

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:

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Sen. Beverly C. Daggett

Sen. S. Peter Mills

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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.

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| LIBBY | ONTP MAJ | |
| VEDRAL | OTP-AM MIN | |

LD 2263 would provide that a municipality may request that a check issued in payment of a claim under the Maine Residents Property Tax Program be issued payable jointly to the claimant and to the municipality if the claimant is delinquent in the payment of taxes on property in the municipality that is the basis of the claim.

Committee Amendment "A" (S-575) would have provided that municipalities requesting joint checks must provide a list of all liens against homestead property to the Bureau of Revenue Services. The amendment would clarify the procedure for determining when joint checks should be issued and provide that information acquired by municipal officials or employees is confidential. The amendment also adds a fiscal note.

LD 2297

An Act Relating to the Taxation of Certain Federal Entities, the Business Equipment Tax Reimbursement Program, the Administration of the Tax Laws and to Make a Technical Correction

PUBLIC 729

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| | | |

LD 2297 was reported out of the Joint Standing Committee on Appropriations and Financial Affairs after a meeting with members of the Joint Standing Committee on Taxation. It proposed to do the following:

Part A of this bill proposed to provide that the sales tax exemption for governmental entities does not apply to corporations formed under Part E of the federal Farm Credit Act of 1971.

Part B proposed to provide that natural gas pipelines and certain property used in the production or generation of electricity are not eligible for reimbursement for taxes paid on certain business property.

Part C proposed to provide funds for the acquisition of a tax modeling system and provides authority to the Department of Administrative and Financial Services, Bureau of Revenue Services to contract for tax auditing services for businesses whose primary locations are outside of the State.

Part D proposed to correct an error in the retroactivity clause of Public Law 1997, chapter 643, Part HHH, section 10. The intent of the Legislature was that only Part HHH apply retroactively. The bill ensures that the retroactivity provision applies only to Part HHH.

Enacted law summary

Public Law 1997, chapter 729 does the following:

Part A of this bill provides that the sales tax exemption for governmental entities does not apply to corporations formed under Part E of the federal Farm Credit Act of 1971.

Part B provides that natural gas pipelines and certain property used in the production or generation of electricity are not eligible for reimbursement for taxes paid on certain business property.

Part C provides funds for the acquisition of a tax modeling system and provides authority to the Department of Administrative and Financial Services, Bureau of Revenue Services to contract for tax auditing services for businesses whose primary locations are outside of the State.

Part D corrects an error in the retroactivity clause of Public Law 1997, chapter 643, Part HHH, section 10. The intent of the Legislature was that only Part HHH apply retroactively. The bill ensures that the retroactivity provision applies only to Part HHH.

LD 2298

Resolve, to Create a Task Force to Study Telecommunications Taxation

RESOLVE 121

Sponsor(s)

Committee Report

Amendments Adopted

LD 2298 proposed to create a task force to study the taxation of telecommunications services and make recommendations to the Legislature on methods of ensuring that state taxation of telecommunications keeps pace with technological developments, maintains equitable treatment of comparable services and provides for administrative efficiency and revenue stability.

Enacted law summary

Resolve 1997, chapter 121 creates a task force to study the taxation of telecommunications services and make recommendations to the Legislature on methods of ensuring that state taxation of telecommunications keeps pace with technological developments, maintains equitable treatment of comparable services and provides for administrative efficiency and revenue stability.