, c. 665	\$0	(\$76,000)	(\$416,800)	(\$608,800)
<b>Corporate Income Tax</b>					
Amends the education opportunity tax credit to make it refundable in the case of students majoring in science, technology, engineering or mathematics, makes the credit available to certain students who transfer to an accredited Maine community college, college, or university from an accredited out-of-state institution, and removes restrictions on the term of eligible loans.	PL 2011, c. 665	\$0	(\$19,000)	(\$104,200)	(\$152,200)
<b>Hospital Taxes and Assessments</b>					
Imposes a temporary 0.39% hospital assessment for hospital fiscal years ending during calendar year 2008.	PL 2011, c. 477, Part II	\$0	\$14,173,813	\$0	\$0
<b>Public Utilities Taxes</b>					
Establishes the Prepaid Wireless Fee Fund for the purposes of collecting and distributing prepaid wireless fees. The fees will be collected by the State Tax Assessor and credited to the Public Utilities Commission. The Commission will transfer the funds to the state universal service fund and the telecommunications education access fund.	PL 2011, c. 600	\$0	\$500,000	\$500,000	\$500,000
<b>Hunting and Fishing Licenses</b>					
Reduction in revenue from eliminating the super sport certificate.	PL 2011, c. 576	\$0	(\$13,000)	(\$25,000)	(\$25,000)
Application fee revenue from the newly created elver license lottery.	PL 2011, c. 549	\$0	\$5,000	\$5,000	\$5,000
Increase in revenue from repealing the requirement that residents of New Brunswick and Quebec may not hunt big game or wild turkey without a licensed guide.	PL 2011,c. 561	\$0	\$37,437	\$37,437	\$37,437

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<b>Motor Vehicle Registration and License Fees</b>					
Revenue from the sale of special commemorative license plates celebrating the World Acadian Congress.	RESOLVE, c. 156	\$0	\$25,000	\$25,000	\$25,000
Increases the reinstatement fee of a juvenile provisional license holder for a conviction listed in the habitual offender law from \$50 to \$200.	PL 2011, c. 654	\$0	\$50,000	\$54,000	\$54,000
<b>Other Miscellaneous Taxes and Fees</b>					
<b>Environmental Protection</b>					
Revises fees imposed on solid waste disposed of at commercial, municipal, state-owned and regional landfill associations.	PL 2011, c. 544	\$0	\$175,000	\$525,000	\$700,000
Revises the system of waste discharge license fees.	PL 2011, c. 546	\$0	(\$30,000)	(\$10,000)	\$10,000
<b>Professional and Financial Regulation</b>					
Increased revenue resulting from requiring the registration of fuel dealers who offer prepaid contracts to Maine residents.	PL 2011, c. 574	\$15,000	\$15,000	\$15,000	\$15,000
<b>Total Impact of Tax and Fee Changes</b>		<b>(\$102,550)</b>	<b>\$22,094,166</b>	<b>(\$9,562,934)</b>	<b>(\$24,904,167)</b>
<b>Major Changes to Tax Reimbursement Programs (Not Included in State and Local Tax Burden Calculations)</b>					
Reduces Circuitbreaker benefits by requiring that benefits be based on property taxes actually paid, rather than assessed, and requiring proof of payment..	PL 2011, c. 552	\$0	\$41,000	\$50,000	\$50,000