MAINE STATE LEGISLATURE

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STATE OF MAINE 119TH LEGISLATURE

FIRST REGULAR SESSION

BILL SUMMARIES JOINT STANDING COMMITTEE ON TAXATION

AUGUST 1999

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

Staff:
Julie S. Jones, Legislative Analyst

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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 lst 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 lst 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	Dill agreed over to Cooped Decaday Consider
	Bill carried over to Second Regular Session
CON RES XXX	hapter # of Constitutional Resolution passed by both Houses
CONF CMTE UNABLE TO AGREE	
DIED BETWEEN BODIES	House & Senate disagree; bill died
	ccepts ONTP report; the other indefinitely postpones the bill
DIED ON ADJOURNMENT	Action incomplete when session ended; bill died
	Enacted law takes effect sooner than 90 days
FAILED EMERGENCY ENACTMENT/FIN	AL PASSAGEEmergency 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	Bill Indefinitely PostponedOught Not To Pass report accepted
<i>OTP ND</i>	
OTP ND/NT	Committee report Ought ToPass In New Draft/New Title
P&S XXX	
PUBLIC XXX	Chapter # of enacted Public Law
RESOLVE XXX	
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.

This amendment also proposed to prevent a reduction to the Local Government Fund due to the application of Title 36, section 1811 or any other law providing for transfers from sales and income tax revenue. It is intended to make clear that the Local Government Fund, from which state-municipal revenue sharing is distributed, must be credited with amounts based on the State's total sales and use tax and income tax receipts regardless of the operation of any other inconsistent law.

Senate Amendment "A" to Committee Amendment "A" (S-467) proposed a transfer from the Maine Rainy Day Fund in lieu of the sales tax reserve. The sales tax reserve was used to finance Public Law 1999, chapter 401, the "Part 2" budget bill.

Enacted law summary

Public Law 1999, chapter 528 authorizes the transfer of \$1,152,347 from the Maine Rainy Day Fund to the Local Government Fund in fiscal year 1999-00. This sum represents the amount that would have been transferred to the Local Government Fund if the 4-month reserving of money authorized in the Maine Revised Statutes, Title 36, section 1811 had not been interpreted and applied to preclude that transfer.

The law also prohibits a reduction to the Local Government Fund due to any future application of Title 36, section 1811 or any other law providing for transfers from sales and income tax revenue. It is intended to make clear that the Local Government Fund, from which state-municipal revenue sharing is distributed, must be credited with amounts based on the State's total sales and use tax and income tax receipts regardless of the operation of any other inconsistent law.

LD 969 An Act to Exempt Food That is Medically Necessary From Sales Tax

ONTP

Sponsor(s) Committee Report Amendments Adopted
DAVIDSON ONTP

LD 969 proposed to include in the definition of a grocery staple exempt from the sales tax an item sold on a written certification of a person's physician that the item is a medical necessity to the health of the person for whom the item is being purchased.

LD 979 An Act to Use Funds From the Sale of Utility Company Properties to Help Offset Ice Storm 1998 Expenses

ONTP

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

LD 979 proposed to set aside corporate income taxes attributable to the sale of assets pursuant to electric restructuring in a separate account to be used, subject to the direction of the Public Utilities Commission, to reimburse electric utilities for expenses incurred in remedying damages caused by the ice storm of 1998.

See also LD 1500 under the summaries for the Joint Standing Committee on Utilities which proposed to use the same revenues for assistance to low-income electric consumers.

LD 982

An Act to Reimburse Municipalities for the Property Tax Loss for County Property that is Used but not Leased by the State

ONTP

Sponsor(s)	Committee Report	Amendments Adopted
DOUGLASS	ONTP	

LD 982 proposed to require the State to reimburse municipalities 100% for property tax revenue loss attributable to county property in that municipality used but not leased by the State.

LD 1023 An Act to Increase Eligibility Levels for Access to Prescription Drugs for the Elderly

Sponsor(s)Committee ReportAmendments AdoptedMCALEVEYONTPDOUGLASS

LD 1023 proposed to make an elderly individual eligible for the elderly low cost drug program if the individual's sole source of income is Social Security benefits.

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 1029 An Act to Encourage Support of Passamaquoddy Tribal Government Through On-reservation Business Activities

PUBLIC 477

Sponsor(s)Committee ReportAmendments AdoptedSOCTOMAHOTP-AMH-694

LD 1029 proposed to make sales occurring on the Passamaquoddy reservation exempt from the state sales and use tax to the extent the sales are subject to a tribally imposed tax that does not exceed the sales tax that would otherwise be imposed.

Committee Amendment "A" (H-694) proposed to replace the bill and provide that sales and use tax revenue attributable to sales occurring on the Passamaquoddy reservation must be returned to the Passamaquoddy Tribe after subtracting the amount transferred to the Local Government Fund.

Enacted law summary

Public Law 1999, chapter 477 provides that sales and use tax revenue attributable to sales occurring on the Passamaquoddy reservation must be returned to the Passamaquoddy Tribe after subtracting the amount transferred to the Local Government Fund

LD 1041 An Act to Amend Municipal Revenue Sharing to Take Into Account Sales Tax Revenues ONTP

Sponsor(s) Committee Report Amendments Adopted
ONTP

LD 1041 was a concept draft that proposed to establish a distribution of revenue sharing money based on sales tax receipts.