

# MAINE STATE LEGISLATURE

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**STATE OF MAINE  
119TH LEGISLATURE**

**SECOND REGULAR SESSION**

**BILL SUMMARIES  
JOINT STANDING COMMITTEE  
ON  
TAXATION**

**JULY 2000**

**Staff:**

**Julie S. Jones, Legislative Analyst**

**Office of Fiscal and Program Review  
5 State House Station  
Augusta, ME 04333-0005  
(207) 287-1635**

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

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 OFFICE OF FISCAL AND PROGRAM REVIEW

5 STATE HOUSE STATION  
 AUGUSTA, MAINE 04333-0005  
 Telephone: (207) 287-1635  
 FAX: (207) 287-6469

TO: Members, Joint Standing Committee on Taxation  
 FROM: Julie Jones, Legislative Analyst  
 DATE: July, 2000  
 RE: **BILL SUMMARIES, 119th LEGISLATURE, 2nd 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 2nd 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 2nd Regular Session (unless a later date is specified in a particular law) is August 11, 2000. 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:

*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 amendment 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.

**Committee Amendment “A” (H-890)** proposed an exemption from individual income tax of up to \$1,500 of net long-term capital gains.

**LD 544                      An Act to Value Homestead Exemption Farm Land at Current Use                      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GREEN KILKELLY	ONTP	

LD 544 was carried over from the First Regular Session. The bill proposed to value agricultural land at its current use value. See also LDs 2426, and 2669. Similar provisions were included in the Supplemental Budget Bill, LD 2510, Public Law 1999, chapter 731, Part Y.

**LD 809                      An Act to Create a Local Option Sales and Use Tax                      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MURRAY GAGNON	ONTP      MAJ OTP-AM      MIN	

LD 809 was carried over from the First Regular Session. The bill proposed to authorize municipalities to adopt a local option 1% sales and use tax. Fifty percent of the revenue would be transferred to the county to reduce county taxes. The remaining 50% would be placed in a special municipal revenue account to be used only for public improvements, economic development or to reduce the property tax commitment.

**LD 1064                      An Act to Stimulate Job Creation and Investment in Maine by  
Amending the Income Tax Apportionment Formula                      INDEF PP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RUHLIN CIANCHETTE	OTP-AM      MAJ ONTP      MIN	S-544

LD 1064 proposed to change the formula for apportionment of income from a business activity that is taxable in this State and in other taxing jurisdictions. The bill proposed to eliminate the property and payroll factors from the formula and base apportionment solely on the proportion of sales by the taxpayer in the State. The bill was carried over from the First Regular Session and the Commission to Study Single-Sales Factor Apportionment was established to study the subject of the bill during the interim.

**Committee Amendment “A” (S-544)** proposed to permit optional single sales factor apportionment for high-technology taxpayers, pulp and paper taxpayers and mutual fund service providers only.

See also LD 2400.