

Language for Governor’s Change Package to LD 2212 – GF Supplemental Budget 2026-2027

Amend LD 2212 Part J by deleting the current Part and replacing with the following:

Sec. J-1. 5 MRSA §13080-Q, sub-§2, ¶D, as amended by PL 2013, c. 413, §1, is further amended to read:

D. Payments made to the fund may not be made for tax years beginning on or after July 1, ~~2026~~ 2031.

Sec. J-2. 5 MRSA §13080-S, sub-§3, as amended by PL 2021, c. 18, §1, is further amended to read:

3. Deposit and payment of revenue. On or before July 15th of each year prior to 2026, the assessor shall deposit an amount equal to 50% of the employment tax increment for the preceding year into a contingent account established, maintained and administered by the State Controller. On or before July 15th of each year beginning after 2025, the assessor shall deposit an amount equal to 100% of the employment tax increment for the preceding year into a contingent account established, maintained and administered by the State Controller. On or before July 31st of each year, the assessor shall pay that amount to the fund.

Sec. J-3. Application. The section of this Part that affects 5 MRSA § 13080-S, sub-§3 applicable to any portion of the increased employment tax increment that is not deposited into the contingent account and paid to the fund on or before July 15, 2026, must be deposited into the contingent account and paid to the fund as soon as administratively feasible, but not before the effective date of this Part.

**PART J
SUMMARY**

This amendment clarifies that the effective date is on or before July 15th of each year beginning after 2025 and establishes guidance on the timing of deposits into the contingent account.

Amend LD 2212 Part L by deleting the current Part and replacing with the following:

PART L

Sec. L-1. 36 MRSA §2892, 10th ¶, as enacted by PL 2023, c. 643, Pt. JJ, §4, is amended to read:

For state fiscal years beginning on ~~or after~~ July 1, 2025, the hospital's taxable year is ~~the hospital's fiscal year that ended during calendar year 2022~~ as required in section 2893, subsection 2-B.

Sec. L-2. 36 MRSA §2892, as amended by PL 2023, c. 643, Pt. JJ, §4, is further amended by enacting at the end a new paragraph to read:

For state fiscal years beginning on or after July 1, 2026, the hospital's taxable year is the hospital's fiscal year that ended during calendar year 2024.

Sec. L-3. 36 MRSA §2893, sub-§2-B is enacted to read:

2-B. Return required in state fiscal year beginning July 1, 2025. For tax due for the state fiscal year beginning January 1, 2025, a person subject to the tax imposed by section 2892 shall submit to the assessor a return on a form prescribed by the assessor and pay:

A. An amount equal to 3.25% of the hospital's net operating revenue as identified in the hospital's audited financial statement for the hospital's fiscal year that ended during calendar year 2022 multiplied by one-half on or before November 15, 2025;

B. An amount equal to 3.25% of the hospital's net operating revenue as identified in the hospital's audited financial statement for the hospital's fiscal year that ended during calendar year 2024 multiplied by one-half.

Sec. L-4. Form and timing of payments. A hospital subject to the tax imposed by the Maine Revised Statutes, Title 36, chapter 377 shall submit to the assessor a return on a form prescribed and furnished by the assessor and pay the tax by May 15th, 2026, or the 30th day following the effective date of this Part, whichever is later.

Amounts due on May 15, 2026, for the second half-payment under former Maine Revised Statutes, Title 36, chapter 377 continue to be due on May 15, 2026, unless the time for filing and paying under the paragraph above is on May 15, 2026. Any amounts paid to the assessor for the second half-payment of the total tax due for the state fiscal year beginning on July 1, 2025, pursuant to the Maine Revised Statutes, Title 36, section 2893, subsection 2, must be deducted from the total

amount owed by the hospital pursuant to the Maine Revised Statutes, Title 36, section 2893, subsection 2-B, paragraph B.

Sec. L-5. Retroactivity. Those sections of this Part that amend the Maine Revised Statutes, Title 36, sections 2892 and 2893, subsection 2-B, paragraph B apply retroactively to tax due for the state fiscal year beginning July 1, 2025.

PART L SUMMARY

This Part amends the base year for the hospital tax from hospital fiscal year 2022 to hospital fiscal year 2024. This change is effective beginning with the May 15, 2026 payment. This amendment makes a technical adjustment from the originally proposed language and adds additional sections to ensure the tax can be rebased retroactively

Amend LD 2212 Part N by deleting the current Part N, Sec. N-3 and replacing with the following:

Sec. N-3. 36 MRSA Chapter 815, Subchapter 3 is enacted to read:

SUBCHAPTER 3

PASS-THROUGH ENTITY TAX

§ 5199. Pass-through entity tax

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. Distributive share of income. “Distributive share of income” for a pass-through entity owner that is a resident of Maine means the net of the portion of income, gain, loss, and deduction for the taxable year from the pass-through entity, including guaranteed payments, entering into the owner’s federal adjusted gross income in the case of an individual or federal taxable income in the case of a trust or an estate. “Distributive share of income” for a pass-through entity owner that is a nonresident of Maine means the net of the portion of income, gain, loss, and deduction derived from or connected with sources in this State, as provided by section 5142, for the taxable year from the pass-through entity, including guaranteed payments, entering into the nonresident owner’s federal adjusted gross income in the case of an individual or federal taxable income in the case of a trust or an estate. If the owner is a trust, residency is determined by the residency status of the trust and not by the residency status of the beneficiaries of the trust. For purposes of this subchapter, the distributive share of income for an owner is zero if the amount determined in accordance with this paragraph is zero or less.

B. Distributive share of tax. “Distributive share of tax” means the tax paid by an electing pass-through entity pursuant to subsection 3 multiplied by a ratio equal to the qualified member’s distributive share of income divided by the pass-through entity taxable income.

C. Electing pass-through entity. “Electing pass-through entity” means a pass-through entity that has elected for the taxable year to be subject to the tax imposed by this subchapter.

D. Pass-through entity. “Pass-through entity” means:

(1) a partnership pursuant to the Code, section 7701(a)(2) and the federal regulations adopted pursuant to that section, excluding a publicly traded partnership as defined in the Code, section 7704; and

(2) an entity classified as an S corporation under the Code for federal income tax purposes.

Pass-through entity does not include an entity subject to tax under Chapter 819.

E. Pass-through entity taxable income. “Pass-through entity taxable income” means the aggregate total of distributive share of income of all qualified members for the taxable year increased by the amount of the tax imposed on the entity by this subchapter and by the amount of the tax imposed on the entity by another state of the United States, a political subdivision of any such state, or the District of Columbia that is substantially the same as the tax imposed under this subchapter.

F. Qualified member. “Qualified member” means an individual, trust, or estate that is a direct owner partner or shareholder in an electing pass-through entity, except that qualified member does not include an organization exempt from tax under the Code § 501. A direct owner includes a qualified member whose ownership in the electing pass-through entity is held through an entity that is disregarded under the Code for federal income tax purposes.

2. Election. The election shall be declared annually on a timely filed return by the passthrough entity, including any extension granted for filing such return. The election is irrevocable after the due date, including any extension granted, for filing such return.

3. Imposition of tax. Notwithstanding any provision of law to the contrary, for every taxable year beginning on or after January 1, 2026, a tax is imposed on every electing passthrough entity. For each taxable year, the tax is equal to the pass-through entity taxable income multiplied by the highest marginal tax rate under section 5111. The tax imposed by this subsection may not be reduced by any of the credits contained in Chapter 822. Notwithstanding any provision of law to the contrary, for all budgetary accounting purposes receipts from the tax imposed by this subsection is individual income tax revenue and must be treated for such purposes in the same manner as receipts from the tax imposed by Chapter 803.

3-A. Estimated tax on behalf of nonresident qualified members. For every taxable year beginning on or after January 1, 2026, the pass-through entity subject to the tax under this subchapter must pay, in addition to the tax under subsection 3, an estimated tax on behalf its nonresident qualified members in an amount equal to 10% of the amount of the tax required to be reported to each nonresident qualified member for the taxable year by the electing pass-through entity in accordance with subsection 6. The electing pass-through entity must, no later than 30 days following the date the Maine return of the electing passthrough entity is due in accordance with subsection 4, without regard to any extension, report to each nonresident qualified member the amount of the estimated tax paid by the passthrough entity for the taxable year on behalf of the nonresident qualified member. Notwithstanding any provision of law to the contrary, for all budgetary accounting purposes receipts from the tax imposed by this subsection is individual income tax revenue and must be treated for such purposes in the same manner as receipts from the tax imposed by Chapter 803.

4. Filing of returns. An electing pass-through entity shall file a return with respect to the tax imposed by this subchapter on such forms as may be required by the State Tax Assessor. The return must contain such information as required by the State Tax Assessor, including the name and federal identification number of each qualified member and, for the taxable year, each qualified member's distributive share of income, distributive share of the tax paid by the electing pass-through entity pursuant to this subchapter, the amount of the estimated tax paid by the entity under subsection 3-A, and the distributive share of the tax paid to another state of the United States, a political subdivision of any such state, or the District of Columbia that is substantially the same as the tax imposed by this subchapter. The distributive share of the tax paid to another state of the United States, a political subdivision of any such state, or the District of Columbia that is substantially the same as the tax imposed by this subchapter with respect to qualified members that are not residents of Maine may be reported on an aggregated basis. The return required by this subsection shall be filed, along with any tax due, on or before the 15th day of the 3rd month following the end of the electing pass-through entity's taxable year for federal income tax purposes. The return, including related schedules and worksheets, required by this subsection must be filed with the bureau by electronic data submission.

Notwithstanding the requirement to file an amended return pursuant to section 5227-A, an electing pass-through entity may not amend a return filed under this subchapter without the written consent of, or as otherwise authorized by, the assessor.

5. Nonresident Qualified Member Filing Exception. A qualified member of an electing pass-through entity who is a nonresident individual for the entire taxable year pursuant to section 5102, subsection 3 is not required to file an income tax return pursuant to section 5220, subsection 2 for the same taxable year if the member's entire Maine adjusted gross income, including a spouse's income in the case of married individuals filing a joint federal return, is from one or more electing pass-through entities; the pass-through entity or entities file and pay the tax due under this subchapter; and, the qualified member's credit provided by section 5219-CCC plus the estimated tax amount paid by the electing passthrough entity on behalf of the nonresident qualified member in accordance with subsection 3-A, is sufficient to satisfy the Maine individual income tax liability of the member and the member's spouse for that taxable year.

A qualified member of an electing pass-through entity who is a nonresident trust or estate for the entire taxable year pursuant to section 5102, subsection 2 is not required to file an income tax return pursuant to section 5220, subsection 4 for the same taxable year if the member has its entire Maine-source income for the taxable year from one or more electing pass-through entities; would have included such income as Maine taxable income if it were to file an income tax return for that year; has not distributed any of its Maine-source income for the taxable year to its beneficiaries as distributable net income; the electing pass-through entity or entities file and pay the tax due under this subchapter; and, the member's credit provided by section 5219-CCC plus the estimated tax amount paid by the electing passthrough entity on behalf of the nonresident qualified member in accordance with subsection 3-A, is sufficient to satisfy the Maine income tax liability for that taxable year.

6. Reporting tax to members. For purposes of the credit under section 5219-CCC, the electing pass-through entity must, no later than 30 days following the date the Maine return of the electing pass-through entity is due in accordance with subsection 4, report to each qualified member their distributive share of the tax paid by the pass-through entity under subsection 3. The amount reported to each qualified member must equal the member's distributive share of the tax under this subchapter based on the member's ownership interest in the entity or in accordance with the shareholder or partnership agreement, except that the amount reported to a qualified member that is a nonresident individual, trust, or estate is equal to that member's distributive share of the tax imposed with respect to the income, gain, loss, and deductions derived from or connected with sources in this State, as provided by section 5142. Each member report must clearly identify the member's name and federal employer identification number or social security number, the member's ownership interest in the entity, whether the member was resident or nonresident of Maine during the taxable year, each qualified member's distributive share of income, and the distributive share of the tax paid to another state of the United States, a political subdivision of any such state, or the District of Columbia that is substantially the same as the tax imposed by this subchapter, and any other information that may be required by the State Tax Assessor.

7. Estimated taxes. Estimated taxes are required with respect to the tax imposed under subsection 3 in accordance with the provisions of this subsection.

A. Definitions. As used in this subsection, unless the context otherwise indicates, the following terms have the following meanings.

(1) "Allowable credits" means the total amount of any payments with regard to a taxpayer which have been or will be paid to the Bureau of Revenue Services prior to the date the payment against which they are to be used as a credit is due and which are available to offset any estimated tax liability under this subsection.

(2) "Estimated tax" means the total amount of tax that an electing pass-through entity estimates will be due for a taxable year under this subchapter, excluding the estimated tax liability under subsection 3-A, less any allowable credits for that taxable year.

(3) "Period of underpayment" is the period of time from the date the estimated tax installment is due until the underpayment is satisfied or until the tax return to which the estimated tax installment applies is due, whichever is less.

B. Requirement to pay estimated tax. Every person subject to taxation under this subchapter shall make payment of estimated tax as required by this subchapter. The requirement to make estimated tax payments is waived if:

(1) The electing pass-through entity's tax liability pursuant to this subchapter, excluding the estimated tax liability under subsection 3-A, reduced by allowable credits for the taxable year is less than \$1,000 for the taxable year; or

(2) The electing pass-through entity had less than \$1,000 tax liability under this subchapter, excluding the estimated tax liability under subsection 3-A, for the preceding taxable year.

C. Amount of estimated tax to be paid. Every electing pass-through entity required to make payment of estimated tax under this subchapter is liable for an estimated tax that is no less than the smaller of:

(1) An amount equal to the electing pass-through entity's tax liability under this subchapter, excluding the estimated tax liability under subsection 3-A, for the preceding taxable year, if that preceding year was a taxable year of 12 months; and

(2) An amount equal to 90% of the electing pass-through entity's tax liability under this subchapter, excluding the estimated tax liability under subsection 3-A, for the current taxable year.

D. Due dates for estimated tax installments. An installment payment is due the 15th day of the 4th, 6th, 9th and 13th month following the beginning of the electing passthrough entity's taxable year.

E. Amount of installment. The amount of estimated tax to be paid in a taxable year by an electing pass-through entity is to be paid in installments by the dates established in this subsection. The amount of the estimated tax is to be paid in 4 equal installments unless the taxpayer establishes by adequate record the actual distribution of tax liability and allowable credits, or both, in which case, the amount of the installment payments should be adjusted accordingly and be determined in accordance with the portion of the electing pass-through entity's estimated tax liability applicable to that portion of the electing passthrough entity's taxable year completed by the close of the month preceding the installment's due date less estimated tax payments already made for the taxable year.

F. Penalty. A penalty shall accrue automatically on underpayments of the required installment amount for the period of underpayment at the rate provided pursuant to section 186. For cause, the State Tax Assessor may waive or abate all or any part of the penalty.

G. Short taxable year. For a taxable year of less than 12 months, the estimated tax must be paid in full by the 15th day of the last month of the taxable year. For payment dates falling within the short taxable year, payment must be made as provided in paragraph D.

H. Installments paid in advance. At the election of the electing pass-through entity, any installment of estimated tax may be paid prior to the date prescribed for its payment.

8. Interest on refunds prohibited. Notwithstanding any provision of this Title to the contrary, interest may not be paid by the assessor on an overpayment of the tax imposed by this subchapter.

**PART N
SUMMARY**

This amendment expands the tax to apply to the non-Maine sourced income of Maine resident pass-through entity qualified members. This change will increase the benefit received by electing taxpayers and likely increase the revenue raised by the tax. In addition, there are updates to reporting requirements and estimated due dates.

Amend LD 2212 Part O by deleting the current Part O and replacing with the following:

PART O

Sec. O-1. 36 MRSA §6652, sub-§1-D, as amended by PL 2005, c. 12, Pt. BBB, §6 is further amended to read:

1-D. Retail sales facilities. Reimbursement pursuant to this chapter may not be made with respect to property that is located in a retail sales facility exceeding 100,000 square feet of interior customer selling space and used primarily in a retail sales activity, unless the facility is owned by a business whose Maine-based operation derives less than 50% of its total annual revenue on a calendar-year basis from sales that are subject to Maine sales tax. This subsection applies to property tax years beginning after April 1, 2006. Property affected by this subsection that was eligible for reimbursement pursuant to this chapter for property taxes paid for the 2006 property tax year is grandfathered into the program and continues to be eligible for reimbursement to the extent permitted by this chapter as it existed on April 1, 2006, unless that property subsequently becomes ineligible. Notwithstanding this subsection, for application periods that begin on or after August 1, 2029, reimbursement may not be made with respect to any property located at a retail sales facility and used primarily in a retail sales activity.

Sec. O-2. 36 MRSA §6652, sub-§4, as amended by PL 2013, c. 368, Pt. K, §1 is further amended to read:

4. Reimbursement percentage. The reimbursement under this chapter is an amount equal to the percentage specified in paragraphs A and B of taxes assessed and paid with respect to each item of eligible property, except that for claims filed for application periods that begin on August 1, 2006, August 1, 2009, August 1, 2010 or August 1, 2013 the reimbursement is 90% of that amount and for claims filed for the application period that begins on August 1, 2014, the reimbursement is 80% of that amount, and for claims filed for the application period that begins on August 1, 2028, the reimbursement is 50% of that amount with respect to eligible property located at a retail sales facility and used primarily in a retail sales activity.

PART O SUMMARY

This Part phases out reimbursement for property located at a retail sales facility and used primarily in a retail sales activity under the Business Equipment Tax Reimbursement (BETR) program.

- Reimbursement is 50% for taxes paid on retail property during calendar year 2027 and not available for taxes paid on retail property during calendar year 2028 and after.
- MRS will make the final reimbursements on retail property under the program on or before November 1, 2030.

Amend LD 2212 Part T by deleting the current Part T, Sec. T-18 and replacing with the following:

Sec. T-18. Transfer from Budget Stabilization Fund; Maine Commission on Public Defense Services program. Notwithstanding any provision of law to the contrary, on or before June 30, 2026, the State Controller shall transfer \$12,322,443 and on or before June 30, 2027, the State Controller shall transfer \$13,026,035 from the Budget Stabilization Fund within the Department of Administrative and Financial Services to the Maine Commission on Public Defense Services, Maine Commission on Public Defense Services, Other Special Revenue Funds account to provide one-time funding to pay for private attorneys and non-counsel vendors who provide indigent legal services.

**PART T
SUMMARY**

This Part amends the reason for the transfer of funds to provide one-time funding for private attorneys and non-counsel vendors who provide indigent legal services.

Amend LD 2212 Part V by deleting the current Part and replacing with the following:

PART V

Sec. V-1. 12 MRSA §1849, sub-§2, ¶A and ¶B, are enacted to read:

A. Conservation Easement Trust Established: The Public Reserved Lands Conservation Easement Trust Fund, referred to in this section as “the easement trust,” is a state-held trust and shall be maintained by the Treasurer in accordance with Title 5, Section 138, and established as an account within the Land Management and Planning program. The easement trust is a nonlapsing, dedicated fund to be used only to monitor and defend conservation easements held by the Bureau of Parks and Lands. The director may accept funds from any source and may accept gifts in trust to be credited to the easement trust. Interest earned on investments in the easement trust must be credited to the easement trust. The director may use interest and earnings from the easement trust for purposes stated above. Principal from the fund may only be used with the approval of the Treasurer for extenuating circumstances, including legal defense.

B. Land Management Trust Established: The Public Reserved Lands Management Trust Fund, referred to in this section as “the land management trust,” is a state-held trust and shall be maintained by the Treasurer in accordance with Title 5, Section 138. The land management trust is a nonlapsing, dedicated fund to be used only for the management of Public Reserved Lands to which the State holds fee title or a tenancy in common. The director may accept funds from any source and may accept gifts in trust to be credited to the land management trust. Interest earned on investments in the land management trust must be credited to the land management trust. The director may use interest and earnings from the land management trust for purposes stated above. When the Public Lands Management Fund balance is above \$5,000,000, the Bureau may temporarily invest those funds above \$5,000,000 in the land management trust with the Treasurer of the State. Principal from the fund may only be used at the request of the director and approval of the Commissioner, after consultation with the Treasurer.

PART V SUMMARY

This amendment removes the revision to 12 MRSA §1849, sub-§2.

Amend LD 2212 by deleting Part Z.

Amend LD 2212 Part JJ by deleting the current Part and replacing with the following:

PART JJ

Sec. JJ-1. 20-A MRSA §7304, as enacted by PL 2023, c. 643, Pt. W, §20, is amended to read:

1. Fund established. The Preschool Special Education Program Fund, referred to in this section as "the fund," is established as a nonlapsing fund within the department to provide funding for general education and special education and related services for children eligible under Part B, Section 619. The department shall distribute funds through a quarterly allocation.

2. Eligibility requirements. Beginning in fiscal year 2024-25, school administrative units that have assumed responsibility for child find activities and for ensuring free, appropriate public education for children eligible under Part B, Section 619 pursuant to section 7006, subsection 2 are eligible to receive allocations from the fund.

3. Purposes. Allocations from the fund may be made to school administrative units that have assumed the responsibility for child find activities and for ensuring a free, appropriate public education for special education and related services pursuant to section 7006, subsection 2 as outlined in each child's individualized education program ~~and for general education costs for children eligible under Part B, Section 619~~ including general education costs incurred in the provision of special education services to children eligible under Part B, Section 619. The commissioner may pay costs attributed to professional and administrative staff support to implement the requirements of this section.

4. Unexpended Funds. If a school administrative unit has unexpended preschool funds at the end of the fiscal year, these funds must be carried forward in the school administrative unit preschool fund account and used to reduce the net preschool expenses in the next fiscal year.

PART JJ SUMMARY

This Part includes costs attributed to professional and administrative staff support to implement the requirements of this section as an allowable use of the fund. It also clarifies that a school administrative unit's unexpended funds in this program at the end of a fiscal year shall be carried forward for the same purpose. This amendment removes the revision to 20-A MRSA §7304 sub-§2, includes updates to sub-§3 and adds header to sub-§4.

Amend LD 2212 Part SSS by adding the following:

Sec. SSS-2. 20-A MRSA §15689, sub-§7-B is enacted to read:

7-B. Adjustment for minimum teacher salary. Beginning in fiscal year 2027-28, the commissioner shall, in accordance with this subsection, increase the state share of the total allocation to a qualifying school administrative unit by an amount necessary to achieve the minimum salary for certified teachers and career and technical education teachers established in section 13408.

A. As used in this subsection, unless the context otherwise indicates, "qualifying school administrative unit" means a school administrative unit that the commissioner determines to have a locally established salary schedule with a minimum teacher salary less than \$45,000 in school year 2027-2028. As used in this subsection, unless the context otherwise indicates, "incremental salary increases" means the incremental increases in the salaries of certified teachers and career and technical education teachers employed by a qualifying school administrative unit in school year 2027-2028 necessary to meet the minimum salary requirements of section 13408 from fiscal year 2027-28 to fiscal year 2029-30.

B. The commissioner shall allocate the funds appropriated by the Legislature in accordance with the following.

(1) The amount of increased funds provided to qualifying school administrative units under this subsection must be the amount necessary to fund the incremental salary increases specified in this subsection.

(2) The number of certified teachers and career and technical education teachers eligible for incremental salary increases in a qualifying school administrative unit for a fiscal year must be based on the information supplied to the department pursuant to section 13408 in that fiscal year.

(3) The increased funds provided under this subsection must be issued to qualifying school administrative units as an adjustment to the state school subsidy for distribution to the certified teachers and career and technical education teachers. Qualifying school administrative units shall use the payments provided under this subsection to provide salary adjustments to those certified teachers and career and technical education teachers eligible for incremental salary increases. The department shall collect the necessary data to allow the funds to be included in a qualifying school administrative unit's monthly subsidy payments beginning no later than February 1st of each fiscal year.

(4) Funding for incremental salary increases in fiscal year 2027-28 must be based on data submitted to the department and certified by school administrative units as of October 1, 2026.

**PART SSS
SUMMARY**

This Part amendment authorizes an incremental increase in the minimum salary for certified teachers and career and technical education teachers from fiscal year 2027-28 to fiscal year 2029-30 and updates the statutory reference regarding minimum teacher salaries.

Amend LD 2212 by adding the following Part:

PART UUU

Sec. UUU-1. 5 MRSA, §1532, sub-§4, as enacted by PL 2005, c. 2, Pt. A, §5, is amended to read:

1. **Investment of funds.** The money in the stabilization fund may be invested as provided by law ~~with the earnings credited to the stabilization fund.~~

Sec. UUU-2. 5 MRSA, §1532, sub-§4-A is enacted to read:

4-A. Investment proceeds. At the close of every month during which the stabilization fund is below the 18% limitation described in subsection 1, the State Controller shall credit investment proceeds as follows.

A. 50% of the investment earnings must be credited to the stabilization fund;

B. 25% of the investment earnings must be transferred to the Irrevocable Trust Fund for Other Post-employment Benefits established in section 286-B, subsection 2 for the state employee plan, as defined in section 286-B, subsection 1, paragraph D; and

C. 25% must be transferred to the Land for Maine’s Future Trust Fund established in section 6203-D.

Sec. UUU-3. 5 MRSA, §1532, sub-§5, as amended by PL 2023, c. 643, Pt. F, §2, is repealed.

Sec. UUU-4. 5 MRSA, §1532, sub-§5-A is enacted to read:

5-A. Investment proceeds; exception. At the close of every month during which the stabilization fund is at the 18% limitation described in subsection 1, the State Controller shall transfer investment proceeds as follows.

A. 75% of the investment earnings must be transferred to the Irrevocable Trust Fund for Other Post-employment Benefits established in section 286-B, subsection 2 for the state employee plan, as defined in section 286-B, subsection 1, paragraph D; and

B. 25% of the investment earnings must be transferred to the Land for Maine’s Future Trust Fund established in section 6203-D.

**PART UUU
SUMMARY**

This Part adjusts how the Budget Stabilization Fund interest earnings are distributed when the Fund is below its statutory limitation of 18 percent. This Part also adjusts how the Budget Stabilization Fund interest earnings are distributed when the Fund is at its statutory limitation of 18 percent.

Amend LD 2212 by adding the following Part:

PART VVV

Sec. VVV-1. Carrying provision; Department of the Secretary of State, Bureau of Corporations, Elections and Commissions program. Notwithstanding any provision of law to the contrary, the State Controller shall carry forward up to \$750,000 in unexpended balances in the Personal Services and All Other line categories in the Department of the Secretary of State, Bureau of Corporations, Elections, and Commissions, after all financial commitments for obligations and budgetary adjustments have been made, at the end of fiscal year 2025-26 to the next fiscal year, to the All Other line category in the Department of the Secretary of State, Bureau of Corporations, Elections, and Commissions program, to be used to continue the modernization of systems and services provided to the public. These funds do not lapse and are intended to carry until expended.

**PART VVV
SUMMARY**

This Part authorizes the State Controller to carry forward up to \$750,000 in unexpended balances in the Personal Services and All Other line categories in the Department of the Secretary of State, Bureau of Corporations, Elections, and Commissions program, after all financial commitments for obligations and budgetary adjustments have been made, at the end of fiscal year 2025-26 to the next fiscal year to the All Other line category in the Department of the Secretary of State, Bureau of Corporations, Elections, and Commissions program. These funds are to be used to continue the modernization of systems and services administered by the program.

Amend LD 2212 by adding the following Part:

PART WWW

Sec. WWW-1. 20-A MRS §7211, as enacted by PL 2023, c. 643, Pt. W, §18, is amended to read:

3. Supports, assistance and resources to school administrative units; authority to bill.

- A. **Authority to assess fees.** The Child Development Services System may assess fees to school administrative units for supports, assistance and resources provided under this subsection. Fees must be established in accordance with rules adopted pursuant to subsection 4 and may be based on, but are not limited to, the type, intensity, duration or frequency of services and the costs reasonably associated with the provision of those services.
- B. **Invoices and payment.** The Child Development Services System may bill school administrative units for supports, assistance and resources provided under this subsection, and school administrative units shall pay such invoices from funds available for special education and related services, subject to applicable state and federal law. The Child Development Services System may enter into agreements or memoranda of understanding with school administrative units that specify the scope of services and the method and schedule of payment.

4. Rules. The department may adopt rules to implement subsection 3 specifying the method for establishing rates for supports, assistance and resources provided to school administrative units through regional support and service hubs, which may include hourly rates, per-service rates, per-pupil rates, or other reasonable and established methodologies. Rules adopted under this section are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

**PART WWW
SUMMARY**

This Part authorizes Child Development Services to assess fees for supports, assistance and resources provided to school administrative units under this section and to invoice school administrative units for those services. It also authorizes the department to adopt rules to establish billing rates for these services.

Amend LD 2212 by adding the following Part:

PART XXX

Sec. XXX-1. 36 MRSA §2013, sub-§1, ¶B-1, as enacted by PL 2011, c. 657, Pt. N, §2 and affected by §3, is amended to read:

B-1. "Commercial wood harvesting" means the commercial severance ~~and~~, yarding and hauling of trees for sale or for processing into logs, pulpwood, bolt wood, wood chips, stud wood, poles, pilings, biomass or fuel wood or other products commonly known as forest products.

Sec. XXX-2. 36 MRSA §2013, sub-§1, ¶C, as amended by PL 2019, c. 7, §2, is further amended by amending subparagraph (4) to read:

(4) New or used machinery and equipment for use directly and primarily in commercial wood harvesting, including, but not limited to, chain saws, skidders, delimiters, forwarders, slashers, feller bunchers ~~and~~, wood chippers, semitrailers as defined in Title 29-A, section 101, subsection 66, trailers as defined in Title 29-A, section 101, subsection 86, trucks as defined in Title 29-A, section 101, subsection 88, truck tractors as defined in Title 29-A, section 101, subsection 90, pickup trucks as defined in Title 29-A, section 101, subsection 55 and commercial motor vehicles as defined in Title 29-A, section 101, subsection 17.

Sec. XXX-3. 36 MRSA §2013, sub-§1, ¶C, as amended by PL 2019, c. 7, §2, is further amended by amending the first blocked paragraph to read:

~~"Depreciable~~ Except as provided in subparagraph (4), "depreciable machinery and equipment" does not include a motor vehicle as defined in section 1752, subsection 7 or a trailer as defined in section 1752, subsection 19-A.

Sec. XXX-4. 36 MRSA §2013, sub-§1, ¶D is enacted to read:

D. "Hauling" means the transportation of forest products from the land where the forest products were harvested to their initial destination involving production or use.

Sec. XXX-5. Application. This Act applies to sales occurring on or after January 1, 2027.

**PART XXX
SUMMARY**

This Part provides that commercial wood haulers are eligible for the refund of sales tax or exemption from sales tax on the purchase or lease of depreciable machinery and equipment for use in commercial wood harvesting.

Amend LD 2212 by adding the following Part:

PART YYY

Sec. YYY-1. 36 MRS § 5122, sub-§1, ¶ SS, is enacted to read:

SS. For tax years beginning on or after January 1, 2026 and before January 1, 2028, an amount equal to the amount of gain excluded from federal gross income by the taxpayer under section 1400Z-2(a) of the Code with respect to amounts invested in a “Qualified Opportunity Zone” after December 31, 2026.

Sec. YYY-2. 36 MRS § 5122, sub-§2, ¶ EEE, is enacted to read:

EEE. Upon the inclusion pursuant to the Code, Section 1400Z-2(b) of gain previously excluded pursuant to the Code, 1400Z-2(a), an amount equal to the amount of gain included in gross income by the taxpayer for the year under Code section 1400Z-2(b)(1) to the extent previously included by the taxpayer in Maine taxable income under subsection 1, paragraph SS.

Sec. YYY-3. 36 MRS § 5200-A, sub-§1, ¶ NN, is enacted to read:

For tax years beginning on or after January 1, 2026 and before January 1, 2028, an amount equal to the amount of gain excluded from federal gross income by the taxpayer under section 1400Z-2(a) of the Code with respect to amounts invested in a “Qualified Opportunity Zone” after December 31, 2026.

Sec. YYY-4. 36 MRS § 5200-A, sub-§2, ¶ LL, is enacted to read:

Upon the inclusion pursuant to the Code, Section 1400Z-2(b) of gain previously excluded pursuant to the Code, 1400Z-2(a), an amount equal to the amount of gain included in gross income by the taxpayer for the year under Code section 1400Z-2(b)(1) to the extent previously included by the taxpayer in Maine taxable income under subsection 1, paragraph NN.

**PART YYY
SUMMARY**

This Part decouples from the federal Opportunity Zone program’s gain deferral benefits for investments in a “Qualified Opportunity Zone” after December 31, 2026, applicable to tax years beginning on or after January 1, 2026 and before January 1, 2028.

Amend LD 2212 by adding the following Part:

PART ZZZ

Sec. ZZZ-1. Transfer from General Fund unappropriated surplus; Highway Fund unallocated balance. Notwithstanding any provision of law to the contrary, the State Controller shall transfer \$13,029,115 from the unappropriated surplus of the General Fund to the unallocated balance of the Highway Fund on or before June 30, 2027.

**PART ZZZ
SUMMARY**

This Part transfers General Fund unappropriated surplus to Highway Fund unallocated balance.