

MAINE STATE LEGISLATURE

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STATE OF MAINE
118TH LEGISLATURE

SECOND REGULAR SESSION
AND
SECOND SPECIAL SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
TAXATION

MAY 1998

MEMBERS:

Sen. Richard P. Ruhlin, Chair

Sen. Beverly C. Daggett

Sen. S. Peter Mills

Rep. Verdi L. Tripp, Chair

Rep. John L. Tuttle, Jr.

Rep. Bonnie Green

Rep. G. Steven Rowe

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Rep. Kenneth F. Lemont

Rep. John T. Buck

Rep. Peter E. Cianchette

Staff:

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**ONE HUNDRED EIGHTEENTH LEGISLATURE
SECOND REGULAR AND SECOND SPECIAL SESSIONS**

**Summary Of Legislation Before The Joint Standing Committees
May 1998**

We are pleased to provide this summary of bills that were considered by the Joint Standing Committees of the Maine Legislature. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this Session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills handled by the joint standing committees. It is organized by committees and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

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
INDEF PP.....Bill Indefinitely Postponed
ONTP..... Ought Not To Pass report accepted
OTP ND..... Committee report Ought To Pass In New Draft
OTP ND/NT..... Committee report Ought To Pass In New Draft/New Title
P&S XXX..... Chapter # of enacted Private & Special Law
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 the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is June 30, 1998 and July 9, 1998 for the Second Special Session. Second Special Session laws include Public Laws beginning with Chapter 718, Private and Special Laws beginning with Chapter 82 and Resolves beginning with Chapter 117.

Senate Amendment "D" to Committee Amendment "A" (S-762) is the same as Senate Amendment "C" (S-719) except for the fiscal note.

Enacted law summary

Public Law 1997, chapter 762 establishes an income tax credit for eligible employers who provide dependent health care coverage for low-income employees. An employer with fewer than 5 low-income employees is eligible if the employer maintains a health benefit plan available to low-income employees who work specified hours and the employer paid at least 80% of the cost of employee benefits and at least 60% of dependent benefits. A taxpayer who received the credit in the preceding year and whose number of low-income employees is 5 or more may continue to receive the credit for 2 years after the last year in which the number of low-income employees was fewer than 5. The credit is equal to the lesser of 20% of the cost of dependent health benefits or \$125 per employee and may not exceed 50% of the income tax otherwise owed. The credit applies to tax years beginning on or after January 1, 1999.

LD 1933 **Resolve, Authorizing the State Tax Assessor to Convey the Interest of the State in Certain Real Estate in the Unorganized Territory** **RESOLVE 91**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RUHLIN GREEN	OTP-AM	S-467

LD 1933 authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory.

Committee Amendment "A" (S-467) makes numerous technical changes and adds a fiscal note.

Enacted law summary

Resolve 1997, chapter 91 authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory.

LD 1945 **An Act to Minimize State Revenue Loss Due to Ineffective Health Coverage** **ONTP**

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

LD 1945 proposed to create an income tax credit for an employer that pays at least 60% of the costs of coverage of an employee health insurance plan that meets the minimum requirements for small group health plans. The tax credit would be equal to \$5,000; 20% of the costs of providing the required plan; or \$100 for each covered employee, whichever is lowest.

LD 1959 **An Act to Expand Eligibility for the Elderly Low Cost Drug Program** **ONTP**

<u>Sponsor(s)</u> DAGGETT	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 1959 proposed to change income eligibility for the Elderly Low Cost Drug Program to provide that an individual is eligible if that person's family income is below 150% of the nonfarm poverty income level.

LD 1963 **An Act to Require the Bureau of Revenue Services to Report on the Incidence of Tax Burdens to Business Sectors of the State's Economy and to Income Classes of Citizens** **PUBLIC 744**

<u>Sponsor(s)</u> MILLS	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> S-486
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LD 1963 proposed to require the Bureau of Revenue Services to report to the Legislature before each legislative biennium on how the tax structure affects individuals and various segments of the State's economy and to report on the relative burdens among business and industrial segments of the economy. The bill also requires the bureau to prepare an analysis, at the request of the joint standing committee of the Legislature having jurisdiction over taxation matters for legislation with an impact that exceeds \$20,000,000.

Committee Amendment "A" (S-486) changed the date of the first revenue incidence report to July 1, 1999 and would require the Bureau of Revenue Services, when determining the incidence of taxes, to subtract the amount of taxes returned directly to taxpayers through tax relief programs from the amount of revenues collected. The amendment also adds a fiscal note to the bill.

Enacted law summary

Public Law 1997, chapter 744 requires the Bureau of Revenue Services to report to the Legislature by July 1, 1999 and before each legislative biennium thereafter on how the tax structure affects individuals and various segments of the State's economy and to report on the relative burdens among business and industrial segments of the economy. When determining the incidence of taxes, the bureau must subtract from revenue collected the amount of taxes returned to taxpayers. The bill also requires the bureau to prepare an analysis, at the request of the joint standing committee of the Legislature having jurisdiction over taxation matters for legislation with an impact that exceeds \$20,000,000.

LD 1980 **An Act Relating to the Taxation of the Sale of Hay** **PUBLIC 725**

<u>Sponsor(s)</u> CAMERON	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-839
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LD 1980 proposed to require that sales of agricultural products to a person raising and keeping equines are exempt from the sales tax only if the purchaser produces a certificate from the State Tax Assessor that the purchaser is engaged in raising equines. Sales of hay and bedding would be exempt only if a certificate was produced that the purchaser raises and keeps farm animals.