

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)



HELEN T. GINDER, DIRECTOR
HAVEN WHITESIDE, ASST. DIRECTOR
DAVID ELLIOTT
MARTHA FREEMAN
CHRISTOS GIANOPOULOS
WILLIAM T. GLIDDEN, JR.

STATE OF MAINE
OFFICE OF LEGISLATIVE ASSISTANTS
ROOM 101
STATE HOUSE, STATION 13
AUGUSTA, MAINE 04333
TEL.: (207) 289-2486

CHRISTINE HOLDEN
SARAH HOOKE
JULIE JONES
EDWARD POTTER
LARS RYDELL
WILLIAM SAUFLEY
JOHN SELSER

ONE HUNDRED AND ELEVENTH LEGISLATURE
SECOND REGULAR SESSION

JOINT STANDING COMMITTEE
BILL SUMMARIES
JUNE 1984

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees of the Maine Legislature, covering the Second Regular Session of the 111th Legislature. The summaries are arranged alphabetically, and indexed separately by committee.

<u>LD</u>	<u>TITLE</u>	<u>SPONSOR</u>	(COMMITTEE REPORT) <u>DISPOSITION</u>
2468	AN ACT TO PROMOTE THE DISTILLATION OF ETHANOL FOR USE AS AN INTERNAL COMBUSTION ENGINE FUEL. NEW DRAFT REPLACES LD2231		ENACT. PL 1983 c. 852
SUMMARY: Provides a fuel tax exemption for fuel blended with ethanol distilled in Maine or in another state which provides at least an equal exemption. The exemption begins at 4 cents per gallon in 1986 and decreases one cent per gallon each year until 1990. The cost may not exceed \$1,250,000 per year or \$5,000,000 in total. The Highway Fund will be reimbursed by the General Fund for revenue loss resulting from this exemption.			
2471	AN ACT TO EQUALIZE TAXATION OF AIRCRAFT NEW DRAFT REPLACES LD 2416	Martin, J	ENACT. PL 1983 c. 854
SUMMARY: New draft provides sales tax exemption for aircraft or repair or replacement parts thereof leased for use in interstate or foreign commerce or the sale or lease of aircraft or repair or replacement parts to a scheduled airline based in this state. This exemption expires July 1, 1985.			
2473	AN ACT PROVIDING FOR ADMINISTRATIVE CHANGES IN MAINE TAX LAWS NEW DRAFT REPLACES LD 2301	Higgins, H	ENACT. PL 1983 c. 828
SUMMARY: Makes technical changes to facilitate administration of various tax laws.			
2474	AN ACT TO PROVIDE FOR GREATER EQUITY IN MAINE'S TAX STRUCTURE (REPORTED PURSUANT TO JOINT ORDER (H.P. 1863))		MIN--ONTP MAJ--OTP--EMERG--ENACT PL 1983 c. 855 Effective 6/1/84

SUMMARY: Incorporates several tax changes:

Property tax relief. This bill deappropriates the \$5,000,000 appropriated during the First Regular Session for circuit breaker property tax relief. It also increases state-local revenue revenue sharing from 4% to 4.75% of sales and income tax revenues beginning August, 1984. This increase will add an additional \$4,591,373 to local revenue sharing in fiscal year 1984-85. The bill also increases revenue sharing to 5.1% beginning July 1, 1986.

Income tax conformity. The bill provides for partial conformity with the Accelerated Cost Recovery System depreciation provisions of the United States Internal Revenue Code for 1984 and full conformity for 1985. In 1984, all users of ACRS depreciation would be required to add back a portion of federal depreciation deductions to state taxable income. The add back would be recovered over the next 3 years.

Forest fire protection. This provision continues the excise tax enacted last year for the privilege of owning commercially valuable amounts of protected land. The acreage level is raised from 100 to 500 acres to resolve serious administrative problems at the 100 acre level. The tax is charged based on aggregate acreage owned in a municipality rather than based upon size of parcel, in order to make the tax more equitable. An exemption is granted for the first 500 acres owned in each municipality, so as not to burden, unduly, persons owning small amounts of protected land over the 500 acre level. The minimum tax would be \$5. The following additional changes are made. The bill provides for 50% funding from the General Fund for forest fire protection costs. The remaining 50% would be funded by the excise tax. The tax would be approximately 25.9 cents per acre.

Sales tax adjustments. The bill includes sales tax exemptions for community action agencies and emergency shelter and feeding organizations. It also removes the sales tax exemption on cigarettes as recommended by the Joint Standing Committee on Taxation of the 110th Legislature. Removal of this exemption results in an estimated increase in sales tax revenues for fiscal year 1984-85 of \$7,257,000.

Revenue effect. The combined effect of the provisions of this bill for fiscal year 1984-85 is a gain of \$1,086,027 to the General Fund and \$4,707,543 to the Local Government Fund.

This bill takes effect June 1, 1984.