

Shaded LDs have been voted on by the Committee

WS 5/10/21

TAXATION COMMITTEE

jsj

130th LEGISLATURE
1st REG SESSION

LD	LR	PH	WS	SPONSOR	TITLE	SUMMARY (Summaries may not reflect content of most recent committee action)	COMM ACTION	FISCAL IMPACT ¹	
								FY22	FY23
708	221	5/4		Faulkingham	An Act To Increase the Homestead Exemption to \$50,000	<p>This bill increases the Homestead property tax exemption from \$25,000 to \$50,000 for property tax years beginning on or after April 1, 2021.</p> <p>Under current law the State reimburses municipalities for 70% of the revenue loss due to the exemption.</p> <p>MRS recommends changing application date to 4/1/22.</p>		<p>MRS preliminary fiscal impact</p> <p>Admin costs: Can be absorbed</p> <p>Exemption changes: Not provided</p>	
1071	332	5/4		Pouliot	An Act To Reduce Property Taxes for Maine Residents	<p>This bill increases homestead property tax exemption program to \$50,000 for property tax years beginning on or after April 1, 2021.</p> <p>This bill also increases state reimbursement to municipalities for homestead property tax exemptions from 70% to 100% for property tax years beginning on or after April 1, 2021.</p>		<p>MRS preliminary fiscal impact</p> <p>Admin costs: Can be absorbed</p> <p>Exemption changes: Not provided</p>	
1162	310	5/5		Cebra	An Act To Dedicate a Percentage of the Sales and Use Tax on Motor Vehicles and Motor Vehicle Parts to the Highway Fund	<p>This bill provides that 20% of the sales or use tax on motor vehicles and motor vehicle parts (after reduction for revenue sharing) must be transferred to the Highway Fund beginning in 7/1/22.</p> <p>MRS has concerns</p> <ol style="list-style-type: none"> 1. rental of motor vehicles? Possible conflict with Multimodal Fund transfer 2. definitions of "motor vehicle" and "motor vehicle parts" 3. others 		<p>MRS Preliminary fiscal impact</p> <p>Not provided</p>	

1277	265	5/5		Fecteau	An Act To Remove Sales and Use Taxation on Monetary Metals	<p>This bill provides a <u>ST exemption</u> for the <u>sale of specie</u>, defined as:</p> <ol style="list-style-type: none"> 1. <u>coins with gold or silver content</u> or 2. <u>refined gold or silver bullion coined, stamped or imprinted with its weight and purity and the value of which is based primarily on its metal content and not its form.</u> <p>Substance of this bill is the <u>same as LD 1371</u> except that the term "specie" is used in this bill.</p>		<p>MRS preliminary fiscal impact</p> <p>Admin costs: Can be absorbed</p> <p>Fiscal estimate: Not provided</p>
1355	1998	5/4		Pouliot	An Act To Amend the Motor Vehicle Excise Tax Exemption for Veterans Who Are Disabled	<p>This bill provides a motor vehicle excise tax exemption for veterans who are receiving benefits based on 100% permanent service-connected disability.</p> <p>LD 1193, containing the <u>same language, was voted OTPA on 4/27</u>. The language was changed pursuant to a clarifying amendment suggested by MRS.</p> <p>Sponsor suggested language needs to be changed to ensure that it covers trucks.</p>		<p>MRS preliminary fiscal impact</p> <p>Admin costs Can be absorbed</p>
1371	1441	5/5		Cebra	An Act To Exempt Gold and Silver Transactions from State Sales and Use Tax	<p>This bill provides a <u>ST exemption</u> for the <u>sale of</u>:</p> <ol style="list-style-type: none"> 1. <u>coins with gold or silver content</u> or 2. <u>refined gold or silver bullion coined, stamped or imprinted with its weight and purity and the value of which is based primarily on its metal content and not its form.</u> <p>Substance of this bill is the <u>same as LD 1277</u> except that the term "specie" is used in LD 1277.</p>		<p>MRS preliminary fiscal impact</p> <p>Admin costs: Can be absorbed</p> <p>Fiscal estimate: Not provided</p>
1381	1145	5/5		Morris	An Act To Establish a Sales Tax Holiday To Help Maine Businesses Affected by the COVID-19 Pandemic	<p>This bill establishes a <u>sales tax holiday</u>:</p> <ol style="list-style-type: none"> 1. On the <u>weekend of Indigenous Peoples Day</u> 2. During which there is <u>no ST on sales of tangible personal property and prepared food and the rental of living quarters.</u> <p>At PH sponsor indicated :</p> <ol style="list-style-type: none"> 1.. Support for <u>limiting to 2021 to see how it works</u> 2. <u>Open to use of a different weekend</u> 		<p>MRS preliminary fiscal impact</p> <p>Admin costs: likely; amount unknown</p> <p>Revenue impact: not provided</p>
1448	1597	5/4		Talbot Ross	An Act To Increase State Reimbursement to Municipalities for Revenue Lost Due to the Homestead Property Tax Exemption	<p>This bill <u>increases the state reimbursement for the homestead property tax exemption from 70% to 100%</u> beginning with property tax years beginning on or after April 1, 2022.</p> <p>This bill also <u>specifies that the property tax assessed on a homestead eligible for the homestead exemption may</u></p>		<p>MRS preliminary fiscal impact</p> <p>Admin cost: Can be absorbed</p> <p>Reimbursement cost:</p>

					<p><u>not be less than \$100.</u></p> <p>Sponsor testimony proposes 2 amendments:</p> <ol style="list-style-type: none"> 1. <u>Strike the provision the property tax maynot be less than \$100.</u> 2. <u>Repeal requirement in current law that owner of property must have owned a homestead in the State for 12 months prior to 4/1 to be eligible for the exemption.</u> 	<p>FY 24: \$42,500,000 fully phased-in</p>
1462	1414	5/5	Babbidge	<p>An Act To Serve the Public Interest, Promote Journalism and Save Jobs by Restoring the Sales and Use Tax Exemption for Newspapers</p>	<p>This bill provides a sales tax exemption for sales beginning 1/1/21 of <u>newspapers:</u></p> <ol style="list-style-type: none"> 1. <u>servng the public interest,</u> 2. <u>which are publications on newsprint,</u> 3. <u>sold for money</u> 4. <u>published not less than once every 2 weeks,</u> 5. <u>that provide news coverage on the activities of state and local governments and community affairs and</u> 6. <u>that provide a format for editorial commentary.</u> <p><u>HISTORY:</u> Until 2013 there was a sales tax exemption for <u>publications</u> issued at least 4 times per year. (Not restricted to newspapers.) It was <u>repealed in 2013</u> as part of a tax reform proposal.</p> <p>There are 1st Amendment concerns about treating different types of publications differently for purposes of taxation.</p> <p>MRS has technical concerns.</p> <p>Application date needs to be changed.</p>	<p>MRS Preliminary fiscal impact</p> <p>Not provided</p>

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								FY22	FY23
1468	205	5/5		Stearns	An Act To Support All-terrain Vehicle Trail Improvement	<p>This bill requires <u>all use taxes collected on the rental of all-terrain vehicles to be deposited in the ATV Recreational Management Fund.</u></p> <p>MRS has concerns and questions</p> <p>Sponsor has proposed amendment.</p>		<p>MRS preliminary fiscal impact</p> <p>Admin costs: ~\$22,000</p>	
1482	1310	5/4		Grohoski	An Act To Improve Access to Property Tax Exemptions for New Homeowners	<p>This bill <u>removes the requirement that a person own a homestead in this State for 12 months before being eligible for the homestead property tax exemption.</u></p> <p>This bill also <u>requires State reimbursement of 100% of the revenue lost by a municipality due to removing that 12-month requirement, but only for the first year of eligibility.</u> If a resident is eligible for the homestead exemption but does not take it until after the first year of eligibility, that exemption is eligible only for 70% reimbursement by the State. <u>After the first year of eligibility, the state reimbursement rate drops to the current rate of 70%.</u></p> <p>MRS has concerns:</p> <ol style="list-style-type: none"> 1. Possible State <u>mandate costs</u> 2. Complexity of <u>1-year 100% reimbursement</u> provision 		<p>MRS preliminary fiscal impact</p> <p>Admin costs: Can be absorbed</p> <p>Other costs: Estimate not provided</p>	
1516	1982	5/4		Pouliot	An Act To Amend the Property Tax Exemption for Persons Who Are Legally Blind	<p>This bill <u>amends the PT exemption</u> available to a resident of the State who is legally blind to exempt 10% of the <u>just value of residential real estate</u> owned by the resident from the property tax.</p> <p><u>CURRENT LAW:</u></p> <ol style="list-style-type: none"> 1. Flat exemption of \$4,000 2. State reimbursement not required because last increase was in 1977 before constitutional date that triggers reimbursement requirement (after 1978) <p><u>Possible constitutional concerns.</u> Whether a % exemption is allowed because amount of exemption will vary based on just value of the property</p> <p>MRS has technical concerns.</p>		<p>MRS preliminary fiscal impact</p> <p>Admin cost: Can be absorbed</p> <p>Reimbursement: Not provided</p>	

1525	2004	5/4		Tuttle	An Act To Exempt from Sales Tax Plastic Bags Required by a Municipal Solid Waste Management Program	Provides <u>ST exemption</u> for <u>plastic bags</u> that a <u>municipality or other political subdivision of the State</u> requires be used for the storage or disposal of <u>solid waste</u> in accordance with a solid waste management program adopted by the municipality or other political subdivision of the State. CURRENT LAW: _____ 1. <u>Sales TO a municipality are exempt</u> from sales tax 2. <u>Sales BY a municipality are not exempt</u> from sales tax.		MRS Preliminary fiscal impact Not provided
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