

MAINE STATE LEGISLATURE

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STATE OF MAINE
119TH LEGISLATURE

FIRST REGULAR SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
TAXATION

AUGUST 1999

Staff:

Julie S. Jones, Legislative Analyst

*Office of Fiscal and Program Review
5 State House Station
Augusta, ME 04333-0005
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MEMBERS:

*Sen. Richard P. Ruhlin, Chair
Sen. Beverly C. Daggett
Sen. S. Peter Mills*

*Rep. Kenneth T. Gagnon, Chair
Rep. Bonnie Green
Rep. Thomas M. Davidson
Rep. Patrick Colwell
Rep. Stephen S. Stanley
Rep. David G. Lemoine
Rep. Kenneth F. Lemont
Rep. Eleanor M. Murphy
Rep. John T. Buck
Rep. Peter E. Cianchette*



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MEMORANDUM

To: Members, Joint Standing Committee on Taxation

From: Julie S. Jones, Legislative Analyst

Date: August, 1999

Re: Bill Summaries, 119th Legislature, 1st Regular Session

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the Joint Standing Committee on Taxation during the 1st Regular Session of the 119th Legislature. The summary describes each bill or order and relevant amendments as well as the final action. Also included is a statistical summary of bill activity by the committee. Please note the effective date for all non-emergency legislation enacted in the 1st Regular Session (unless a later date is specified in a particular law) is September 18, 1999. Joint orders are effective when passed.

The document is organized for convenient reference to information on bills handled by the committee this session. It is organized by bill (LD) number and two indices are located at the back of the document that group bills by subject and by LD number. 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:

- CARRIED OVERBill carried over to Second Regular Session*
- 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*
- NOT PROPERLY BEFORE THE BODY Ruled out of order by the presiding officers; bill died*
- 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*
- READ AND PASSED Joint Order passed by the House and Senate*
- PASSED AS AMENDED Joint Order passed as amended by the House and Senate*

A complete summary of bills for all committees will be available in the very near future. Copies will be on file in the Law and Legislative Reference Library and Senate and House offices. You will also soon be able to access these bill summaries from our website.

I hope you find this information useful. If you have any questions or suggestions, please do not hesitate to contact this office.

Best wishes for an enjoyable summer.

LD 418 **An Act to Reduce the Meals and Lodging Tax to the Same Rate as the State Sales Tax** **ONTP**

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

LD 418 proposed to reduce the sales tax on meals and lodging to the general sales tax rate of 5.5%.

LD 422 **An Act to Amend the Laws Regarding when A Merchant Must Remit Sales Tax** **PUBLIC 471**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GREEN KILKELLY	OTP-AM MAJ OTP-AM MIN	H-394

LD 422 proposed to allow a supplier or provider of taxable materials or services in the construction trades to pay taxes when the supplier or provider is actually paid for the taxable sale but no later than 3 years after the sale rather than at the time of sale.

Committee Amendment "B" (H-394), the minority report of the Committee, proposed to replace the bill and repeal the provision of the sales and use tax law that requires estimated payments of sales and use tax.

Enacted law summary

Public Law 1999, chapter 471 repeals the provision of the sales and use tax law that requires estimated payments of sales and use tax by retailers with sales and use tax liability exceeding \$250,000 in the preceding calendar year.

LD 434 **An Act to Increase Accessibility to the Elderly Low-cost Drug Program** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GERRY BERUBE	ONTP	

LD 434 proposed to change the eligibility levels for the elderly low-cost drug program to grant eligibility to single-person households with an annual income up to \$13,500 and households of 2 or more members with an annual income up to \$15,000. Health-related costs for prescriptions, medical supplies and health insurance would be deducted from income in determining eligibility.

Bills relating to the elderly low cost drug program were heard jointly with the Joint Standing Committee on Health and Human Services. Please see bills indexed for that Committee.

See also the "Part 2" budget bill, PL 1999, chapter 401, Part KKK.

LD 440 **An Act to Exempt Business Equipment Used by Christmas Tree Farmers from the Sales Tax** **ONTP**

<u>Sponsor(s)</u> WHEELER E	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 440 proposed to exempt business equipment used by Christmas tree farmers from the sales tax.

LD 456 An Act to Ensure Consistency between Federal and State Estate Tax Laws ONTP

<u>Sponsor(s)</u> MACK BENNETT	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 456 proposed to repeal the Maine estate tax if the federal credit for state estate taxes is repealed.

LD 458 An Act to Ensure Fair Taxation of Insurance and Securities Sales ONTP

<u>Sponsor(s)</u> MAYO KIEFFER	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 458 proposed to subject Maine net income derived from sales of insurance and securities to state income tax rather than the franchise tax on financial institutions regardless of whether the income is attributable to a financial institution or affiliated group subject to the franchise tax.

LD 460 An Act to Provide Sales Tax Relief on Purchases of Clothing ONTP

<u>Sponsor(s)</u> BUCK	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 460 proposed to provide a sales tax exemption for purchases of clothing during the 3rd full week of November.

LD 479 An Act Regarding the Taxation of Natural Gas in a Gas Pipeline ONTP

<u>Sponsor(s)</u> KILKELLY RINES	<u>Committee Report</u> ONTP MAJ OTP MIN	<u>Amendments Adopted</u>
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LD 479 proposed to remove the property tax exemption for natural gas held for resale in a natural gas pipeline in the State.