

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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Sen. Beverly C. Daggett
Sen. S. Peter Mills*

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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.

Committee Amendment "A" (S-237) proposed to add a statutory definition of "quality child care," provide that the income tax credit for employer-assisted day care is doubled if the day care provided qualifies as "quality child care," clarify the quality child care investment credit and add an appropriation section and a fiscal note to the bill.

House Amendment "A" to Committee Amendment "A" (H-583) proposed to clarify the intent of the committee amendment that the quality child care investment credit apply to individual taxpayers who have spent at least \$10,000 in one year.

This bill, containing the provisions of Committee Amendment "A" and House Amendment "A," was included in LD 617, the "Part 2" budget bill and enacted as PL 1999, chapter 401, Part NNN.

LD 1064 **An Act to Stimulate Job Creation and Investment in Maine by Amending CARRIED OVER the Income Tax Apportionment Formula**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RUHLIN CIANCHETTE		

LD 1064 proposed to change the income tax formula for apportionment of income from a business activity that is taxable both in this State and in another taxing jurisdiction. The bill proposed to eliminate the consideration of the property factor and the payroll factor and base apportionment solely on the proportion of sales by the taxpayer in the State.

This bill was carried over to the Second Regular Session. The Joint Standing Committee on Taxation is directed by Joint Order, S.P. 771, to study the issues raised by this bill and report by December 1, 1999.

LD 1069 **An Act to Create Additional Incentives for Landowners to Voluntarily Conserve Land in the State's Conservation Land Program** **ONTP**

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

LD 1069 proposed to create an income tax credit up to \$30,000 annually equal to 30% of the fair market value of gifts of land or easements for conservation or historic preservation purposes.

LD 1090 **An Act to Change the Tax Treatment of Truck Campers** **PUBLIC 518**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GOOLEY BENOIT	OTP-AM	H-120

LD 1090 proposed to provide a sales tax trade-in credit for truck campers and extend the sales tax on casual sales to truck campers.

Committee Amendment "A" (H-120) added a fiscal note to the bill.

Enacted law summary

Public Law 1999, chapter 518 provides a sales tax trade-in credit for truck campers and extends the sales tax on casual sales to truck campers.

LD 1122 **An Act to Return a Percentage of the Meals and Lodging Tax to the Municipality in Which Those Taxes were Levied** **CARRIED OVER**

<u>Sponsor(s)</u> LEMOINE		<u>Committee Report</u>		<u>Amendments Adopted</u>
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LD 1122 proposed to return 10% of the sales taxes collected for liquor sold in on-premises establishments, meals and lodging to the municipalities where those taxes were collected.

This bill was carried over to the Second Regular Session.

LD 1123 **An Act to Set Fees for Services for Tax-exempt Property in Municipalities** **ONTP**

<u>Sponsor(s)</u> MCNEIL		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1123 proposed to allow municipalities to impose service charges for tax-exempt property owned or occupied by entities other than religious institutions and governmental entities.

LD 1130 **An Act to Implement the Recommendations of the Task Force to Study Telecommunications Taxation** **PUBLIC 488**

<u>Sponsor(s)</u>		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> H-391 H-604 GAGNON
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LD 1130 contains the recommendations of the Task Force to Study Telecommunications Taxation established by Resolve 1997, chapter 121. The bill proposed the following changes.

- The bill proposed to replace the definition of taxable "telephone and telegraph service" in the sales tax law with a definition of "telecommunications services." The new definition proposed to clarify the meaning of the old definition, ensure that unbundled network elements sold to another provider of telecommunications services are not taxable and exclude prepaid calling arrangements from the definition of "telecommunications services."
- The bill proposed a sales tax exclusion for the sale of cable television converter boxes to a provider of cable television services.
- The bill proposed to extend the sales tax to prepaid calling arrangements.
- The bill proposed to require the Bureau of Revenue Services to monitor legal and technological developments in the field of telecommunications and report to the Legislature any need for change to the State's tax laws.
- The bill proposed sales tax exemptions for machinery and equipment used directly and primarily to provide communications service and for the first \$16 monthly for each residential telephone account.