

# 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*

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# 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](http://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*

**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 122<sup>nd</sup> 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><br>COURTNEY<br>BLISS | <u>Committee Report</u><br>OTP-AM | <u>Amendments Adopted</u><br>S-101 |
|--|-----------------------------------|------------------------------------|

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 122<sup>nd</sup> 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><br>BLISS<br>BARTLETT | <u>Committee Report</u><br>OTP-AM | <u>Amendments Adopted</u><br>H-189 |
|--|-----------------------------------|------------------------------------|

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 122<sup>nd</sup> 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,

## *Joint Standing Committee on Taxation*

chapter, Part PPP, 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 325**                      **An Act To Clarify the Definition of “Domiciled” for Maine Income Tax Purposes**                      **INDEF PP**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| CUMMINGS          | OTP-AM                  | H-588<br>H-658 CUMMINGS   |

LD 325 proposed to require the State Tax Assessor to adopt major substantive rules defining and clarifying the meaning of “domiciled” for Maine income tax purposes to eliminate uncertainty and promote voluntary compliance with Maine's income tax laws.

**Committee Amendment “A” (H-588)** proposed to provide specific limitations on the domicile concept in the definition of “resident individual” in the case of an individual who does not maintain a permanent place of abode in Maine and is present in Maine for only short periods of time. This amendment also proposed to provide that domicile determinations could not be based on the location of an individual's professional advisors or on charitable or political contributions.

**House Amendment “A” To Committee Amendment “A” (H-658)** proposed to provide that the specific limitations on the domicile concept in the definition of “resident individual” do not apply to members of the Armed Forces who are absent from Maine in compliance with military or naval orders and who remain Maine residents pursuant to federal law.

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 122<sup>nd</sup> 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 by Committee Amendment “A” with minor changes was incorporated into the Supplemental Budget Bill as Public Law 2005, chapter 519, Part G, 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 353**                      **An Act To Exempt the United States Flag and the Flag of the State of Maine from State Taxation**                      **DIED ON ADJOURNMENT**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| CRESSEY           | ONTP      MAJ           | H-77                      |
| COURTNEY          | OTP-AM      MIN         | S-74 GAGNON               |

LD 353 proposed to exempt the sale of the United States flag from sales tax.