

MAINE STATE LEGISLATURE

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STATE OF MAINE
123RD LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills and adopted amendments and laws enacted or finally passed during the First Regular Session of the 123rd Maine Legislature coming from the

JOINT STANDING COMMITTEE ON TAXATION

July 2007

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STATE OF MAINE

123RD LEGISLATURE

FIRST REGULAR SESSION

LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS



This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all bills and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 123rd Maine Legislature, which was in session from December 6, 2006 to June 21, 2007.

The *Digest* is arranged alphabetically by committee, and within each committee by LD number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

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 (or Accepted ONTP report).....	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.....	Bill held by Governor
VETO SUSTAINED.....	Legislature failed to override Governor's Veto

Please note that the effective date for non-emergency legislation enacted in the First Regular Session is **September 20, 2007**. The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills.

Joint Standing Committee on Taxation

This bill increases the taxes imposed on lodging and prepared meals from 7% to 9%. The bill returns 10% of the sales tax collected on lodging and prepared meals to the municipalities in which those taxes were levied; revenue received by a municipality must be used to provide property tax relief to the residents of that municipality.

This bill also requires transfers to the municipalities to be done before transfers to the Tourism Marketing Promotion Fund, which currently receives 5% of the 7% tax imposed on lodging and meals.

LD 276 RESOLUTION, Proposing an Amendment to the Constitution of Maine CARRIED OVER
To Require the Legislature To Freeze the Valuation of Maine Primary Residence Land

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERRY J		

This resolution is a Governor's bill that proposes a constitutional amendment to require the Legislature to provide for freezing the valuation of primary residence land. The resolution proposes payment of a penalty for certain transfers of the primary residence land equal to the difference in taxes for the five years preceding the transfer.

This bill was carried over to any special or regular session of the 123rd Legislature by joint order, H.P. 1369.

LD 288 An Act To Increase the State Share of the Homestead Exemption to ONTP
70%

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

This bill increases the state reimbursement to municipalities under the Maine resident homestead property tax exemption program from 50% to 70% of taxes lost because of the exemption.

LD 298 An Act To Assist Higher Education Debt Reduction ONTP

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

This bill provides an income tax deduction for student loan interest that has not already been deducted from federal adjusted gross income.

See also LDs 53, 368, 948, 1815 and 1856.

LD 302 An Act To Create an Alternative Fuel Vehicle Income Tax Credit and ONTP
an Alternative Fuel Vehicle Rebate

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

Joint Standing Committee on Taxation

This bill provides an income tax credit for persons who purchase an alternative fuel vehicle or convert a motor vehicle to use an alternative fuel that makes reductions in carbon monoxide emissions and other pollutants as determined by the Department of Environmental Protection. It also provides a similar rebate to governmental entities and nonprofit entities that would qualify for a credit if they were subject to the income tax. See also LD 2.

**LD 313 An Act To Extend the Property Tax Exemption for Veterans to Persons
Living in Cooperative Housing**

PUBLIC 418

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CAIN TURNER	OTP-AM	H-522

This bill extends veterans' property tax exemptions to persons living in cooperative housing communities by granting an exemption to the cooperative housing corporation and requiring the benefit to be apportioned to qualifying veterans and their survivors according to the benefit that each individual would be entitled to if the individual were the owner of property.

Committee Amendment "A" (H-522)

This amendment adds a mandate preamble and an appropriations and allocations section to the bill.

Enacted Law Summary

Public Law 2007, chapter 418 extends veterans' property tax exemptions to persons living in cooperative housing communities by granting an exemption to the cooperative housing corporation and requiring the benefit to be apportioned to qualifying veterans and their survivors according to the benefit that each individual would be entitled to if the individual were the owner of property.

LD 325 An Act To Clarify the Tax-exempt Status of Ornamental Horticulture

**DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FINCH	OTP-AM	H-406

This bill makes changes to the sales and use tax law with respect to commercial agriculture.

Committee Amendment "A" (H-406)

This amendment adds an appropriations and allocations section.

This bill was placed on the Special Appropriations Table and died on adjournment.

LD 337 An Act To Exempt Certain Shipping Fees from the Sales Tax

ONTP

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