

# 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, 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.

*Joint Standing Committee on Taxation*

**LD 745**                      **An Act To Clarify the Definition of "Grocery Staples" To Include Pure Maple Syrup under the Tax Laws**                      **ONTP**

<u>Sponsor(s)</u> WESTON		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 745 proposed to exempt candy and products made solely from pure maple syrup from sales tax.

**LD 746**                      **An Act To Exempt Tax on Leased Property Used by Maine's Public Higher Education Institutions**                      **ONTP**

<u>Sponsor(s)</u> PERRY J HUTTON		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 746 proposed to exempt real and personal property leased by a state-sponsored postsecondary educational institution from property taxation. It also proposed to exempt from sales tax certain sales of items to an entity that leases real or personal property to a state-sponsored post-secondary educational institution.

**LD 747**                      **An Act To Provide a Sales Tax Exemption during the Holiday Season for Nonprofit Organizations That Purchase Gifts for Underprivileged Children**                      **ONTP**

<u>Sponsor(s)</u> MAYO		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 747 proposed a sales tax exemption from Thanksgiving to December 31st for sales to incorporated nonprofit organizations whose primary purpose is providing gifts to underprivileged children.

See also LD 81 and LD 452.

**LD 751**                      **An Act Concerning Counties' Share of the Real Estate Transfer Tax**                      **ONTP**

<u>Sponsor(s)</u> DAMON BARSTOW		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 751 proposed to increase the portion of the real estate transfer tax that is retained by the county by 5% each year beginning February 2006 from the current level of 10% to a maximum of 30% in 2009. The bill also

*Joint Standing Committee on Taxation*

proposed to change the distribution percentage of the revenue derived from the transfer tax imposed on deeds or controlling interests in real property to give the Maine State Housing Authority 35% of the revenue.

**LD 752**                    **An Act Regarding Equipment Used in Food Preparation under the BETR Program**                    **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GAGNON CLOUGH	ONTP	

LD 752 proposed to include in the definition of "qualified business property" under the BETR program equipment used in the preparation of food taxed at 7% under the sales tax.

**LD 778**                    **An Act To Exempt the Sale of Electric, Hybrid or Hydrogen-Fueled Vehicles from State Sales Tax and Excise Tax**                    **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CRESSEY SNOWE-MELLO	ONTP	

LD 778 proposed to replace the current partial sales tax exemption for clean fuel vehicles with a 100% sales tax exemption for a hybrid gasoline-electric vehicle, a fuel-cell-fueled vehicle or a hydrogen-fueled vehicle. This bill also proposed a motor vehicle excise tax exemption, for the first 3 model years of a hybrid gasoline-electric vehicle or a fuel-cell-fueled or hydrogen-fueled vehicle, the excise tax due on the vehicle.

See also LD 275, LD 305 and LD 308.

**LD 782**                    **An Act To Provide a Capital Gains Tax Exemption for the Sale of a Business or Unimproved Property for a Taxpayer 50 Years of Age or Older**                    **ONTP**

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

LD 782 proposed an income tax exemption of up to \$500,000 in capital gains from the sale of a business or unimproved property if the taxpayer was 50 years of age or older.