

shaded bills have been voted by
Committee

2/3/14

126th LEGISLATURE, SECOND REGULAR SESSION
JOINT STANDING COMMITTEE ON TAXATION
jsj 2/3/2014 9:14:00 AM

Shading indicates bill has been voted on.

LD	L R	PH	WS	SPON SOR	TITLE	SUMMARY	COMM ACTION	FISCAL IMPACT ¹	
								14	15
369	1 6 7 5			Johnso n, C.	An Act To Redesign Maine's School Funding Formula	CONCEPT DRAFT: Proposes to redesign Maine's school funding formula to achieve equal educational opportunity for Maine students and statewide equity in property tax burden. Carried over by EDU Committee and rereferred to TAX. See accompanying 1/28letter from EDU Committee			
816	1 4 2 6	5/6	5/13	Powers	An Act To Reduce the Property Tax Burden and Improve the Circuitbreaker Program	CONCEPT DRAFT: Improve circuitbreaker by simplifying determination of eligibility, change application period to IT filing period, permit application thru DHHS system and ensure adequate source of funding	Carry over		
						Circuit breaker terminated in 2013 in PL 2013, c. 368, Part L. Replaced by "property tax fairness income tax credit."	ONTP		
916	1 5 4 3	3/25	4/5	Brooks	An Act To Promote Investment in Maine's Communications Network and Natural Gas Network	Provides sales tax exemption for telecommunications equipment sold to a provider of telcom services and natural gas heating equipment sold to a business or residential customer Committee voted (OTPA/ONTP) to amend to remove the natural gas exemption from the bill; reconsidered that vote and voted to carryover. Fiscal note on telcom only provision was \$4.5 million in FY 2013-14 and \$5.6 million in FY 2014-15.	Carry over	Telcom only: (\$4,561,648)	Telcom only: (\$5,608,145)
							ONTP		

For more detail, please see fiscal note documents in LD file.

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936	1 9 5 5	4/1	4/8	Chase	An Act To Authorize Municipalities To Impose Service Charges on Tax-exempt Property Owned by Certain Nonprofit Organizations	Expands current law permitting municipal assessment of service charges against certain property exempt from property tax.	Carry over	NA	NA
						PL 2013, c. 368, Part AA established Nonprofit Tax Review Task Force to examine feasibility of establishing an assessment on nonprofit organizations that would raise \$100,000,000. Taks Force reported to AFA which may submit bill to 2d Reg Session. Task force reported that a \$100,000,000 assessment was not feasible and identified factors to be considered if expansion and refinement of service charge authority moves forward. 1/15 Tabled for sponsor to develop further info.	ONTP/ OTPA		
996	4 8 9	3/22	4/8 5/7	Thibodeau	An Act To Improve the Accuracy of Fuel Tax Reporting	Changes method of measuring gallons of fuel for fuel tax purposes to include an adjustment for temperature based on net gallons. Committee voted OTPA to provide option to taxpayer to use net gallons or gross gallons Bill (as amended) was adopted in H and S and placed on Special Highway Table; removed from table and sent back to TAX and carried over..	Carry over	OTPA HF (\$256,571) GF (\$142) OSRF (\$23,287)	OTPA HF (\$366,530) GF (\$203) OSRF (\$33,267)
						MRS asked to bring description of methodology for deriving fiscal note on 2013 Committee Amendment.	OTPA		
1120	1 7 0 5	4/29	5/13 5/17	Goode	An Act To Improve Maine's Tax Laws	CONCEPT: 1. Reduce sourcing of income to offshore tax havens 2. Establish task force to analyze tax expenditures	Carry over		
						PL 2013, c. 368, Part S established Tax Expenditure Review Task Force to recommend a process for evaluating tax expenditures and the repeal or	Table		

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						<p>modification of tax expenditures to generate \$40,000,000 to fund revenue sharing. Reported to AFA which has authority to report out a bill.</p> <p>Report provided options for generating revenue to maintain revenue sharing and recommended a process if rotating review of tax expenditures to be conducted by OPEGA/GOC and TAX Committee. Draft is not yet finalized.</p> <p>1/22 Extension requested for further research on tax havens</p>			
1402	1704	4/26	5/3	Moone n	An Act To Amend the Taxes Imposed on Alcohol and Lodging	<ol style="list-style-type: none"> 1. Repeals excise taxes and premium taxes on alcoholic beverages (spirits, malt beverages and wine). 2. Increases sales tax on liquor sold by drink and on lodging from 7% to 9%. 3. Reduces threshold for casual sales of lodging from 15 days per year to 8 days. 	Carry over		
			1/13			<p>PL 2013, c.368, Part XXXX combined excise tax and premium tax on alcoholic beverages – with no change in amount due.</p> <p>PL 2013, c. 368, Part N increased tax on liquor sold by drink to 8% until 6/30/15</p>	ONTP		
1421	2004	4/29	5/6	Nadea u, C.	An Act To Permit a Student Holding a Degree from a Non-Maine Institution To Participate in the Job Creation Through Educational Opportunity Program	Permits a person with a degree from a non-Maine institution received after 1/1/15 to receive the educational opportunity income tax credit if DoE determines that the degree cannot be obtained from an accredited Maine institution.	Carry over		
			1/13 1/15			<p>EDU Committee requested TAX Committee to review provisions in LD 1300 that were deleted by EDU Committee and include them in LD 1420. LD 1300 proposed to expand the refundability of the credit to include</p> <ol style="list-style-type: none"> 1. STEM bachelor's degrees as well as STEM 	OTPA		

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						<p>associate degrees ; 2. to the employer credit for STEM degrees; and 3. to apply to all associate degrees</p> <p>Sponsor has proposed an amendment to provision of bill that expands the credit to degrees earned outside Maine if the degree cannot be obtained in Maine apply to make it applicable to degrees received after 1/1/2009.</p> <p>See LD 1718 presented by MRS this session which makes administrative changes to the credit and expands refundability to all associate degrees beginning in 2015.</p> <p><i>Work session 1/13: Committee asked for fiscal impact info on 3 options: 1. Original bill 2. Extending credit to degrees earned after 1/1/09 beginning 1/1/15. 3. Extending credit to all nonMaine drgrees beginning 1/1/15 MRS working on fiscal analysis</i></p>			
1463	2 5	4/29	5/13 5/17	Rotund o	An Act To Examine Best Practices Relating to Tax Expenditures	<p>CONCEPT: Proposes to direct TAX Committee to examine best practices relating to tax expenditure, including caps on tax expenditures and tax expenditure budgets to achieve goals effectively and efficiently and ensure transparency and accountability.</p> <p>PL 2013, c. 368, Part S established Tax Expenditure Review Task Force to recommend a process for evaluating tax expenditures and the repeal or modification of tax expenditures to generate \$40,000,000 to fund revenue sharing. Reported to AFA which has authority to report out a bill.</p> <p>Report provided options for generating revenue to maintain revenue sharing and recommended a process if rotating review of tax expenditures to be conducted</p>	Carry over		
			1/13 1/15 1/22			<p>PL 2013, c. 368, Part S established Tax Expenditure Review Task Force to recommend a process for evaluating tax expenditures and the repeal or modification of tax expenditures to generate \$40,000,000 to fund revenue sharing. Reported to AFA which has authority to report out a bill.</p> <p>Report provided options for generating revenue to maintain revenue sharing and recommended a process if rotating review of tax expenditures to be conducted</p>	Table		

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						<p>by OPEGA/GOC and TAX Committee. Draft is not yet finalized.</p> <p>See also LD 1120.</p> <p>OPEGA Director Beth Ashcroft invited to brief on GOC status.</p> <p>1/15 Tabled for review of draft of review process legislation</p> <p>1/22 Extension requested for further work on evaluation process draft</p>			
1535	1 8 1 6	5/20	5/21	Fredette	An Act To Provide Maine's Businesses Tax Relief for Destroyed or Stolen Products	<p>Requires MRS to reimburse small cigarette retailer for destroyed or stolen cigarette tax stamps.</p> <p>Under current law distributors who pay the tax have ability to obtain a refund.</p> <p>2011 annual revenue loss estimate of similar bill was \$40,000</p>	Carry over		
			1/13				ONTP		
1547	1 7 8 3				An Act To Support Municipal Volunteers	<p>This bill was carried over from the 1st Regular Session by the SLG Committee and rereferred to TAX on 1/23/14.</p> <p>The section of law amended by this bill is part of the chapter authorizing municipal payments of up to \$750 for persons over the age of 60 who volunteer to provide services to the municipality. This program was part of the chapter containing the local circuitbreaker program that was inadvertently terminated last year. LD 1607 which proposes to reinstate municipal authority was voted OTP by the TAX Committee on 1/27.</p> <p>This bill expands municipal authority by authorizing them to adopt by ordinance a program to pay volunteer</p>			

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						firefighters or EMS personnel up to \$750.			
1607	2 2 4 9	1/15	1/27	Carey	An Act To Reinstate Statutory Authority for Local Property Tax Assistance Programs	Repeals statutory parameters for local property tax circuitbreaker programs and a provision restricting local programs beginning 8/1/13.	OTP		
1608	2 8 1	1/15	1/27	Welsh	An Act To Amend the Law Governing the Collection of Minor Amounts of Property Taxes	Current law permits municipal officers to discharge tax collector from obligation to collect unpaid property taxes on personal property if the municipality determines that the taxes are too small or too burdensome to collect economically. This bill extends same authority with regard to taxes on real property.	ONTP		
1609	2 4 0 8	2/3		McCabe	An Act To Establish an Education and Skills Training Tax Credit for Veterans	Creates income tax credit for veterans to cover costs of education and skills training necessary to obtain, retain or improve employment if no other reimbursement is available Credit is limited to \$1,200 per year and \$2,400 over the veteran's lifetime. Credit must be claimed within 10 years of the cessation of the veteran's service.			
1610	2 2 9 9	1/22	1/29	Cooper	An Act To Allow a Municipality To Abate Taxes Assessed on Property that is Destroyed	Allows municipal officers to abate taxes for residential property that, due to destruction by fire, explosion or natural disaster suffers at least a 50% decrease in just value to the improvements on the property. 1/22 PH – Sponsor indicates it is OK to limit to <u>primary</u> residences. 1/29 Tabled for group to work on amendment	Tabled		
1627	2 4 0 5	1/22	1/29	Haskell	An Act To Amend the Reporting Requirements for the Business Equipment Tax Exemption	Repeals the following additional BETE reporting requirements added under PL 2013, c. 368, Part O. <ul style="list-style-type: none"> Requirement that taxpayer submit additional information to municipal assessor to qualify for BETE exemption including income and expense info when valuation of property exceeds 2% of municipal tax base 	Tabled		

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						<ul style="list-style-type: none"> Requirement that municipal assessor certify to STA that taxpayer has submitted necessary information Applies to property tax years beginning on or after 4/1/14. 1/29 Tabled for group to work on amendment			
1646	2 5 9 3	1/15	1/27	Dutrem ble	An Act To Provide Property Tax Relief to Seniors Residing in Maine Legislature	Requires municipalities to "abate" incremental property taxes over the property tax in the year of application on the homestead of an eligible elderly applicant. Provides that State will reimburse municipalities for 50% of property tax revenue loss. Major technical issues. Potential constitutional issues Significant mandate potential Possible obligation to reimburse municipalities 50% of property tax revenue loss.	ONTP		
1649	2 4 9 8	1/22	1/29	Jackso n, T	An Act To Make Maine Mills More Competitive by Encouraging the Processing of Forest Products at Mills in the United States	Provides a complete property tax exemption for land enrolled under the Tree Growth Tax Law if forest products harvested from the land are processed at mills in the United States in the previous property tax year. Maine Constitution requires State to reimburse municipalities for at least 50% of property tax revenue loss from new property tax exemptions. Potential state mandate costs. Potential MRS administrative costs MRS requests for clarification	ONTP/ OTPA		
1654	2 5 1 6	1/15	1/27	Saviell o	An Act To Amend the Municipal Hardship or Poverty Tax Abatement to Reflect Replacement of the Circuitbreaker Program	Amends laws relating to abatement of property taxes for hardship or infirmity to permit the municipal officers to consider the amount received by the owner from the property tax fairness credit which has replaced the circuitbreaker program which could previously be taken into consideration in determining whether the taxpayer has the resources to pay property taxes.	ONTP		

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						NEEDS TECHNICAL AMENDMENT			
1661	2 6 6 8	1/22	1/29	Craven	An Act To Clarify the Provisions of a Historic Preservation Tax Credit	<p>Provides that the \$5,000,000 per project cap on the income tax credit for historic rehabilitation applies to each portion of a certified historic structure or complex when undertaken in phases or by different entitites,</p> <p><u>MRS info:</u> 1. Are changes necessary to statutes fgoverning Maine Historic Rehabilitation Commission which certifies projects? 2. What does "phase" mean? 3. MRS recommends change in application to 1/1/15 4. "significant revenue reduction" beginning FY 16</p> <p>1/29 Tabled for group to work on amendment</p>	Tabled		
1664	2 6 1 7	1/22	1/29	Boyle	An Act To Encourage Charitable Contributions to Nonprofit Organizations	<p>Provides that the \$27,500 cap on itemized deductions under the individual income tax does not include contributions made to a 501(c)(3) nonprofit organization.</p> <p>Bill is retroactive to 2013 income tax years</p> <p><u>Issues identified by MRS:</u> 1. Federal deduction is broader than 503(c)(3)s 2. Calculation is complicated by federal phasedown of itemized deductions for high income taxpayers 3. Technical amendment proposed for clarification.</p> <p><u>Proposed amendment (Mills)1/22/14:</u> 1. Excludes medical deductions and chaitable deductions to Maine 501(c)(3) 2. Reduces cap to \$20,000</p> <p>1/29 Tabled for group to work on amendment</p>	Tabled	Est. revenue loss (\$15,100,000)	Est. revenue loss (\$13,100,000) Admin costs \$147,000 (assuming no retroactivity)
1696	2 4	2/3		Fowle	An Act To Extend the Veterans' Property Tax Exemption to Veterans	Provides that veterans' property tax exemptions for veterans who served in federally-recognized war			

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	0 7				Who Served in Iraq or Afghanistan	periods includes Operation Enduring Freedom, Operation Iraqi Freedom and Operation New Dawn.			
1705	2 5 5 9	2/5		Haskell	An Act To Conform the Maine Tax Laws to the United States Internal Revenue Code	Updates date of general conformity with United States Internal Revenue Code from 1/2/13 to 12/31/13.			
1706	2 5 6 0	2/5		Haskell	Resolve, Authorizing the State Tax Assessor To convey the Interest of the State in Certain Real Estate in the Unorganized Territory	Authorizes State Tax Assessor to sell several parcels of land in the unorganized territory acquired for nonpayment of property taxes.			
1707	2 6 9 7	2/5		Haskell	An Act To Amend the State's Tax Laws	Maine Revenue Services bill to make minor changes to the tax laws.			
1715	2 5 7 9	2/3		Harlow	An Act To Provide Property Tax Relief to Persons Receiving Long-term Care	Provides a property tax exemption for residential real estate of persons residing in a nursing home or a partial exemption for persons receiving licensed home health care services.			
1718	2 6 7 6	2/5		Goode	An Act To Improve the Job Creation Through Educational Opportunity Program				
1722	2 3 4 6	2/3		Berry	An act To Exempt from Sales and Use Tax Sales of Publications TO Be Distributed without Charge and Printed Materials Included in Publications	Provides a sales tax exemption for printed paper periodicals and publications that are purchased for distribution without charge or for inclusion in a publication.			
1733	2 5 0 4	2/3		Crockett	An Act Regarding the Registration of Motor Vehicles of Deployed Members of the National Guard or Reserves of the United States Armed Forces	Extends motor vehicle excise tax exemption for certain vehicles owned by active duty military to include: 1. vehicles owned jointly with a spouse; and 2. members of National Guard or reserves on active duty exceeding 30 days			
1751	2 2 5 8			Eves	An Act To Provide Property Tax Relief to Maine Residents				

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1754	2 7 1 6			Harvell	An Act To Amend the Laws Governing the Location of Motor Vehicle Excise Tax Collection for Motor Vehicles Owned by Public Utilities				

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