**June 28, 2023**

In the wee hours of Wednesday morning, Maine legislators agreed to a two-year spending package, thanks to concessions on tax issues, including:

* Raising Maine’s pension exemption from $30,000 to $35,000. This initiative is expected to raise the exemption rate on a regular basis, based on the maximum Social Security benefit, with an expected cost of $48 million by the end of fiscal year 2026.
* Funding an amended child tax credit plan to adjust Maine’s current $300 credit based on inflation.
* Funding to support a revised version of the property tax stabilization tax credit program that was passed last year. The amended version will expand the homestead exemption and property tax fairness credit in lieu of the stabilization program.

**May 9, 2023**

The Revenue Forecasting Commission is projecting an additional $300 million in revenue for the supplemental budget, raising the total unallocated amount to over $900 million. Legislators will decide how to allocate this amount to new programs, tax cuts, or one-time spending.

**Bipartisan support for tax cuts following year-over-year surplus**
Legislators on both sides of the aisle are angling for a tax cut for lower tax brackets. There are several bills before the Taxation Committee that would lower the low- and middle-income brackets. One proposal would provide additional money for a child tax credit. Others would provide property tax relief, or lower income tax for lower-income brackets.

**Business tax confidentiality**
Two bills are before legislators that would eliminate confidentiality of business tax records. [LD 1337](https://legiscan.com/ME/bill/LD1337/2023)proposes to require all corporations that file a tax return to also file a tax disclosure form that would be publicly available. [LD 1725](https://legiscan.com/ME/bill/LD1725/2023)is intended to allow the Government Oversight Committee access to records on matters related to child welfare and may unintentionally give the Legislature access to confidential business and tax information. The MECPA will work to ensure the continued confidentiality of tax information. **\*\***[Go here](https://www.mainelegislature.org/testimony/)to comment on the importance of tax confidentiality for **LD 1725**.

**New business incentive program would replace Pine Tree Development Zones**
Gov. Janet Mills' proposal would replace the Pine Tree Development Zone program with a tax incentive program designed to attract business to Maine. The Dirigo Business Incentive program would focus on worker training and capital investments. Specifically, it would provide:

* A $2,000 tax credit per worker trained
* A 15% tax credit for capital investments in most of Maine, with a 7.5% credit for York, Cumberland and Sagadahoc counties
* A replacement for the Employment Tax Increment Financing and Maine Capital Investment Credit

**May 8, 2023**

Accountants certainly know the value of personal financial literacy. But currently, only 15% of Maine high school students receive focused personal financial literacy instruction. At the urging of our friends at [**F.A.M.E.’s Jumpstart Coalition**](https://mejumpstart.org/), we're taking advantage of an opportunity to change that.

The Legislature’s Committee on Education and Cultural Affairs will hold a public hearing at 10 a.m. Wednesday on [**LD1284**](https://legiscan.com/ME/bill/LD1284/2023), a bill to make completion of a personal finance course a graduation requirement for high school students.

* **LD1284** has strong bipartisan support. Polling shows that 83% of Maine voters support a standalone personal finance graduation requirement for all high school students.
* The bill respects local control.
* With curriculum and Professional Development support from Maine Jump$tart, Next Gen Personal Finance and other nonprofits, the course can be implemented at little to no cost.

Please consider reaching out the Committee on Education and Cultural Affairsto communicate your support for **LD 1284**.

**April 17, 2023**

[LD 1082](https://legiscan.com/ME/bill/LD1082/2023)**: Maine Mandatory Retirement Program**
The Legislature's Committee on Health Coverage, Insurance and Financial Services recommended passing this bill, which would require all Maine employers to be enrolled in the Maine Retirement Savings Program by Dec. 31, 2024. This bill was introduced as a result of a delay in implementing a bill passed in 2022 for the same purpose.

[LD 1337](https://legislature.maine.gov/LawMakerWeb/summary.asp?ID=280088080)**: An Act to Require a Corporation That Files a Tax Return in the State of Maine to File a Tax Disclosure Statement**
At an April 13 Taxation Committee hearing, the MECPA testified in opposition to this bill because it would eliminate confidentiality provisions for Maine businesses. Further, the scope of information that would need to be disclosed would create onerous administrative work for both businesses and Maine Revenue Services. And we  believe the proposal unfairly targets corporations as opposed to other forms of business.

We will keep you apprised.

**April 3, 2023**

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| The Legislature's First Special Session was adjourned late Thursday after legislators passed a $9.8 billion budget for FY24-25 by simple majority. The two-year budget will take effect July 1. Legislators will resume work on Wednesday. **LD 1337 would eliminate tax confidentiality for businesses**Sponsored by Rep. Ann Matlack (D-St. George), **LD 1337**would require corporations – but not other business entities like limited-liability corporations and partnerships – in Maine to file a disclosure with Maine Revenue Services. The disclosure would be made public three years after the tax year it pertains to. Corporations that file a Maine tax return would be required to disclose information such as taxable income for the corporation and any affiliates if filing a combined report, value of deductions and total receipts for the corporation and any affiliates.The Maine State Chamber opposes the bill, and the MECPA has serious concerns with it. We'll be investigating this further and taking a position. We encourage you to share your thoughts with your legislators.**Will the supplemental budget contain tax relief?**When legislators reconvene, they'll begin work on a supplemental budget for FY 24-25. Tax relief is expected to be a major part of discussions. There is currently $400 million in unappropriated revenue. Tax relief could be a negotiating point for other major issues like tribal sovereignty, where bipartisan alliances have been critical to discussions. Much will depend on whether revenue projections are significantly revised upward. |

**March 21, 2023**

**LD 1082** – An Act to Advance the Maine Retirement Savings Program has been printed and referred to the Committee on Health Coverage, Insurance and Financial Services.

[**This bill**](https://legislature.maine.gov/bills/getPDF.asp?paper=SP0451&item=1&snum=131)would delay implementation of the program until 2024, when covered employers would need to either offer a qualified plan to employees or register employees with the program by the deadline. The delay is necessary because key details, including selection of a program administrator, may not be finalized by April 1, one of the compliance deadlines.

Also last week, the Taxation Committee held a hearing on [**LD-37**](https://legislature.maine.gov/bills/getPDF.asp?paper=SP0029&item=1&snum=131) **–**An Act to Amend the Laws Governing Property Tax Stabilization for Senior Citizens to Eliminate the Requirement for an Annual Application. There is no formal disposition of the bill yet.

**February 20, 2023**

**1.** Maine Revenue Service issued a Tax Alert stating that Maine taxpayers receiving tax refunds from Massachusetts and/or other states must file amended returns in Maine if those refunds impact the taxpayer’s liability. [**Read more**](https://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/ta_feb2023_vol33_iss2.pdf). There's been no progress yet in the MECPA's efforts to engage MRS in discussions about streamlining this process.

**2.**Gov. Janet Mills presented her biennial budget proposal, with no new taxes included. [**Read more**](https://www.maine.gov/governor/mills/news/governor-mills-unveils-biennial-budget-proposal-2023-01-11).

**3.**NASBA issued a proposal to extend the conditional credit period for the CPA exam from 18 to 24 months. [**Read more**](https://mecpa.org/news/#nasba-proposes-increase-of-cpa-exam-conditional-credit-period-to-24months). [**Go here to comment**](http://uaacomments@nasba.org/) through April 17.

**February 6, 2023**

Recent legislative and regulatory activity impacting accountants has been happening more at the federal level than state. Here are a few highlights:

* Sens. Angus King (I-Maine) and Bill Cassidy (R-La.) are proposing an investment fund to shore up Social Security. [**Read more**](https://thehill.com/policy/finance/3829067-senators-eye-social-security-reforms-as-some-in-house-gop-consider-cuts/).
* The Financial Accounting Standards Board is proposing that cryptocurrency assets be valued at fair market value. [**Read more**](https://www.wsj.com/articles/standards-setter-floats-new-rule-on-crypto-accounting-11675267296?mod=Searchresults_pos1&page=1).
* The Securities and Exchange Commission is reviewing its draft rules, with an eye toward relaxing its proposed requirements for reporting climate costs. [**Read more**](https://www.wsj.com/articles/sec-considers-easing-climate-disclosure-rules-after-investor-pushback-11675416111?mod=Searchresults_pos5&page=1).

**January 6, 2023**

Maine's 131st Legislature convened Jan. 4, and Gov. Janet Mills presented a $10.3 billion two-year budget for FY 2024/25. Mills said the proposal, based on a projected $10.5 billion in revenue, does not include new taxes. The Legislature must enact a budget by June 30.

**Key priorities in Mills' budget**

* **Health & Human Services –**Homelessness, Opioid Crisis, Child Protection
* **Environment –**PFAS (forever chemicals), Climate Change, Energy Cost Containment
* **Diversity, Equity & Inclusion –**Environmental Justice, Tribal Sovereignty

As legislators wade through the 2,300 bills introduced thus far, we'll be monitoring to stay on top of any that impact CPAs and their clients. The Tax Committee has introduced several bills, primarily administrative in nature, except for one that proposes to exempt certain nonprofits, primarily 501(c)(3) organizations, from Sales and Use Taxes and Service Provider Taxes.