

MAINE STATE LEGISLATURE

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*State Of Maine
122nd Legislature*

*First Regular Session and
First Special Session*

Bill Summaries

*Joint Standing Committee
on
Taxation*

August 2005

Members:

*Sen. Joseph C. Perry, Chair
Sen. Ethan Strimling
Sen. Jonathan T. E. Courtney*

*Rep. Richard G. Woodbury
Rep. Herbert E. Clark
Rep. Deborah J. Hutton
Rep. Raymond G. Pineau
Rep. Thomas R. Watson
Rep. Harold A. Clough
Rep. H. Stedman Seavey, Jr.
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Rep. Leonard Earl Bierman
Rep. Bruce Q. Hanley*

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Maine State Legislature

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122nd Legislature
First Regular Session and First Special Session

Summary of Legislation Considered by the Joint Standing Committees
August 2005

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing select committees of the Maine Legislature this past session. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills considered by the committees. It is organized by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. A subject index for each committee is included immediately before the bill summaries for that committee, and a numerical index by LD number is included at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

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

Please note the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is June 29, 2005; and for non-emergency legislation enacted in the First Special Session is September 17, 2005.

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LD 189 **RESOLUTION, Proposing an Amendment to the Constitution of** **ONTP**
Maine To Provide Property Tax Relief to Owners of Property
Used for Commercial Fishing and Homestead Land

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERCY RAYE	ONTP	

LD 189 proposed to amend the Constitution of Maine to allow the Legislature to provide for the assessment of land and structures used primarily for commercial fishing purposes based on the current use of that property. The Legislature would be required to permit a municipality to choose whether to participate in this current use assessment.

The resolution also proposed to authorize a municipality to limit the rate of change in the taxable value of homestead land to the rate of change in the purchasing power of United States currency as consistently measured by a reliable index adopted by the Legislature.

LD 195 **An Act To Conform the Maine Tax Code with the Federal Health** **CARRIED OVER**
Savings Accounts Laws

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RECTOR PERRY J	OTP-AM MAJ ONTP MIN	H-532 H-653 RINES

LD 195 proposed to conform Maine income tax law to federal law regarding contributions to health savings accounts.

Committee Amendment "A" (H-532) and House Amendment "A" (H-653) proposed to make nonsubstantive changes.

This bill, and its adopted amendment, were carried over on the Special Appropriations Table by S.P. 640 to the next special or regular session of the 122nd Legislature.

See also LD 507.

LD 236 **An Act To Change Nonresident Income Tax Filing Requirements** **CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCCORMICK COURTNEY	OTP-AM	H-530

LD 236 proposed to increase the minimum taxability thresholds that establish an income tax liability for nonresidents. It proposed to increase the number of days worked in Maine that trigger a nonresident income tax

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liability from 11 days per year to 21 days per year and establish \$6,000 as the amount of gross income that must be earned before the nonresident's income is subject to taxation.

Committee Amendment "A" (H-530) proposed to provide new minimum taxability thresholds for nonresidents. The new thresholds permit greater income-earning activity by nonresidents in the State before Maine income tax liability is triggered. Personal services performed as an employee would be subject to tax if they were performed for more than 12 days and produced more than \$3,000 in income. Income from contractual or sales-related activities would be subject to tax if it exceeded \$3,000 during a year. The amendment also proposed to exclude from the determination of taxability in the State up to 24 days of personal services related to certain training and management functions.

This bill, and its adopted amendment, were carried over on the Special Appropriations Table by S.P. 640 to the next special or regular session of the 122nd Legislature.

See also LD 740.

LD 241 **An Act To Ensure That the Exemption for Pensions Is Applied Fairly** **ONTP**

<u>Sponsor(s)</u> DAVIS G	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 241 proposed to eliminate the offset for social security benefits under the income tax exemption for pension benefits.

LD 264 **An Act To Repeal the Property Tax Exemption for State and Municipal Property** **ONTP**

<u>Sponsor(s)</u> PERRY J	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 264 proposed to repeal the property tax exemption for property owned by the State or a municipality.

LD 275 **An Act To Promote Energy Conservation and a Cleaner Environment** **CARRIED OVER**

<u>Sponsor(s)</u> COURTNEY BLISS	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> S-101
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LD 275 proposed to substitute a sales tax exemption for 100% of the sale or lease price of a hybrid gasoline-electric vehicle or a fuel-cell or hydrogen-fueled vehicle for the current partial exemption for clean fuel vehicles.