

TAX WS 1/11/2024

TAXATION COMMITTEE
131st LEGISLATURE
1st REG SESSION

ABBREVIATIONS

COR Carry over requested by TAX
CO-T Carried over in TAX

LD	LR	PH	WS	SPONS OR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FINAL ACTION	FISCAL IMPACT ¹	
									FY24	FY25
191	289	2/14		Stewart	An Act to Amend the Laws Regarding Certain Business Equipment Tax Benefits	<p>This bill <u>excludes from eligibility for the BETE and BETR a person that, based on 3rd-party certifications, bans, boycotts or otherwise restricts or prevents the sale or distribution of any product that is legally produced, harvested or grown in the Maine.</u></p> <p><u>Current law:</u> <u>BETR:</u></p> <ol style="list-style-type: none"> 1. Eligible business property 1st placed in service after 4/1/95 and on or before 4/1/05. 2. Certain retail sales facility property placed in service after 4/1/95 <p><u>BETE:</u></p> <ol style="list-style-type: none"> 1. Eligible property 1st placed in service on or after 4/1/05 <p><u>MRS has administrative and Constitutional concerns.</u></p> <ol style="list-style-type: none"> 1. “3rd party certification” needs to be clarified. 2. Constitutional “Commerce Clause” concerns 	COR	CO-T		
			1/11/24							

¹ . Numbers may represent preliminary estimates and are subject to change. For more detail, please see fiscal note documents in LD file.

1153	1513	4/5	4/12	Woodso me	An Act to Allow Municipalities to Tax Personal Solar Energy Equipment Under 5 Megawatts	<p>Current law provides a <u>property tax exemption</u> for <u>solar and wind energy equipment that generates heat or electricity</u> IF:</p> <ol style="list-style-type: none"> 1. all of the <u>energy is used on the site</u> where the property is located, <u>or</u> 2. the energy is <u>transmitted through the facilities of a transmission and distribution utility, and a utility customer or customers receive a utility bill credit for the energy generated by the equipment.</u> <p>This bill <u>removes wind energy equipment from the exemption.</u></p>	tabled COR	CO-T		
			1/11/24							

1335	1376	4/12	4/27 5/25 6/1	Boyer	An Act to Amend the Property Tax Stabilization for Senior Citizens Law	<p>This bill;</p> <ol style="list-style-type: none"> 1. provides that <u>eligible individuals who are married to each other may not receive property tax stabilization for more than one homestead.</u> 2. <u>allows homesteads held in trust to qualify for stabilization and</u> 3. <u>requires each application after the application upon which the stabilization was originally based to contain information indicating any additions or improvements that have been made to the eligible homestead since the previous application.</u> <p><u>MRS has technical concerns.</u></p> <p>PL 2023, c. 412, Part S addressed the stabilization program:</p> <ol style="list-style-type: none"> 1. Stabilization program ends after 2023 tax year. 2. Expands property tax fairness credit (PTFC) by <u>increasing benefit base</u> to persons aged 65+for persons age 65+. 3. Doubles the income and liquid asset thresholds for state deferral program persons age 65+ to be able to defer property taxes Income from \$40,000 to \$80,000 Liquid assets from \$50,000 to \$100,000 or joint filer \$75,000 to \$150,000. 	COR	CO-T		
			1/11/24							

1345	812	4/12	4/27 5/25 6/1 6/7	Moriarty	An Act to Permit Municipalities to Establish by Ordinance a Program for Partial Deferral of Property Taxes for Seniors	<p>This bill <u>permits municipalities to establish a program</u> by ordinance for seniors that provides for:</p> <ol style="list-style-type: none"> <u>partial stabilization of property taxes</u> <u>accompanied by deferral of the amount of taxes due in excess of the stabilized amount.</u> <p>Residents of a municipality that <u>participate in the State's property tax deferral or stabilization programs</u> may not participate in a municipal <u>program.</u></p> <p><u>MRS has technical concerns.</u></p> <p>2d Regular:</p> <p>Sponsor has proposed amendment Technical changes and changes to address MRS comments.</p>	Tabled 6/1 table carry over	CO-T		
			1/11/24							

1538	142	5/10	5/17	Brenner	An Act to Provide Tax Benefits to Persons Constructing Accessory Dwelling Units	<p>This bill <u>requires</u></p> <ol style="list-style-type: none"> 1. <u>reimbursement by the State to the taxpayer for up to 10 years</u> 2. <u>to an owner of single family or multifamily residence</u> 3. <u>of a percentage of property taxes paid due to an increase in the taxes (on value increase due to construction of ADU up to \$200,000)</u> 4. <u>ADU (accessory dwelling unit) defined as an attached or detached dwelling unit on the same lot or parcel as an existing or proposed single-family or multifamily residence that allows for independent living for one or more persons and contains kitchen and bathroom facilities and sleeping accommodations.</u> <p><u>The percentage of reimbursement is 100% of the increase in PT in the first 5 years declining scale to 5% in the 10th year.</u></p> <p><u>MRS has identified several areas in the bill where clarification is needed.</u></p>	COR	CO-T	<p>MRS estimates</p> <p>Administration will require significant amount of State resources.</p>
			1/11/24						

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1737	2103	5/17	5/24 5/25 5/31	Hymes	An Act to Provide up to \$5,000 in Property Tax Relief to Veterans	<p>Current law provides</p> <ol style="list-style-type: none"> 1. up to a <u>\$6,000 exemption in just value</u> for veterans who are at least 62 years of age and who served during a federally recognized war period or veterans who were disabled during active military service; and 2. up to \$50,000 for paraplegic veteran receiving veterans benefit for special accessible housing. <p>This bill provides a <u>complete exemption</u> from property taxes for eligible veterans, <u>except that the dollar amount of the reduction in taxes due because of the exemption is limited to \$5,000 or the amount of taxes actually due for that property tax year, whichever amount is less.</u></p> <p>Sponsor description of proposed amendment:</p> <ol style="list-style-type: none"> 1. <u>Veterans age 62+ will still have wartime provision, not dishonorably discharged and served at least 10 years (working on amount of exemption)</u> 2. <u>Veterans under age 62 would be eligible if disabled. Amount of exemption would be based on % disability perhaps declining from \$50,000 to \$5,000 as % of disability declines to 60%</u> 3. <u>Maximum exemption of total \$5,000 off of total property tax assessed on estate</u> <p>MRS has constitutional and administrative concerns</p> <p><i>(Details may need to be worked out. Sponsor working on basing exemption on valuation, rather than amount of taxes paid.</i></p>	COR	CO-T		
			1/11/24							

1804	898	5/11	5/16	Bennett	An Act to Provide Transparency and Accountability for Corporate Tax Expenditures	<p>This bill expands info required to be reported in annual reports by the <u>Commissioner of DECD and STA</u> regarding several tax expenditures</p> <ol style="list-style-type: none"> 1. Commissioner of DECD <u>to TAX and IDEAB on Pine Tree Development Zones (PTDZ)</u> and 2. <u>STA or local assessor?</u> to TAX and IDEAB to <u>on BETE</u> 3. Commissioner of DECD <u>to TAX on info related to employment tax increment financing (ETIF)</u> 4. <u>STA to TAX on BETR</u> 5. <u>STA to TAX on shipbuilding facility credits</u> <p>Reports required under <u>CURRENT LAW</u>:</p> <p><u>PTDZ</u>: 6/1 annually Commissioner DECD report to TAX and IDEAB specified info. Pursuant to PL 2023, c. 412 Part J, PTDZ program is being replaced by Dirigo Business Incentive Program (contains report by STA to DECD and TAX and IDEAB Committees.</p> <p><u>BETE</u>: Current law reporting requirement not found. <u>OPEGA BETR/BETE TER report</u> issued Feb. 2020.</p> <p><u>ETIF</u>: Pursuant to PL 2023, c. 412, Part J entry into ETIF ends 12/1/24. Benefits are available for 10 years after entry (12/2034. Reporting requirement not found. OPEGA ETIF TER report issued Jan. 2019.</p> <p><u>BETR</u>: STA Reporting requirement repealed in 2017 in MRS bill. <u>OPEGA BETR/BETE TER report</u> issued Feb. 2020.</p> <p><u>Shipbuilding Credit</u>: STA reports to TAX biennially employment levels and qualified investment.</p>	COR	CO-T	MRS estimates Admin costs: \$26,000 to \$300,000 Revenue impact: Revenue neutral
			1/11/24						