

# 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:**

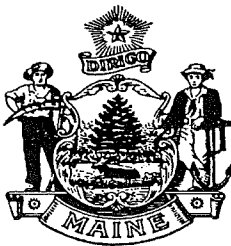
*Sen. Richard P. Ruhlin, Chair  
Sen. Beverly C. Daggett  
Sen. S. Peter Mills*

*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 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:

<i>CARRIED OVER</i>	<i>Bill carried over to Second Regular Session</i>
<i>CON RES XXX</i>	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i>	<i>House &amp; Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i>	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i>	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i>	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i>	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i>	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i>	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>Ruled out of order by the presiding officers; bill died</i>
<i>INDEF PP</i>	<i>Bill Indefinitely Postponed</i>
<i>ONTP</i>	<i>Ought Not To Pass report accepted</i>
<i>OTP ND</i>	<i>Committee report Ought To Pass In New Draft</i>
<i>OTP ND/NT</i>	<i>Committee report Ought To Pass In New Draft/New Title</i>
<i>P&amp;S XXX</i>	<i>Chapter # of enacted Private &amp; Special Law</i>
<i>PUBLIC XXX</i>	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i>	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i>	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's Veto</i>
<i>READ AND PASSED</i>	<i>Joint Order passed by the House and Senate</i>
<i>PASSED AS AMENDED</i>	<i>Joint Order passed as amended by the House and Senate</i>

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 1596****An Act to Clarify the Sales Tax Exemption for Food Service in Educational Institutions****PUBLIC 502**

Sponsor(s)  
CATHCART  
STEVENS

Committee Report  
OTP-AM

Amendments Adopted  
S-174

LD 1596 proposed to clarify that the sales tax exemption on school meals is for schools up to the secondary level only.

**Committee Amendment "A" (S-174)** proposed to replace the bill and provide a sales tax exemption for meals served by colleges to employees of the college when the meals are purchased with debit cards issued by the college.

***Enacted law summary***

Public Law 1999, chapter 502 provides a sales tax exemption for meals served by colleges to employees of the college when the meals are purchased with debit cards issued by the college.

**LD 1605****An Act to Redefine Property Subject to the Business Equipment Tax Reimbursement Program to Include Manufacturing Real Estate and to Exclude Property That is not Used for Manufacturing or Research****ONTP**

Sponsor(s)  
MILLS

Committee Report  
ONTP

Amendments Adopted

LD 1605 proposed to amend the law relating to business equipment property tax reimbursement (the BETR program) by permitting reimbursement for real estate that is part of a manufacturing facility and restricting reimbursement to personal property that is part of a manufacturing facility or is machinery and equipment for research.

**LD 1606****An Act to Make Manufacturing Real Estate Eligible for Business Equipment Property Tax Reimbursement****ONTP**

Sponsor(s)  
MILLS

Committee Report  
ONTP

Amendments Adopted

LD 1606 proposed to add real estate used for a manufacturing facility to the business equipment property tax reimbursement (BETR) program. It would apply to real property first acquired or first used as a manufacturing facility on or after April 1, 2000.

**LD 1645****An Act Regarding a Tax Refund when Money Is Owed to Both the State and a Custodial Parent****ONTP**

Sponsor(s)  
MENDROS  
BENNETT

Committee Report  
ONTP

Amendments Adopted

LD 1645 proposed to provide that if both the Department of Human Services and a custodial parent are owed past child support debts from a person entitled to an income tax refund, that refund must be split equally between the department and the custodial parent.

**LD 1647**                      **An Act to Reimburse Collectors of Sales and Use Taxes**                      **DIED BETWEEN BODIES**

<u>Sponsor(s)</u> BUCK		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u>
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LD 1647 proposed to permit retailers to retain an amount equal to up to 2.5% of sales and use taxes they collect, but not exceeding \$50 per month per affiliated business, as reimbursement for the expenses they incur in the collection of sales and use taxes on behalf of the State.

**Committee Amendment "A" (H-646)** proposed to permit retailers with annual gross taxable sales of less than \$250,000 to retain a collection allowance equal to the lesser of 2.5% of taxes collected or \$50 per month. Retailers would not be eligible to retain receipts unless they remit taxes in a timely manner.

This bill died between the bodies off the Appropriations Table.

**LD 1681**                      **An Act to Establish a Flat Tax Rate for the Maine Income Tax**                      **ONTP**

<u>Sponsor(s)</u> MACK		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1681 proposed to adopt a flat rate income tax of 5% with a standard deduction of \$25,000 for persons filing jointly and \$10,000 for all other taxpayers.

**LD 1688**                      **An Act to Require the State to Pay Interest on Refunds of Taxes and Fees**                      **ONTP**

<u>Sponsor(s)</u> MACK		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1688 proposed to require state agencies that charge interest on certain overdue taxes or fees to pay interest on refunds from the date of the overpayment. This requirement would not apply to property taxes, sales and use taxes, income taxes or unemployment compensation taxes.

**LD 1696**                      **An Act to Exempt Utility Work from Certain Sales Tax Requirements**                      **ONTP**

<u>Sponsor(s)</u> CAMERON		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 1696 proposed to exclude from sales tax labor provided by public utilities. The only public utility service currently subject to a sales tax is telephone and telegraph service.