



# This Week in State Tax (TWIST)

May 4, 2026



## Maine: Pine Tree State enacts new tax appeals body and limits on data center incentives

Governor Mills recently signed [LD 2178](#) into law. As enacted, the measure replaces the Maine Board of Tax Appeals with an Independent Office of Tax Appeals within the Department of Administrative and Financial Services, effective January 1, 2027. The Office will be headed by a Chief Hearing Officer, appointed by the Commissioner of Administrative and Financial Services, but it is established and will operate independently from the State Tax Assessor and other Revenue Services Bureau personnel, and no *ex parte* communications may be had with the parties before it or other employees of the Bureau. The bill also codifies procedures for filing petitions for reconsideration of assessments, conducting prehearing conferences and hearings, issuing subpoenas, taking testimony, accepting evidence under relaxed evidentiary rules, and issuing written decisions containing findings of fact and conclusions of law. A taxpayer may be represented by an attorney, public accountant, or any other person, and matters will be heard *de novo*. The burden will be on the taxpayer to prove by a preponderance of the evidence that the Assessor erred in applying the relevant law. Final decisions of the Office may be appealed to the Superior Court within 60 days for a *de novo* review.

Additionally, in what has become the 'hot button' issue of the year in several states, two bills regarding incentives for the construction and operation of data centers in Maine recently crossed the desk of Governor Mills. She signed one and vetoed the other. [LD 713](#), which was signed into law, removes data centers beginning operations (as defined) on or after August 1, 2026, from eligibility for certain existing tax incentive programs, including personal property tax relief under the Business Equipment Tax Exemption and income tax credits for capital investment and employment under the Dirigo Business Incentives Program. The bill also requires preparation of a report for the legislature on future incentives for the sector by November 2026. [LD 307](#), which was vetoed by Governor Mills and not overridden by the legislature, would have imposed a temporary moratorium on the construction of large data centers.

Please contact [Ryenne Tannenbaum](#) and [Jon Benson](#) with questions about LD 2178, LD 713, and LD 307.

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