

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
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Rep. H. Stedman Seavey, Jr.
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Rep. Leonard Earl Bierman
Rep. Bruce Q. Hanley*

Staff:

Julie S. Jones, Senior Analyst

*Office of Fiscal and Program Review
5 State House Station
Augusta, ME 04333
(207)287-1635*



Maine State Legislature

OFFICE OF POLICY & LEGAL ANALYSIS

13 State House Station, Room 215 Cross State Office Building
Augusta, Maine 04333-0013
Telephone: (207) 287-1670
Fax: (207) 287-1275

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 1116 **An Act To Exempt from the Sales Tax Electricity Used in Homes** **CARRIED OVER**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| CAMPBELL | ONTP MAJ | H-175 |
| COURTNEY | OTP-AM MIN | |

LD 1116 proposed a sales tax exemption for persons who are 62 years of age or older for the purchase of residential electricity when that person's primary residence is heated with electricity.

Committee Amendment "A" (H-175) proposed to expand the sales tax exemption to include all sales of residential electricity on or after October 1, 2005.

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 1132 **An Act To Dedicate a Portion of Sales Tax Revenue to Municipalities and Counties** **ONTP**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| PERRY J | ONTP | |
| DUNN | | |

LD 1132 proposed that 20% of General Fund sales tax revenue over a ceiling equal to the amount of General Fund sales tax revenue projected for fiscal year 2004-05 be transferred to a Local Sales Tax Fund and distributed 50% to municipalities and 50% to counties based on the percentage of overall sales tax collections in those jurisdictions.

LD 1134 **An Act Providing Senior Citizens with an Optional Deferred Payment Plan for the Payment of Property Taxes** **ONTP**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| HARLOW | ONTP | |

LD 1134 proposed to allow a municipality to establish a municipal property tax deferment program. The program would allow a resident who is at least 65 years of age and whose annual income is not more than 300% of the poverty level to pay property taxes on that person's residential property at the level that was in effect on that person's 65th birthday and defer any amounts that exceed that level. The property tax obligation would remain at that level until the residence is sold or transferred or the person elects to stop participating in the program. At that time, all property taxes assessed on the property but deferred because of participation in the program must be paid to the municipality.

Joint Standing Committee on Taxation

The bill also proposed to allow a municipality, upon approval of its voters, to impose an additional assessment of up to 2% of the taxes deferred upon residential property. The revenue from the additional assessment would be kept in a dedicated escrow account and used solely for the administrative costs of the program.

LD 1150 An Act To Promote and Facilitate Personal Retirement Saving in ONTP
Maine

| | | |
|-------------------------------|---------------------------------|---------------------------|
| <u>Sponsor(s)</u> WOODBURY | <u>Committee Report</u> ONTP | <u>Amendments Adopted</u> |
|-------------------------------|---------------------------------|---------------------------|

LD 1150 proposed a one-time income tax credit for certain federally qualified retirement savings contributions. The credit would range from 10% to 50% of up to \$500 of contributions that qualify for a federal credit. The percentage allowed would be the same as that allowed under the federal credit and would decrease as the taxpayer's federal adjusted gross income increases. The credit would expire after 4 years.

LD 1151 An Act To Allow Citizens Who Have Been Overbilled for Property ONTP
Taxes To Reduce Their Payments in Succeeding Years

| | | |
|------------------------------------------|---------------------------------|---------------------------|
| <u>Sponsor(s)</u> HUTTON STRIMLING | <u>Committee Report</u> ONTP | <u>Amendments Adopted</u> |
|------------------------------------------|---------------------------------|---------------------------|

LD 1151 proposed that a property owner be entitled to a refund of the amount of taxes overpaid for the previous 10 years when a municipality abates property taxes due to an illegality, error or irregularity in the assessment. The municipality is allowed to provide that the refund be a proportional credit against future property taxes over the same number of years as the incorrect assessment if the property is owned by the person who made the overpayment.

LD 1158 An Act To Allow Employee Retirement Disability Benefits To Be CARRIED OVER
Eligible for the Pension Deduction under Maine Income Tax Law

| | | |
|------------------------------------------|-----------------------------------|------------------------------------|
| <u>Sponsor(s)</u> DUDLEY STRIMLING | <u>Committee Report</u> OTP-AM | <u>Amendments Adopted</u> H-585 |
|------------------------------------------|-----------------------------------|------------------------------------|

LD 1158 proposed to expand the \$6,000 pension exemption to include benefits received under a disability retirement plan policy administered by the State for state employees and teachers.

Committee Amendment "A" (H-585) proposed to expand the exemption to disability benefits received under any employee retirement plan.

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.