

# 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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# 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

**LD 1158**

**An Act To Allow Employee Retirement Disability Benefits To Be Eligible for the Pension Deduction under Maine Income Tax Law** **DIED ON ADJOURNMENT**

<u>Sponsor(s)</u> DUDLEY STRIMLING	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-585
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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 122<sup>nd</sup> Legislature and died on adjournment of the Second Regular Session.

**LD 1165**

**An Act To Encourage the Preservation of Affordable Housing** **PUBLIC 644**

<u>Sponsor(s)</u> GLYNN	<u>Committee Report</u> OTP-AM MAJ ONTP MIN	<u>Amendments Adopted</u> H-634 S-664 ROTUNDO
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LD 1165 proposed an income tax deduction for capital gains or depreciation recapture associated with the sale of a multifamily affordable housing property. It also proposed to exempt the sale of a multifamily affordable housing property from the real estate transfer tax.

**Committee Amendment “A” (H-634)** proposed to restructure the provisions of the bill to improve administration of the income tax deduction for capital gains and depreciation recapture associated with the sale of multifamily affordable housing property. The amendment also proposed to delete the real estate transfer tax exemption for affordable housing from the bill

**Senate Amendment “A” to Committee Amendment “A” (S-664)** proposed to amend Committee Amendment “A” to incorporate changes in the law enacted since the bill was drafted. The amendment also proposed to decrease the Maine State Housing Authority's Other Special Revenue Funds share of real estate transfer tax revenue by \$187,067 in fiscal year 2006-07 and increase the General Fund share of real estate transfer tax revenue by same amount to cover the net revenue loss and General Fund cost of the bill. It also proposed to move the General Fund appropriation of \$20,000 from fiscal year 2005-06 to fiscal year 2006-07.

### *Enacted law summary*

Public Law 2005, chapter 644 provides an income tax deduction for capital gains or depreciation recapture associated with the sale of a multifamily affordable housing property. This chapter also decreases the Maine State Housing Authority's share of real estate transfer tax revenue by \$187,067 in fiscal year 2006-07 to cover the revenue loss associated with the new deduction.