

MAINE STATE LEGISLATURE

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STATE OF MAINE
ONE HUNDRED AND THIRTEENTH LEGISLATURE
FIRST REGULAR SESSION

JOINT STANDING COMMITTEE ON
TAXATION
BILL SUMMARY



JUNE 1987

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ONE HUNDRED AND THIRTEENTH LEGISLATURE
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JOINT STANDING COMMITTEE
BILL SUMMARIES
JUNE 1987

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. The summaries are arranged by LD number under each committee.

All Adopted 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 "COMMITTEE" if it is a committee amendment.

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

Please let us know if you would prefer a different format or additional information and if the summaries are helpful.

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-A	Ought to Pass as Amended
ONTP	Ought Not to Pass
LVWD	Leave to Withdraw
INDEF PP	Indefinitely Postponed

Sponsor: ROTONDI, Twitchell
Committee Report: ONTP

SUMMARY: The original bill provides that, in determining the railroad excise tax, gross receipts would be apportioned solely on the basis of receipts attributed to the United States rather than on the basis of company-wide receipts.

The amendment provides for retention of the current company-wide apportionment for proposes of the minimum tax calculation.

Sponsor: CASHMAN, Martin, J., Twitchell, Ingraham
Committee Report: OTP-AM (Majority)
ONTP (Minority)

Amendments Adopted:
H-346 COMMITTEE
H-397 CASHMAN

SUMMARY: The original bill is a recommendation of the Speaker's Select Committee on Property Tax Reform. It provides a credit for households with income not exceeding \$25,000. The amount of the credit increases from \$94 for households in the highest income bracket to \$132 for households in the lowest income bracket.

The Committee Amendment contains the following provisions intended to provide property tax relief to elderly and low income residents of the State.

A. Elderly relief. The amendment extends eligibility for the Elderly Tax and Rent Refund Program by increasing the 100% eligibility by \$100 for each household in the 1988 application year (1988-89 fiscal year). It also expands the program by providing partial benefits to households with income of up to \$7,400 for individuals and \$9,200 for households with 2 or more members. This portion of the amendment costs \$1,309,000 in fiscal year 1988-89.

Currently, eligibility for the Elderly Low-cost drug program is tied to the Tax and Rent Refund program. This amendment decouples the two programs. Eligibility for the drug program is not expanded beyond current levels by this amendment.

B. Non-elderly relief. The amendment establishes within the administrative framework of the elderly program, a separate circuit breaker benefit for non-elderly persons. Benefits begin with the 1988 application year (1988-89 fiscal year). Benefits are available to single member households with income up to \$7,400 and households with 2 or more members up to \$9,200. In fiscal year 1989, this portion of the proposal costs \$2,554,000.

C. Sunset. Under a House Amendment, leave as in portion of the bill is repealed on July 1, 1989.

LD AN ACT ENABLING MUNICIPALITIES TO ESTABLISH H-OTP-A
727 MUNICIPAL LAND BANKS FUNDED BY A LOCAL OPTION S-ONTP
 REAL ESTATE TRANSFER TAX (REPORTED PURSUANT TO
 PRIVATE AND SPECIAL LAWS, CHAPT. 119 OF 1985)

Sponsor:

Committee Report: ONTP (Majority)
 OTP-AM (Minority)

SUMMARY: This bill contains the recommendations of the Municipal Land Bank Study Commission.

The original bill permits a municipality to impose a local real estate transfer tax for the purpose of funding a municipal land bank. The municipality would be required to hold a referendum on imposition of the tax. The tax would be limited to 0.4% of the taxable base of property transferred within the municipality to be paid one half by the transferor and one half by the transferee. The first \$77,000 of the value of primary residences would be exempt from the tax. The tax would be collected by the county registrars of deeds at the same time as the State real estate transfer tax. Revenues obtained through a local real estate transfer tax would be restricted to the acquisition or management of land for the purposes of preserving undeveloped land, conserving natural or scenic resources or wildlife habitat, maintaining or improving recreational opportunities or other incidental purposes, including administrative costs but not including maintenance or improvements.

The bill was recommitted to the Taxation Committee, reported out a second time with a Committee Amendment changing the collection of the tax from the registry of deeds to the local tax collector and providing a lien for nonpayment. The bill died between bodies.