

MAINE STATE LEGISLATURE

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HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION
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President Beth Edmonds
115 State House Station
Augusta, Maine 04333

Madam Chair,

I am writing to urge you to accept my bill submission, "An Act to Establish the Wellness Tax Credit," for consideration during the Second Regular Session of the 123rd Maine Legislature. The proposed bill will establish a tax credit of \$100 per employee for any business that institutes a wellness program in their workplace. The tax credit is capped at \$10,000 for any one tax year and is limited by a company's tax liability. The starting date for a qualified wellness program expense will be January 1, 2009.

This bill is presented as emergency legislation. There is a growing obesity epidemic across the nation and health-related costs are skyrocketing. Health care costs in Maine are among the highest in the country, and experts agree that 50 percent to 70 percent of these costs can be prevented by people living healthier lifestyles.

This bill encourages workplace wellness programs, while allowing companies to adopt wellness policies that make sense for them and their employees. Qualified expenditures for the tax credit are varied, with the intent of encouraging businesses large and small to adopt a wellness program for their employees. Expenditures include educational programs targeting nutrition, stress management or smoking cessation. A company may also take advantage of the tax credit to equip and maintain an exercise facility on the premise or to purchase individual or group memberships to a health club or gym.

The real beneficiaries of this bill will not be just employers, but also their employees and family members. Healthy living habits adopted at work will continue at home and be shared with family members. Overall, this bill can play an important role in helping to reduce health insurance costs statewide.

Rising health insurance costs are causing more Maine employers to reduce or eliminate healthcare benefits for their employees. I believe that this bill can be an important part of the solution by encouraging companies to take that first step. By establishing incentives for healthy workplaces and healthy employees, we will help insure that Maine employers offer more and better health benefits to their employees.

A healthier workplace will mean a healthier Maine for all. With this in mind, I request approval to send this bill to the next session. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Jayne Crosby Giles".

Cc: Members of Legislative Council



HOUSE OF REPRESENTATIVES

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October 22, 2007

Legislative Council
Maine State Legislature
115 State House Station
Augusta, ME 04333-0002

Written Testimony in Support of LR 3054, "An Act to Create a Sales-tax-free Weekend," and LR 3055, "An Act to Require the Purchaser to Pay All Property Taxes"

Dear Madam Chair and Members of Legislative Council:

I strongly urge you to approve two bills that I have submitted for the Second Regular Session: LR 3054, "An Act to Create a Sales-tax-free Weekend," and LR 3055, "An Act to Require the Purchaser to Pay All Property Taxes." Both of these bills deal with issues that I believe need to be addressed in the Second Regular Session of the 123rd Legislature. I will outline my reasoning for approval of both these proposals below.

LR 3054 – "An Act to Create A Sales-tax-free Weekend"

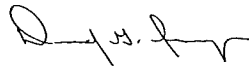
I believe that it is crucial for the State of Maine to recognize that there is a strong probability that the Maine economy will take a downturn in the coming year due to increasing oil prices and predatory lending practices. In recognition of this possibility, we, as a legislative body, should be proactive. One way to help stimulate the economy would be to declare a sales tax-free weekend. This is not a new idea and a similar bill has been introduced in past legislatures, but the timing of this bill is the key issue. The State of Massachusetts recently had a sales tax-free weekend and it became the largest sales weekend of the year, which in turn boosted the local economy. And Massachusetts is not alone. Fourteen states and the District of Columbia held sales tax-free holidays last year. A sales tax free weekend is a tool to encourage investment in the Maine economy, stimulate Maine business, and provide our citizens with some "feel good" legislation as an offset to the tough issues we will be facing in the Second Session. I am open as to "when" that tax-free weekend should be, but I would suggest April of 2008. Massachusetts set August 12 & 13th as their dates. The reason for two days is that Saturday is a Jewish Religious Holiday; therefore, the weekend accommodates everyone.

LR 3055 "An Act to Require the Purchaser to Pay All Property Taxes"

This bill came about after I heard of a property tax situation that occurred in my district. Under current tax law when a residential property is sold, the name on the property tax list for the remainder of that tax year is technically responsible for the property taxes even after they no longer own the property. Property taxes are normally prorated contractually at the closing of the real estate transaction; but if the new owner does not comply with the contract and fails to pay the taxes for the rest of the year, under the current law the previous owner is still legally responsible for the property taxes for that year. The only way to recover these taxes is through the legal system by suing the current owner based on the contract signed at closing. This bill will correct this problem by simply changing the statutory language to shift the legal responsibility for future property taxes to the owner of the property effective the date of the sale. This bill is important to be considered for the upcoming session so as to avoid any similar situations from occurring under the current law as soon as possible. A constituent contacted Senator Karl Turner and myself regarding this issue when she was stuck with over \$2,000 in taxes when the new owners failed to pay their share of the taxes. To protect her own credit, she paid it and will try to recover in court. She should not be faced with such an expense and hassle; and, in my view, the law needs to be changed. Once the new owner takes possession, responsibility for taxes should be theirs and theirs alone.

Once again, I ask for your full support and approval of LR 3054, "An Act to Create a Sales-tax-free Weekend," and LR 3055, "An Act to Require the Purchaser to Pay All Property Taxes." Thank you for your time and consideration.

Sincerely,



David G. Savage
State Representative