

# 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:*

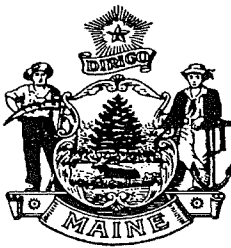
*Julie S. Jones, Legislative Analyst*

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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  
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Rep. Kenneth F. Lemont  
Rep. Eleanor M. Murphy  
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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 OVER .....Bill 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 800**

**An Act to Create a Tax Credit for Licensing Fees Paid for the Use of University Patents on Wood Fiber Reinforced Products**

**INDEF PP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLS NUTTING J	OTP-AM	S-238

LD 800 proposed to provide an income tax credit equal to the amount paid as licensing fees to the University of Maine System for use of patents on wood fiber reinforced products. The credit would be nonrefundable and could be carried forward 5 years.

**Committee Amendment "A" (S-238)** proposed to expand the credit to cover license fees paid to the University of Maine System on intellectual property that is the product of technology research and development. The amendment also provided for apportionment of the credit among affiliated corporations and provided an application date of January 1, 2000.

This bill was indefinitely postponed off the Appropriations Table.

**LD 808**

**An Act to Amend the Homestead Exemption Law**

**CARRIED OVER**

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

LD 808 proposed to increase the amount of the homestead property tax exemption from \$7,000 to \$7,500. It also proposed to expand the exemption to include property in the possession of an applicant pursuant to a bond for a deed contract and property that would otherwise qualify except that the title to the property has been transferred to the applicant's children without the benefit of a life estate if the applicant is in possession of the property and the property is the applicant's principal residence.

This bill was carried over to the Second Regular Session.

**LD 809**

**An Act to Create a Local Option Sales and Use Tax**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MURRAY GAGNON		

LD 809 proposed to allow a municipality to create a local option sales and use tax.

This bill was carried over to the Second Regular Session.

**LD 817**

**An Act to Require 90% of Estate Taxes Collected in Counties to Remain in the County Where Collected**

**ONTP**

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

LD 817 proposed to require that 90% of estate taxes be paid to the county where the decedent's property was located and used to reduce the county tax rate.

**LD 832                      An Act to Reduce the Sales Tax and Review All Tax-exempt Entities                      ONTP**

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

LD 832 proposed to reduce to 5% the general sales tax and the sales tax on liquor and food sold in licensed establishments. The bill would also have required every organization that is now exempt from the sales tax to reapply to the Bureau of Revenue Service within 120 days or lose exempt status.

See also the “Part 2” budget bill, PL 1999, chapter 401, Part X.

**LD 841                      An Act to Exempt All Business Equipment from Property Tax                      ONTP**

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

LD 841 proposed to provide a property tax exemption for all business property and repeal the business equipment tax reimbursement (BETR) program that reimburses taxpayers for property taxes paid on business property first placed in service after April 1, 1995.

**LD 858                      An Act to Increase Eligibility for the Elderly Low-cost Drug Program                      ONTP**

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

LD 858 proposed to expand eligibility for the elderly low-cost drug program to 185% of the federal poverty line. It also proposed to extend eligibility to households that spend at least 25 % of their income on unreimbursed direct medical expenses for prescription drugs and whose incomes do not exceed 25% more than standard eligibility levels.

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.