

Shaded LDs have been voted on by
the Committee

WS 5/31/2023

TAXATION COMMITTEE
131st LEGISLATURE
1st REG SESSION
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LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹		
								FY24	FY25	
1213	606	4/11	5/17 5/31	Baldacci	An Act to Reform Income Taxes by Reducing Tax Rates for Each of the 3 Income Tax Brackets	<p><u>Current tax brackets 2023TYs:</u></p> <p><u>Single; married separate returns:</u> \$0 to \$23,000 5.5% \$23,000 to \$54,450 6.75% \$54,450 and over 7.15%</p> <p><u>Heads of household:</u> \$0 to \$34,500 5.5% \$34,500 to \$81,700 6.75% \$81,700 and over 7.15%</p> <p><u>Married joint; surviving spouse:</u> \$0 to \$46,000 5.5% \$46,000 to \$108,900 6.75% \$108,900 and over 7.15%</p> <p><u>This bill tax brackets 2023TYs:</u></p> <p><u>Single; married separate returns:</u> \$0 to \$23,000 2.9% \$23,000 to \$54,450 5% \$54,450 to \$80,000 7% \$80,000 and over 7.15%</p> <p><u>Heads of household:</u> \$0 to \$34,500 2.9% \$34,500 to \$81,700 5% \$81,700 to \$120,000 7% \$120,000 and over 7.15%</p>	tabled	MRS estimates	Admin costs Not yet determined	Revenue loss \$273,000,000 annual

1:30

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

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						<p><u>Married joint; surviving spouse:</u> \$0 to \$46,000 2.9% \$46,000 to \$108,900 6.75% \$108,900 to \$160,000 7% \$160,000 and over 7.15%</p> <p><u>SPONSOR AMENDMENT 4/7:</u> Taxpayers in following categories pay 3% on total taxable income: Single up to \$45,000 Heads of Household up to \$69,000 Married joint up to \$90,000</p> <p>Taxpayers with higher taxable income would pay according to current rates and brackets.</p> <p>MRS reviewing sponsor's proposed amendment.</p>			
1231	1161	5/3	5/17 5/31	Carmichael	An Act to Bring Fairness in Income Taxes to Maine Families by Adjusting the Tax Brackets 1:30	<p>CONCEPT DRAFT: This bill is a concept draft pursuant to Joint Rule 208. This bill would <u>change the income tax brackets</u> for imposition of the individual Maine income tax but <u>retain the same tax rates.</u></p>	tabled		
1384	928	4/26	5/31	Chipman	An Act to Promote Fairness in the Taxation of Adult Use Cannabis by Basing the Excise Tax on the Tier of a Cultivation Facility 11	<p>Current law: Adult use cannabis excise tax Cannabis flower \$335 per pound or fraction thereof Cannabis trim \$94 per pound or Fraction thereof Immature plants/seedlings \$1.50 per plant or seedling Mature cannabis plants \$35 per plant Cannabis seeds \$.30 per seed</p> <p>Beginning July 1, 2024, this <u>bill changes the basis for the calculation of the excise tax on cannabis flower and cannabis trim</u> by establishing <u>rates based on the tier of a cultivation facility licensee.</u></p>			

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1392	410	4/26	5/31	Pierce	An Act to Change How the Adult Use Cannabis Excise Tax Is Calculated 11	Beginning July 1, 2024, this bill <u>changes the basis for the calculation of the excise tax on cannabis products from the weight or quantity of product sold to the fair market value of the product sold.</u> Fair <u>market value would be determined biannually by the Department of Administrative and Financial Services.</u>			
1405	1636	4/26	5/31	Boyer	An Act to Change How Adult Use Cannabis Excise Tax Is Calculated 11	Beginning January 1, 2024, this bill changes the basis for the calculation of the adult use cannabis excise tax on <u>cannabis flower from the weight of product sold to the average market rate of cannabis flower sold.</u> The average <u>market rate would be determined annually by the Department of Administrative and Financial Services.</u> The bill also <u>decreases the excise tax on cannabis trim from \$94 per pound to \$25 per pound.</u>			
1493	1111	4/26	5/4 5/23 5/31	LaRochelle	An Act to Increase Affordable Housing by Expanding Tax Increment Financing 10	This bill authorizes the creation of Pine Tree Housing Zones to <u>allow retained value resulting from a TIF district in a municipality to be used anywhere in the municipality for the purposes of the purchase, rehabilitation or establishment of affordable and workforce housing in the municipality.</u> The bill <u>provides for a sales tax exemption or reimbursement for the associated purchasing of tangible personal property and electricity T&D for use directly and primarily by a qualified project in a Pine Tree Housing Zone.</u> DECD directed to adopt rules specifying many details for the process. Maine Revenue Services has technical concerns. Sponsor amendment 5/4. <u>Governor's budget change package ends PTDZ entry after 2023, benefits for already certified end 2034.</u>	5/23 tabled	MRS estimates Estimates not provided	

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1671	952	5/3	5/17 5/31	Ducharme	An Act to Reduce the Income Tax to 4.5 Percent on the Lowest Tax Bracket and Remove Low-income Families from Taxation	<p>This bill <u>decreases the rate of income tax imposed on the lowest bracket of individual income for single individuals and married persons filing separate returns, heads of households and persons filing married joint returns from 5.8% to 4.5%. Other brackets remain the same as under current law.</u></p> <p>The decreased rate <u>applies to tax years beginning on or after January 1, 2023.</u></p> <p>MRS has technical concerns regarding application to TY 2023.</p>	tabled	MRS estimates	
					1:30			Admin costs	depend on technical correction
								Revenue impact	\$200,000,000 annually
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 up to a \$6,000 exemption in just value 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.</p> <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"> <u>Veterans age 62+ will still have wartime provision, not dishonorably discharged and served at least 10 years (working on amount of exemption)</u> <u>Veterans under age 62 would be eligible if disabled. Amount of exemption would be based on % disability</u> <u>Maximum of total \$5,000 off of total property tax assessed on estate</u> <p><i>(Details still need to be worked out--JSJ)</i> Sponsor working on basing exemption on valuation, rather than amount of taxes paid.</p>	tabled		
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1739	569	5/10	5/23 5/31	Kuhn	An Act to Extend Development District Tax Increment Financing Districts 10	This bill allows a development district that is a tax increment financing district to be extended an additional 30 years if the district uses at least 51% of state tax increment revenue for affordable housing or transit-oriented development. DECD (Victoria Foley) expressed desire that if TIF district expanded to 60 years that a new valuation be set at 30 year extension <u>5/23 Sponsor provided additional info regarding questions asked at PH.</u>	5/23 tabled	MRS estimates None provided	
1866	2110	5/17	5/17 5/31	Collings	An Act to Establish 5 New Tax Brackets and a Surcharge for Higher Income Levels 1:30	This bill: 1. Makes <u>modifications to existing income tax brackets.</u> 2. <u>Establishes 5 new tax brackets</u> for income exceeding \$100,000 for persons filing as single individuals or married individuals filing separately, \$150,000 for individuals filing as heads of households and \$200,000 for individuals filing married joint returns or surviving spouses and 3. <u>Imposes a 3% surcharge on incomes of at least \$1,000,000 and a 6% surcharge on incomes of \$10,000,000 or more.</u>	tabled		