

MAINE STATE LEGISLATURE

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*State Of Maine
122nd Legislature*

Second Regular Session

Bill Summaries

*Joint Standing Committee
on
Taxation*

July 2006

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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
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Rep. Leonard Earl Bierman
Rep. Bruce Q. Hanley*

Maine State Legislature



Office of Policy and Legal Analysis Office of Fiscal and Program Review

122nd Maine Legislature Second Regular Session

Summary of Legislation Before The Joint Standing Committees

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing 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 arranged alphabetically by committee name 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. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located 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/billsumm.htm).

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
P&S XXX.....	Chapter # of enacted Private & Special Law
PASSED.....	Joint Order passed in both bodies
PUBLIC XXX.....	Chapter # of enacted Public Law
RESOLVE XXX.....	Chapter # of finally passed Resolve
UNSIGNED (Pocket Veto).....	Bill held by Governor
VETO SUSTAINED.....	Legislature failed to override Governor's Veto

Please note that the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is August 23, 2006.

Joint Standing Committee on Taxation

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

This bill was removed from the Special Appropriations Table in the Second Regular Session and indefinitely postponed. The substance of this bill, as amended, was incorporated into the Supplemental Budget Bill as Public Law 2005, chapter 519, Part OOO, LD 1968, An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2006 and June 30, 2007.

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

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

This bill was removed from the Special Appropriations Table in the Second Regular Session and indefinitely postponed. The substance of this bill, as amended, was incorporated into the Supplemental Budget Bill as Public Law 2005, chapter 519, Part NNN, LD 1968, An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2006 and June 30, 2007.

See also LD 1917.

LD 236 **An Act To Change Nonresident Income Tax Filing Requirements** **DIED ON ADJOURNMENT**

<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 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.

Joint Standing Committee on 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 and died on adjournment of the Second Regular Session.

LD 275 **An Act To Promote Energy Conservation and a Cleaner Environment** **DIED ON ADJOURNMENT**

<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.

Committee Amendment “A” (S-101) proposed to replace the bill and extend the current sales and use tax exemption for certain clean fuel vehicles to January 1, 2010.

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 and died on adjournment of the Second Regular Session.

LD 308 **An Act To Extend the Tax Credit for Clean Fuel Infrastructure Development** **INDEF PP**

<u>Sponsor(s)</u> BLISS BARTLETT	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-189
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LD 308 proposed to extend the income tax credit given for the construction of or improvements to any filling station for the purpose of providing clean fuels to the general public for use in motor vehicles. The tax credit is scheduled to end December 31, 2005; this bill would extend the credit for 3 years to December 31, 2008.

Committee Amendment “A” (H-189) proposed to incorporate a fiscal note.

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.

This bill was removed from the Special Appropriations Table in the Second Regular Session and indefinitely postponed. The substance of this bill was incorporated into the Supplemental Budget Bill as Public Law 2005,