

MAINE STATE LEGISLATURE

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STATE OF MAINE
119TH LEGISLATURE

FIRST REGULAR SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
TAXATION

AUGUST 1999

Staff:

Julie S. Jones, Legislative Analyst

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Sen. Beverly C. Daggett
Sen. S. Peter Mills*

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Rep. Thomas M. Davidson
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Rep. David G. Lemoine
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Rep. Eleanor M. Murphy
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Rep. Peter E. Cianchette*



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MEMORANDUM

To: Members, Joint Standing Committee on Taxation
From: Julie S. Jones, Legislative Analyst
Date: August, 1999
Re: Bill Summaries, 119th Legislature, 1st Regular Session

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the Joint Standing Committee on Taxation during the 1st Regular Session of the 119th Legislature. The summary describes each bill or order and relevant amendments as well as the final action. Also included is a statistical summary of bill activity by the committee. Please note the effective date for all non-emergency legislation enacted in the 1st Regular Session (unless a later date is specified in a particular law) is September 18, 1999. Joint orders are effective when passed.

The document is organized for convenient reference to information on bills handled by the committee this session. It is organized by bill (LD) number and two indices are located at the back of the document that group bills by subject and by LD number. Final action on each bill is noted to the right of the bill title. The abbreviations used for various categories of final action are as follows:

CARRIED OVER Bill carried over to Second Regular Session
CON RES XXX Chapter # of Constitutional Resolution passed by both Houses
CONF CMTE UNABLE TO AGREE Committee of Conference unable to agree; bill died
DIED BETWEEN BODIES House & Senate disagree; bill died
DIED IN CONCURRENCE One body accepts ONTP report; the other indefinitely postpones the bill
DIED ON ADJOURNMENT Action incomplete when session ended; bill died
EMERGENCY Enacted law takes effect sooner than 90 days
FAILED EMERGENCY ENACTMENT/FINAL PASSAGE Emergency bill failed to get 2/3 vote
FAILED ENACTMENT/FINAL PASSAGE Bill failed to get majority vote
FAILED MANDATE ENACTMENT Bill imposing local mandate failed to get 2/3 vote
NOT PROPERLY BEFORE THE BODY Ruled out of order by the presiding officers; bill died
INDEF PP Bill Indefinitely Postponed
ONTP Ought Not To Pass report accepted
OTP ND Committee report Ought To Pass In New Draft
OTP ND/NT Committee report Ought To Pass In New Draft/New Title
P&S XXX Chapter # of enacted Private & Special Law
PUBLIC XXX Chapter # of enacted Public Law
RESOLVE XXX Chapter # of finally passed Resolve
UNSIGNED Bill held by Governor
VETO SUSTAINED Legislature failed to override Governor's Veto
READ AND PASSED Joint Order passed by the House and Senate
PASSED AS AMENDED Joint Order passed as amended by the House and Senate

A complete summary of bills for all committees will be available in the very near future. Copies will be on file in the Law and Legislative Reference Library and Senate and House offices. You will also soon be able to access these bill summaries from our website.

I hope you find this information useful. If you have any questions or suggestions, please do not hesitate to contact this office.

Best wishes for an enjoyable summer.

- Closes a loophole in penalty for “failure to file” in situations where “demand to file” notice is sent.
 - Extends penalty for “failure to pay” to assessments as well as amounts stated on returns
 - Eliminates the sales tax on sales of printed materials for distribution to customers outside the state
 - Changes the treatment under the estate tax of property held in trust
 - Changes the calculation of business-related income tax credits for equipment placed in service in Maine, employment in Maine and research conducted in Maine
 - Permits the Governor to designate a person to approve abatements
 - Clarifies that purchases that are exempt from sales tax must be used primarily in the activity identified by the applicable exemption provision
- Part B
- Codifies minimum taxability thresholds for nonresidents that were previously contained in Rules
 - Eliminates double taxation on corporations in the case of state tax refunds
 - Provides flow-through income tax credit for beneficiaries of estates and trusts
 - Changes statute of limitations on filing an income tax refund request to 3 years from the later of when the return was originally filed or when the tax was paid.
 - Provides that Part B changes apply to tax years beginning on or after January 1, 1996.
- Part C
- Provides conformity with federal credits and deductions for long term care costs and insurance

LD 163

An Act to Eliminate the Marriage Penalty under the Income Tax Laws

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MACK DAVIS P	ONTP	

LD 163 proposed to provide an income tax standard deduction for married persons filing joint returns and surviving spouses that would be twice the amount for persons filing as single individuals or married persons filing separately. The standard deduction for heads of households would be 150% of the amount for single individuals.

LD 166

An Act to Amend the Public Property Tax Exemption

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'GARA MACK		

LD 166 proposed to exclude certain property of public water districts from exemption from property tax. The property covered includes water treatment plants, water filtration plants, water ozonization plants and the fixtures and property of those plants. The issue addressed in this bill is the subject of a law suit involving the Portland Water District and the Town of Standish.

This bill was carried over to the Second Regular Session.