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.
Rep. Earle L. McCormick
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, <u>History and Final Disposition of Legislative Documents</u>, 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	
CONF CMTE UNABLE TO AGREE	
DIED BETWEEN BODIES	
DIED IN CONCURRENCE	One body accepts ONTP report; the other indefinitely postpones the bill
DIED ON ADJOURNMENT	
EMERGENCY	Enacted law takes effect sooner than 90 days
FAILED EMERGENCY ENACTMENT/FINAL PAS	SAGE Emergency hill 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	Bill failed to get majority vote Bill imposing local mandate failed to get 2/3 vote Ruled out of order by the presiding officers; bill died Bill Indefinitely Postponed Ought Not To Pass report accepted Committee report Ought To Pass In New Draft
<i>OTP ND</i>	
<i>OTP ND/NT</i>	
P&S XXX	
PUBLIC XXX	
RESOLVE XXX	
UNSIGNED	Bill held by Governor
VETO SUSTAINED	

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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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.

LD 598 An Act To Provide an Income Tax Modification for the Federal Empowerment Zone Employment Credit **ONTP**

Sponsor(s)	Committee Report	Amendments Adopted
FISCHER	ONTP	
MARTIN		

LD 598 proposed an income tax deduction for any amount received under the federal empowerment zone employment credit program, which provides tax incentives to businesses who hire employees who live and work in federally designated "empowerment zones." The provisions of this bill are already contained in income tax law.

LD 610 An Act To Encourage More Dentists To Practice in the State

DIED BETWEEN HOUSES

Sponsor(s)	Committee Report		Amendments Adopted
LERMAN	ONTP	MAJ	_
GAGNON	OTP-AM	MIN	

LD 610 proposed an income tax credit or deduction for the amount of dental student education loan forgiveness when the dentist elects to serve as a practitioner of dental medicine in an underserved population area pursuant to the terms of the Maine Dental Education Loan Program.

LD 613

An Act To Provide Tax Incentives to Small Businesses

CARRIED OVER

Sponsor(s)	Committee	Report	Amendments Adopted
HANLEY S	OTP-AM	MAJ	H-109
COWGER	ONTP	MIN	S-191 STRIMLING

LD 613 proposed to amend the Maine Employment Tax Increment Financing Act to change beginning January 1, 2006 from 5 to one the number of qualified employees a business must add in order to qualify for reimbursement of state income withholding taxes.

Committee Amendment "A" (H-109) proposed to add an appropriations and allocations section to the bill.

Senate Amendment "B" (S-191) proposed to prohibit an owner-operated business, when the only employee is the owner of the business, from obtaining a benefit under the Maine Employment Tax Increment Financing Act.

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If such a business were to add an employee, that employee could not have an ownership interest of 50% or more in the business and be considered a "qualified employee" for purposes of the business' obtaining a benefit.

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.

LD 626 An Act Relating to the Sale of Foreclosed Property

CARRIED OVER

Sponsor(s)	Committee	Report	Amendments Adopted
TWOMEY	ONTP	MAJ	H-590
BRYANT B	OTP-AM	MIN	
	OTP-AM	MIN	

LD 626 proposed to require a municipality that forecloses on residential real estate to return the excess funds, after subtracting the tax lien, interest, fees for recording the lien, costs of mailing notice, court costs and any other expenses incurred in disposing of the real estate. Notice of the availability of the excess funds would be provided to the former owner within 30 days of sale of the real estate or 180 days of the foreclosure, whichever is sooner. If the former owner fails to claim the excess funds within 36 months, the municipality would be required to remit the excess funds to the Treasurer of State for credit to the General Fund. The bill proposed to require any municipality that has availed itself of the tax lien foreclosure process since January 1, 2000 to return any excess funds to the former owners.

Committee Amendment "A" (H-590), a minority report of the committee, proposed to require a municipality to place a notice in a newspaper of general circulation containing certain financial information related to the sale of a foreclosed property when the municipality experiences a net gain of \$10,000 or more from the sale.

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.

LD 632 An Act To Lower the Tax Burden for Small Businesses and Lowincome Families CARRIED OVER

Sponsor(s)	Committee Report	Amendments Adopted
BOWEN	OTP-AM	H-586
COURTNEY		

LD 632 proposed to conform Maine income tax law to federal provisions concerning bonus depreciation and "Section 179" expensing by eliminating the required addition to income beginning in the 2005 tax year.

Committee Amendment "A" (H-586) proposed to incorporate changes enacted as part of Public Law 2005, chapter 12 and add a section making the earned income tax credit refundable and restoring that credit to 5% of the federal credit for tax years beginning in 2005.