

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
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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
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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 1452 **An Act to Allocate the State Tax Windfall on the Sale of Generation-related Assets to the Reduction of Stranded Costs Otherwise Paid by Ratepayers** **ONTP**

| | | |
|-----------------------------|---------------------------------|---------------------------|
| <u>Sponsor(s)</u> O'NEAL | <u>Committee Report</u> ONTP | <u>Amendments Adopted</u> |
|-----------------------------|---------------------------------|---------------------------|

LD 1452 proposed to dedicate corporate income tax revenues attributable to the mandated sale of utility-owned electric generating assets to reduce the amount of stranded costs and provide further savings to electric consumers. See also LD 1500 under the summaries for the Joint Standing Committee on Utilities.

LD 1475 **An Act to Clarify the Tree Growth Tax Law** **CARRIED OVER**

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

LD 1475 proposed requiring landowners who own more than 100,000 acres of land in the State to harvest at or below a sustainable level on their forest land taxed under the Maine Tree Growth Tax Law. It proposed requiring the Department of Conservation to adopt rules to establish a procedure for determining landowner compliance. This bill was originally referred to the Joint Standing Committee on Taxation. (See bill summaries under that committee for a summary of proposed Committee Amendment "A" S-235) This bill was re-referred to the Joint Standing Committee on Agriculture, Conservation and Forestry on June 3rd and was carried over to the Second Regular Session.

LD 1479 **An Act to Amend the Sales Tax Exemption for Prosthetic Devices** **INDEF PP**

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

LD 1479 proposed to amend the sales tax exemption for prosthetic devices to include adaptive equipment and assistive technologies and the labor and materials necessary to adapt a vehicle or home to accommodate a person's functional limitations.

Committee Amendment "A" (S-294) proposed to amend the bill to remove coverage of adaptations to vehicles and structures.

Senate Amendment "A" to Committee Amendment "A" (S-299) proposed to clarify that the exemption applies to physical disabilities.

LD 1484 **An Act to Conform the Maine Tax Laws for 1998 With the United States Internal Revenue Code** **PUBLIC 520
EMERGENCY**

Sponsor(s)
GREEN

Committee Report
OTP-AM

Amendments Adopted
H-387
S-442 RUHLIN

LD 1484 proposed to conform the Maine income, estate and mining excise tax laws with the federal tax laws as of December 31, 1998 for tax years beginning on or after January 1, 1998.

Committee Amendment "A" (H-387) added a fiscal note to the bill.

Senate Amendment "C" (S-442) proposed to delay until 2002 Maine income tax conformity for health insurance deductions for self-employed individuals.

Enacted law summary

Public Law 1999, chapter 520 provides conformity with the federal Internal Revenue Code as of December 31, 1998 for Maine income, estate and mining excise tax laws for tax years beginning on or after January 1, 1998 with the exception of the deduction for health insurance for self-insured individuals which is not conformed until 2002. Chapter 520 was an emergency measure and took effect June 17, 1999.

LD 1490

An Act to Repeal All State Inheritance Taxes

ONTP

Sponsor(s)
WATERHOUSE

Committee Report
ONTP

Amendments Adopted

LD 1490 proposed to repeal the estate tax.

LD 1494

An Act to Ensure the Documentation of the Transfer of Ownership of Mobile and Modular Construction Homes

PUBLIC 427

Sponsor(s)
SAVAGE C

Committee Report
OTP-AM

Amendments Adopted
H-678

LD 1494 proposed to require that the owner of a mobile home or modular construction home that is situated on property that is not owned by the mobile home or modular construction home owner who transfers that home must file a form prepared by the Bureau of Revenue Services and a real estate transfer tax declaration of value with the register of deeds in the county where the home is located. The bill also proposed to require that a transfer of a mobile home or modular construction home be subject to the real estate transfer tax unless it is transferred to a dealer or from a dealer or is uninhabitable.

Committee Amendment "A" (H-678) replaced the bill. It proposed to provide authority to municipal officers to enact an ordinance to ensure that the municipal assessor is notified when a mobile home or modular construction home is transferred and the transferor does not own the land on which the home is located.

Enacted law summary

Public Law 1999, chapter 427 provided authority to municipal officers to enact an ordinance to ensure that the municipal assessor is notified when a mobile home or modular construction home is transferred and the transferor does not own the land on which the home is located.