

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:

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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” (S-553) proposed to establish a credit against the income tax, the insurance premium tax and the bank franchise tax for investments in eligible nonprofit economic development organizations. The credit would be equal to 6% of the face value of the investment annually for 10 years.

**LD 1883 An Act to Ensure that Certain Land Transfers Accomplished DIED IN
through Stock Transfers are not Exempt from the Transfer Tax CONCURRENCE**

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

LD 1883 was carried over from the First Regular Session. The bill proposed to eliminate certain exemptions from the real estate transfer tax relating to corporate transactions involving transfers by deeds to unimproved or undeveloped land in excess of 100 acres. The subject matter of the bill was the subject of an interim study by the Joint Standing Committee on Taxation. The Committee recommended extending the real estate transfer tax to cover the transfer of controlling interests in business entities with an ownership interest in real estate. The Committee’s recommendations were originally contained in a New Draft, LD 2643. All papers relating to this bill were referred back to Committee.

Committee Amendment “B” (S-698) was accepted in the Senate but not in the House of Representatives. The Amendment proposed to extend the real estate transfer tax to cover the transfer of controlling interests in entities with an interest in real property. The amendment also proposed to reduce the overall rate of the tax to eliminate any net increase in revenues from the tax resulting from the extension to controlling interests and exclude from the tax property acquired by a financial institution by foreclosure on a mortgage or other loan and that is held for resale.

Senate Amendment “A” to Committee Amendment "B" (S-700) was accepted in the Senate but not in the House of Representatives and proposed to make a technical correction.

A Committee of Conference was appointed but was unable to agree.

LD 1921 An Act to Promote Land Conservation at the Local Level ONTP

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| ETNIER | ONTP | |

LD 1921 was carried over from the First Regular Session. The bill proposed to permit counties to impose a local option real estate transfer tax for the purpose of purchasing or improving public lands within the county. The tax could not exceed 5% of the state real estate transfer tax and would be imposed only if approved by the voters of the county. Revenues from the local option tax would be spent for purchasing or improving public lands in the county subject to recommendations of a county land conservation board.