

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND THIRTEENTH LEGISLATURE

FIRST SPECIAL SESSION

October 9, 1987 to October 10, 1987

SECOND SPECIAL SESSION

October 21, 1987 to November 20, 1987

and the

SECOND REGULAR SESSION

January 6, 1988 to May 5, 1988

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

Twin City Printery
Lewiston, Maine
1988

PUBLIC LAWS

OF THE

STATE OF MAINE

AS PASSED AT THE
FIRST AND SECOND SPECIAL SESSIONS
and
SECOND REGULAR SESSION
of the
ONE HUNDRED AND THIRTEENTH LEGISLATURE
1987

mit the ready installation of energy efficient equipment and materials sufficient to meet the standards established under this section which are applicable to all reasonably foreseeable uses of the building.

B. The person to whom the building is sold or leased is responsible for promptly installing the materials and equipment necessary for the building to conform with the standards established under this section.

§1415-E. Administration of standards

1. Administration. The Office of Energy Resources shall be responsible for the administration and enforcement of the standards established in this chapter. In administering these standards, the Office of Energy Resources shall:

A. Work cooperatively with other state, regional and local agencies interested in or affected by these standards and may, by rules promulgated in accordance with the Maine Administrative Procedure Act, Title 5, chapter 375, distribute to regional planning councils funds made available for this purpose;

B. Revise the Manual of Accepted Practices to incorporate these mandatory provisions and make this and other relevant publications available to the towns and cities of this State; and

C. Collect data from municipalities and regional planning agencies on the energy construction characteristics of the residential units built after January 1, 1989 and include an analysis of that data in its biennial energy resources plan.

Sec. 5. 10 MRSA §1420, as amended by PL 1985, c. 370, §5, is repealed and the following enacted in its place:

§1420. Penalties

1. General. It is unlawful for any person to advertise or promote that any residential, industrial, commercial or institutional building conforms to the provisions of this chapter unless a certificate of energy efficiency has been granted for that building. Any person who violates this subsection is subject to a civil penalty not to exceed \$5,000, payable to the State, to be recovered in a civil action.

2. Publicly funded buildings. After January 1, 1987, it is unlawful for any person to construct or substantially renovate any building in violation of section 1415-B. Any person who violates this subsection is subject to a civil penalty not to exceed 5% of the value of the construction or renovation, payable to the State, to be recovered in a civil action.

3. All other buildings. After January 1, 1989, it is unlawful for any person to construct any residential, commercial or institutional building in violation of section 1415-C or 1415-D. The owner of any building construct-

ed in violation of this subsection is subject to a civil penalty not to exceed 5% of the value of the construction, payable to the State, to be recovered in a civil action.

Effective August 4, 1988.

CHAPTER 819

H.P. 1803 — L.D. 2467

AN ACT to Amend the Maine Income Tax Law.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §1514, sub-§4, as enacted by PL 1987, c. 504, §1, is repealed and the following enacted in its place:

4. Fund adjustments. Adjustments to the fund shall be as follows.

A. A transfer from this fund to the General Fund to offset the loss of revenue attributable to income tax reductions to avoid a windfall for the tax year 1987 is required prior to June 30, 1988, in the amount of \$16,500,000.

B. A transfer from this fund to the General Fund to offset the loss of revenue resulting from individual income tax reform for the 1988 tax year. The amount of this transfer will be equal to the amount certified to the fund because of increased individual income tax collections through the period ending June 30, 1988, less the amount transferred in paragraph A to offset individual income tax reductions and less the amount expended to offset 1987 tax year rebates and their administrative costs. This transfer shall be made no later than October 1, 1988.

Sec. 2. 36 MRSA §5111, as amended by PL 1987, c. 504, §7, is repealed and the following enacted in its place:

§5111. Imposition and rate of tax

A tax is imposed for each taxable year beginning on or after January 1, 1988, on the Maine taxable income of every resident individual of this State. The amount of the tax is to be determined as follows.

1. Single individuals and married persons filing separate returns. For single individuals and married persons filing separate returns:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>Less than \$6,000</u>	<u>2% of the Maine taxable income</u>

<u>At least \$6,000 but less than \$10,000</u>	<u>\$120 plus 4% of the excess over \$6,000</u>
<u>At least \$10,000 but less than \$16,250</u>	<u>\$280 plus 6% of excess over \$10,000</u>
<u>\$16,250 or more</u>	<u>\$655 plus 8% of the excess over \$16,250</u>

2. Heads of households. For unmarried individuals or legally separated individuals who qualify as heads of households:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>Less than \$10,000</u>	<u>2% of the Maine taxable income</u>
<u>At least \$10,000 but less than \$15,000</u>	<u>\$200 plus 4% of the excess over \$10,000</u>
<u>At least \$15,000 but less than \$22,000</u>	<u>\$400 plus 6% of the excess over \$15,000</u>
<u>\$22,000 or more</u>	<u>\$820 plus 8% of the excess over \$22,000</u>

3. Individuals filing married joint return or surviving spouses. For individuals filing married joint returns or surviving spouses permitted to file a joint return:

<u>If Maine taxable income is:</u>	<u>The tax is:</u>
<u>Less than \$13,000</u>	<u>2% of the Maine taxable income</u>
<u>At least \$13,000 but less than \$20,000</u>	<u>\$260 plus 4% of the excess over \$13,000</u>
<u>At least \$20,000 but less than \$30,000</u>	<u>\$540 plus 6% of the excess over \$20,000</u>
<u>\$30,000 or more</u>	<u>\$1,140 plus 8% of the excess over \$30,000</u>

Additionally, a tax is imposed for each taxable year beginning on or after January 1, 1988, on the Maine adjusted gross income of every nonresident individual. The amount of the tax shall equal the tax computed under this section and chapter 805, as if the nonresident were a resident, less applicable tax credits other than

that provided by section 5217, and multiplied by the ratio of the individual's Maine adjusted gross income, as defined in section 5102, subsection 1-C, paragraph B, to the nonresident's entire federal adjusted gross income, as modified by section 5122.

Sec. 3. 36 MRS §5111-A, as amended by PL 1975, c. 765, §26, is repealed and the following enacted in its place:

§5111-A. Alternative method of computation

In lieu of a tax computed exactly according to the rates set forth in section 5111, taxpayers may utilize a tax table. The State Tax Assessor shall prepare and issue tables approximating as near as practicable the tax computed using section 5111 for this express purpose.

Sec. 4. 36 MRS §5121, as repealed and replaced by PL 1987, c. 504, §8, is repealed and the following enacted in its place:

§5121. Taxable income

The entire taxable income of a resident individual of this State shall be that resident's Maine adjusted gross income less any excess itemized deductions as defined in section 5125. If an individual's excess itemized deductions exceed the Maine adjusted gross income, the Maine taxable income is zero.

Sec. 5. 36 MRS §5123, as enacted by P&SL 1969, c. 154, §F, §1, is repealed.

Sec. 6. 36 MRS §5124-A, as amended by PL 1987, c. 497, §§48 and 49, is repealed and the following enacted in its place:

§5124-A. Standard deduction tax credit

All individuals shall be entitled to a standard deduction tax credit. The standard deduction tax credit amount shall be as follows:

1. Married persons; joint return. Married persons, joint return or surviving spouses, credit is \$100;
2. Unmarried or legally separated heads of households. Unmarried or legally separated heads of households, credit is \$88;
3. Single individuals. Single individuals, credit is \$60; or
4. Married persons; separate returns. Married persons, separate returns, credit is \$50.

In no case does this credit reduce the Maine income tax to less than zero.

5. Certain individuals; deduction limitation. Individuals who are entitled to a personal exemption amount

of zero for federal income tax purposes are limited to a standard deduction tax credit not to exceed the greater of:

A. \$10; or

B. The individual's earned income times 2% not to exceed that individual's standard deduction tax credit except for this subsection.

Sec. 7. 36 MRSA §5125, as enacted by P&SL 1969, c. 154, §F, §1, is repealed and the following enacted in its place:

§5125. Itemized deductions

1. General. If an individual has itemized deductions from adjusted gross income in determining the federal taxable income for the taxable year, the individual is entitled in determining the tax under this Part to claim an itemized deduction amount consistent with this section.

2. Spouses. Spouses, both of whom are required to file returns under this Part, shall be allowed to claim itemized deductions only if both do so. The total of itemized deductions allowable for determining federal income tax as adjusted by this section may be taken by either or divided between them, as they may elect, if their federal income tax is determined on a joint return but their tax pursuant to this Part is determined on married separate returns.

3. Amount. The amount of the itemized deductions shall be determined as follows.

A. The sum of the individual's allowable federal itemized deductions shall be:

(1) Reduced by any amount representing income taxes imposed by this State or any other taxing jurisdiction and interest or expenses incurred in the production of income exempt from tax under this Part;

(2) Increased by any amount of interest or expense incurred in the production of income taxable under this Part but exempt from federal income tax, and which has not been deducted in determining federal adjusted gross income; and

(3) Reduced by the federal standard deduction which is otherwise allowed by the Code, Section 63(c).

Sec. 8. 36 MRSA §5126, as amended by PL 1987, c. 504, §§11 and 12, is repealed and the following enacted in its place:

§5126. Personal exemptions tax credit

An individual shall be allowed a personal exemption tax credit of \$40 for each exemption to which the in-

dividual is entitled for the taxable year for federal income tax purposes.

For tax years beginning in 1987, or thereafter, an additional personal exemption tax credit is allowable to each individual who, pursuant to the Code, Section 63(f), if claiming a standard deduction for the tax year, would be entitled to the additional amount provided in either the first paragraph of the Code or the higher amount provided in the 3rd paragraph. An additional personal exemption tax credit is also allowable to each individual who, pursuant to the Code, Section 63(f), would, if claiming a standard deduction for the tax year, be entitled to the additional amount provided in either the 2nd paragraph of the Code or the higher amount provided in the 3rd paragraph. For a tax year in which the taxpayer does not make a joint return with that taxpayer's spouse and if the spouse has no gross income for the calendar year in which the taxable year of the taxpayer begins and is not the dependent of another taxpayer, the taxpayer is entitled to claim a personal exemption tax credit for each additional personal exemption allowable to the spouse as provided by this section. In no case does this credit reduce the Maine income tax to less than zero.

Sec. 9. 36 MRSA §5131, as enacted by PL 1987, c. 504, §15, is repealed.

Sec. 10. 36 MRSA §5220, sub-§1, as repealed and replaced by PL 1987, c. 504, §33, is amended to read:

1. Resident individuals. Every resident individual:

A. Who is required to file a federal income tax return for the taxable year; or

B. Who has Maine adjusted gross income equal to or greater than the income levels for which a federal income tax return is required pursuant to the United States Internal Revenue Code, Section 6012, pursuant to this Part, has a Maine individual income tax liability for the taxable year.

Sec. 11. 36 MRSA §5220, sub-§2, as repealed and replaced by PL 1987, c. 504, §34, is repealed and the following enacted in its place:

2. Nonresident individuals. Every nonresident individual who, pursuant to this Part, has a Maine individual income tax liability for the taxable year.

Sec. 12. 36 MRSA §5241, as amended by PL 1979, c. 541, Pt. A, §241, is further amended to read:

§5241. Partnership and S corporation returns

Every partnership and S corporation having a resident partner or shareholder or having any income derived from sources in this State, determined in accordance with the applicable rules of section 5142 as in the case of a nonresident individual, shall, if required by the assessor, make a return for the taxable year setting forth all items

of income, gain, loss, and deduction, and the names and addresses of the individuals whether residents or non-residents who would be entitled to share in the net income if distributed and the amount of the distributive share of each individual and such other pertinent information as the assessor may prescribe by regulations and instructions. Such The appropriate return shall be filed on or before the 15th day of the 4th month for partnerships or the 15th day of the 3rd month for S corporations following the close of each taxable year. For purposes of this section, "taxable year" means a year or period which would be a taxable year of the partnership or S corporation if it were subject to tax under this Part. The State Tax Assessor may elect to waive the requirement to file a Maine return as established in this section for any particular tax year and in its place require the partnership or S corporation to file a copy of its federal partnership or S corporation return.

Sec. 13. 36 MRSA §5402, sub-§1-A, as enacted by PL 1987, c. 430, §1, is amended to read:

1-A. Base year index. "Base year index" means the Consumer Price Index for the period July 1, 1985 1987, through June 30, 1986 1988.

Sec. 14. 36 MRSA §5403, as amended by PL 1987, c. 430, §2, is repealed and the following enacted in its place:

§5403. Annual adjustments for inflation

For tax years beginning in 1988, no annual adjustment is applicable. Thereafter, on or about September 15th of each taxable year, the State Tax Assessor shall multiply the inflation factor for that taxable year by the dollar amounts of the tax rate table specified in section 5111. The dollar amounts of the dollar bracket amounts, adjusted by application of the inflation factor and rounded to the nearest \$100, shall be effective for the then current taxable year and shall be incorporated into the income tax forms and instructions of the State Tax Assessor for that taxable year. If the inflation factor for any taxable year is 1.000 or less, no adjustment shall be made for that taxable year in the dollar bracket amounts of the tax rate tables as adjusted for the previous year. The nominal dollar amounts of the tax credits provided in sections 5124-A and 5126 are annually subject to adjustment based on the conformity of the Maine Income Tax Law to the Code. When Maine extends its conformity to the Code for a particular taxable year, the credits provided in sections 5124-A and 5126 are to be adjusted to equal the corresponding indexed federal standard deductions and indexed federal personal exemption amount multiplied by 2% and, if the result is not an even dollar amount, rounded to the next higher dollar.

Sec. 15. Application. This Act shall apply to taxable years beginning on or after January 1, 1988.

Effective August 4, 1988.

CHAPTER 820

H.P. 1659 — L.D. 2269

AN ACT to Make Housing More Affordable to Maine Citizens.

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §1742, sub-§23, ¶D is enacted to read:

D. The department shall work closely with the Maine State Housing Authority to develop a procedure by which surplus state-owned land and structures are held in trust for the purpose set forth in this section and Title 30, chapter 239, subchapter II, articles 3-A and 8.

Sec. 2. 30 MRSA §4522, sub-§9 is enacted to read:

9. Comprehensive plans to comply with standards. Any comprehensive plan developed pursuant to this subchapter shall comply with the provisions of subchapter VI.

Sec. 3. 30 MRSA c. 239, sub-c. II, art. 3-A is enacted to read:

ARTICLE 3-A. AFFORDABLE HOUSING PROGRAM

§4661. Purpose

The State is experiencing severe shortages of affordable housing in various parts of the State. The affordable housing shortage is also contributing to an increasing class of working poor people and creating severe hardships for a significant number of the State's citizens. Municipalities feel the impact of the affordable housing shortage and find it difficult to deal with the problem with their inadequate resources. By working together, sharing resources and using more comprehensive measures, the State and its municipalities can more effectively address the shortage of affordable housing and the many other problems stemming from this housing shortage.

§4662. Housing component of comprehensive plans

Any comprehensive plan developed pursuant to subchapter VI shall provide for the development of affordable housing for low-income and moderate-income households. A municipality may cooperate with neighboring municipalities to develop a regional comprehensive plan in lieu of a municipal plan. Any comprehensive plan developed under this chapter shall include municipal or regional strategies to effectively reduce the cost of housing or provide for the construction of affordable housing, including zoning measures, use of municipally owned land and other similar measures.