

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
123<sup>RD</sup> LEGISLATURE  
FIRST REGULAR SESSION



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

**JOINT STANDING COMMITTEE ON TAXATION**

July 2007

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# STATE OF MAINE

123<sup>RD</sup> 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 123<sup>rd</sup> 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 resolve establishes the Maine Tree Growth Tax Law Review Committee to examine and make recommendations regarding a number of administrative issues related to the Maine Tree Growth Tax Law. The committee is required to submit a report of its findings and recommendations to the Joint Standing Committee on Taxation no later than December 15, 2007.

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

### **LD 544      An Act To Provide Maine Land Conservation Tax Incentives**

**DIED ON  
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATSON	OTP-AM   MAJ ONTP   MIN	H-528

This bill provides a transferable income tax credit for voluntary contributions of land for conservation and for conservation easements that qualify as charitable donations under the federal income tax. The credit is equal to 25% of the value of the donation up to \$500,000 for corporate donors and \$250,000 for other donors.

#### **Committee Amendment "A" (H-528)**

This amendment decreases the total amount of the credit from 25% to 15% of the value of the donation, provides that the credit is refundable up to 20% per year instead of being transferable and requires the Commissioner of Conservation to adopt major substantive rules to ensure maximum state benefit from the credit and to ensure that smaller landowners are the primary users of the credit. The amendment also provides that the credit begins with the 2009 tax year and expires after 5 years.

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

### **LD 558      An Act To Create Fairness in the Motor Vehicle Excise Tax by Implementing the Recommendations of the Secretary of State's Task Force on Registration Fees**

**ONTP**

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

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to implement the recommendations of the Secretary of State's task force to study the motor vehicle excise tax and motor vehicle registration fees. The recommendations include:

1. Flattening the current excise tax rate imposed on motor vehicles to provide for a lower initial rate from the current 24 mills and a more gradual decrease in the rate;
2. Phasing in gradually a decrease in the top excise tax rate from 24 mills to 18 mills, the national average;
3. Enhancing the vehicle registration form to make it clear that the motor vehicle excise tax is municipal revenue to be used by the municipality at its discretion;
4. Requiring municipalities to include in their town reports an explanation of the implementation and

## *Joint Standing Committee on Taxation*

distribution of the motor vehicle excise tax; and

5. Developing an educational program, working in conjunction with the Maine Municipal Association, to allow municipal agents who collect motor vehicle excise taxes to provide consistent and correct information to citizens regarding the use of motor vehicle excise tax revenue by the municipality.

**LD 559      An Act Regarding the Valuation of Land within Buffer Areas  
Established under the Natural Resources Protection Laws**

**PUBLIC 389**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JOY	OTP-AM	H-505

This bill provides that land and buffer areas designated by the Department of Inland Fisheries and Wildlife as significant wildlife habitat under the natural resources protection laws may be classified as open space land and taxed at their current use value for property tax purposes. If a current use value is not available, the land may receive a reduction in just value for property tax purposes of at least 50%.

**Committee Amendment "A" (H-505)**

This amendment eliminates provisions for open space valuation and clarifies that designation of land as significant wildlife habitat is one of the relevant factors that must be considered by local tax assessors when determining the just value of land.

**Enacted Law Summary**

Public Law 2007, chapter 389 clarifies that designation of land as significant wildlife habitat under the natural resources protection laws is one of the relevant factors that must be considered by local tax assessors when determining the just value of land.

**LD 562      An Act To Adopt a Flat Corporate Income Tax**

**ONTP**

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

This bill repeals the 4-tiered corporate income tax rate and replaces it with a flat rate of 8.5%, which is intended to produce the same amount of revenue.

**LD 566      An Act To Increase the Property Tax Exemption for Certain Veterans  
and Surviving Spouses**

**ONTP**

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

This bill increases the property tax exemption from \$5,000 to \$15,000 provided to the estates of veterans who served in specified federally recognized war periods.

See also LD 172.