

# MAINE STATE LEGISLATURE

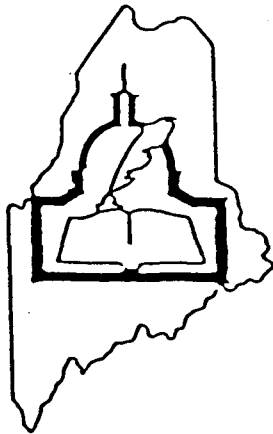
The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



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

STATE OF MAINE  
ONE HUNDRED AND TWELFTH LEGISLATURE  
SECOND REGULAR SESSION

JOINT STANDING COMMITTEE ON  
TAXATION  
BILL SUMMARY



MAY 1986

PREPARED BY:

Julie S. Jones, Legal Analyst

OFFICE OF POLICY AND LEGAL ANALYSIS  
STATE HOUSE, STATION 13 AUGUSTA, MAINE 04333  
(207) 289-1670



HELEN T. GINDER, DIRECTOR  
HAVEN WHITESIDE, ASST. DIRECTOR  
GILBERT W. BREWER  
DAVID C. ELLIOTT  
MARTHA E. FREEMAN  
JERI B. GAUTSCHI  
CHRISTOS GIANOPOULOS  
WILLIAM T. GLIDDEN, JR.

STATE OF MAINE  
OFFICE OF POLICY AND LEGAL ANALYSIS  
ROOM 101/107  
STATE HOUSE STATION 13  
AUGUSTA, MAINE 04333  
TEL.: (207) 289-1670

JULIE S. JONES  
JOHN B. KNOX  
EDWARD POTTER  
MARGARET J. REINSCH  
LARS H. RYDELL  
JOHN R. SELSER  
ANDREA L. COLNES, Res. Asst.

ONE HUNDRED AND TWELFTH LEGISLATURE  
SECOND REGULAR SESSION

JOINT STANDING COMMITTEE  
BILL SUMMARIES  
MAY 1986

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature, covering the Second Regular Session of the 112th Legislature. The summaries are arranged by LD number under each committee.

All Amendments are listed, by paper number (e.g., H-584 or S-222), together with the sponsor if it is a floor amendment or the designation "CA" if it is a committee amendment. If the amendment was adopted in the House, the letter H appears after the sponsor. If it was adopted in the Senate, the letter S appears.

Final action for each bill is listed to the right of the title. If final House action and Senate action differ, both are listed.

Key to Committee Reports and Floor Action:

OTP	Ought to Pass
OTP-ND	Ought to Pass in New Draft
OTP-ND-NT	Ought to Pass in New Draft, New Title
OTP-AM	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

LD AN ACT TO PHASE OUT THE SALES AND USE TAX ON  
2193 ENERGY USED IN MANUFACTURING

PL 1985  
c. 767

Sponsor: CASHMAN, Zirnkilton, Diamond G, Twitchell  
Committee Report: New draft of LD 354

S-508 SA H S

SUMMARY: New draft of LD 354. This bill phases out from July 1, 1987 to June 30, 1991 the sales and use tax on ninety-five percent of the fuel and electricity used at manufacturing facilities, with total elimination of the tax on the ninety-five percent portion by June 30, 1991. A manufacturing facility is defined as a site at which is located machinery and equipment used directly and primarily in the production of tangible personal property intended to be sold or leased ultimately for final use or consumption and includes such machinery and equipment and all machinery, equipment, structures and facilities located at the site and used in support of production or associated therewith.

LD RESOLVE, REIMBURSING CERTAIN MUNICIPALITIES ON  
2216 ACCOUNT OF TAXES LOST DUE TO LANDS BEING  
CLASSIFIED UNDER THE MAINE TREE GROWTH TAX LAW

RESOLVE 1985  
c. 66  
EMERGENCY

Sponsor: TWITCHELL, Walker, Moholland, Simpson  
Committee Report: New Draft replaces LD 1913

SUMMARY: Reimburses municipalities on account of taxes lost due to forest land being classified under the Maine Tree Growth Tax Law. Original bill provided for reimbursement to municipalities meeting the filing dates and assessment ratios required. The new draft includes 90.5% of the claims of municipalities which have either failed to file in a timely fashion or meet the required assessment ratio.

LD AN ACT TO MODERNIZE THE TELEPHONE EXCISE TAX  
2240

PL 1985  
c. 651

Sponsor: HIGGINS H, Twitchell, Daggett  
Committee Report: New draft of LD 699

SUMMARY: Held over from First Regular Session. Original bill would restrict the Maine telephone excise tax to local exchange telephone service. It would extend the sales tax

to interstate telephone services and apply the sales tax to all leases and rentals. The Committee believed the implications of taxation in the field of telecommunication were broad and important and could not be adequately addressed in the time available before the end of the First Regular Session. Permission was granted to hold the bill over and study the issue during the interim.

New draft provides equal treatment for all persons providing telecommunications service by expanding the gross receipts tax on telephone companies to include all persons providing telecommunications service. The new draft exempts persons providing telecommunications service by means of a satellite and earth station located in this State. It includes telegraph services under the definition of telecommunications, thereby making telegraph services subject to the same maximum tax rate as applies to other telecommunications service. The new draft also provides that the access charges and revenues derived from the provision of telecommunications service to another provider for resale will be deducted by the person receiving the payments.

LD 2247 AN ACT PERMITTING MUNICIPALITIES TO REQUIRE THAT A PAYMENT ON TAXES BE APPLIED TOWARD THE OLDEST OUTSTANDING TAXES PL 1985 c. 653

Sponsor: RIOUX  
Committee Report: New draft of LD 1873

SUMMARY: Permits municipal treasurer or tax collector to require that payments for property tax be applied to the oldest outstanding taxes unless an abatement request or appeal has not been resolved for that period.

LD 2261 AN ACT TO MAKE CERTAIN CHANGES AND IMPROVE THE EQUITY OF MAINE TAX LAW ONTP

Sponsor: MAYO  
Committee Report: ONTP

SUMMARY: Governor's bill to fund needed programs. Some provisions incorporated in new drafts of LD 2310. Bill contains the following provisions:

1. Takeout food. Expands application of sales tax to takeout food by including products sold from a retail location which is considered a restaurant and certain prepared foods ready for consumption regardless of where they are sold.