

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 decreases the excise tax imposed on motor vehicles for the first year from 24 mills to 20 mills and for the 2nd year from 17 1/2 mills to 16 1/2 mills.

Committee Amendment "A" (H-524)

This amendment replaces the bill with a resolve and directs the Department of Administrative and Financial Services, Bureau of Revenue Services to convene a study group on the motor vehicle excise tax and report to the Joint Standing Committee on Taxation by January 15, 2008.

Enacted Law Summary

Resolve 2007, chapter 107 directs the Department of Administrative and Financial Services, Bureau of Revenue Services to convene a study group on the motor vehicle excise tax and report to the Joint Standing Committee on Taxation by January 15, 2008.

LD 802 An Act To Ensure the Income Tax for Pensions Is Applied Fairly by ONTP
Eliminating Reductions of Social Security and Railroad Benefits

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

This bill eliminates the reduction for social security and railroad benefits in the calculation of the income tax deduction for pension income.

This bill also eliminates references to "military retirement plan" because benefits received under such a plan are no longer an exception to the allowed reduction.

LD 811 An Act To Exempt Dietary Supplements from the Sales Tax ONTP

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

This bill exempts dietary supplements, as defined, from sales tax. The definition for dietary supplements is the same as in the federal Dietary Supplement Health and Education Act of 1994.

**LD 816 An Act To Improve the Historic Preservation Tax Credit **DIED ON
ADJOURNMENT****

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MARRACHE	OTP-AM	S-115

Current law provides a refundable tax credit of up to \$500,000 per year to a national historic landmark developer, which is defined as a person that owns 2 or more structures located in the Kennebec Arsenal District National Historic Landmark.

This bill provides a refundable tax credit of up to \$1,500,000 per year to a local historic landmark developer, which is defined as a person who owns or has entered into a contract to purchase 2 or more buildings that are listed on the

Joint Standing Committee on Taxation

National Register of Historic Places and that are located in a tax increment financing district, in a Pine Tree Development Zone and in Waterville.

Committee Amendment "A" (S-115)

This amendment provides that the credit provided by the bill is available to qualified taxpayers eligible for a federal historic rehabilitation credit with regard to the Lockwood Mill Historic District in Waterville, Maine and eliminates other requirements specified in the bill. The amendment also clarifies the process for applying the credit and deletes the application date, which is unnecessary.

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

See also LDs 262 and 1356. Similar provisions were included in the biennial budget bill, Public Laws 2007, Chapter 240, Part NNNN.

LD 828 An Act To Change the Process for Applying for Reimbursement of Fuel Taxes

INDEF PP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CURTIS	OTP-AM	H-525

This bill provides that a person who is entitled to a refund of fuel taxes may apply for reimbursement of these taxes by filing a refund application on a schedule to be filed with that person's income tax return. The bill eliminates the 1¢ per gallon reduction in the amount of fuel taxes reimbursed and reimburses a person for the total of the eligible taxes. It also eliminates provisions regarding interest on unpaid claims and the time for filing that are no longer applicable to a refund application filed on a schedule with a person's income tax return.

Committee Amendment "A" (H-525)

This amendment extends the period for application for motor fuel tax refunds from 12 months to 15 months from the date of purchase, extends from 30 days to 90 days the time period for the State to make motor fuel refund payments without being required to pay interest and repeals provisions for state retention of a portion of the tax.

LD 828 was removed from the Special Highway Table and indefinitely postponed.

LD 829 An Act To Create a Back-to-school Sales Tax-free Weekend Each Year

ONTP

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

This bill establishes an annual sales tax-free weekend during the 3rd full weekend of August.