

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 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 1786

An Act to Provide a \$500 State Income Tax Credit for Private School Tuition Payments

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
AMERO	ONTP MAJ OTP-AM MIN	

LD 1786 proposed to create an income tax credit for a taxpayer whose adjusted gross income does not exceed \$50,000 who has a child enrolled as a full-time student at a private educational institution and is entitled to claim the child as a dependent. The amount of the tax credit would be \$500 or the amount of tax due for that year, whichever is less.

LD 1811

Resolve, to Direct the State to Implement a Simplified Tax and Wage Reporting System with the Federal Government

ONTP

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

LD 1811 proposed to require the Bureau of Revenue Services to implement the recommendations of the Task Force on State and Federal Tax Filing, established pursuant to Resolve 1997, chapter 66, by developing a single point for filing and paying state and federal employment taxes, sales and use taxes and unemployment contributions.

LD 1824

An Act to Encourage Equity Equivalent Loans or Investments in Community Development Financial Institutions

CARRIED OVER

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

LD 1824 proposed to encourage investment in community development financial institutions located in the State by allowing financial institutions that make equity equivalent loans to these community development financial institutions a franchise tax deduction equal to the difference between the income earned on the equity equivalent loan and the income that would have been earned if the loan had been made at market rates.

This bill was carried over to the Second Regular Session.

LD 1840

Resolve, Authorizing the State Tax Assessor to Convey the Interest of the State in Certain Real Estate in the Unorganized Territory

RESOLVE 52

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BUCK	OTP-AM	H-645

LD 1840 proposed to authorize the State Tax Assessor to sell certain real property in the unorganized territory acquired by the State for nonpayment of property taxes.

Committee Amendment "A" added a fiscal note.

Enacted law

Resolves 1999, chapter 52 authorized the State Tax Assessor to sell certain real property in the unorganized territory acquired by the State for nonpayment of property taxes.

LD 1841 An Act to Require Review of a Property Tax Assessment When the Property Has Been Potentially Devalued by a Law ONTP

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

LD 1841 proposed to require a tax assessor to review the assessment of a taxable property in the assessor's jurisdiction within 30 days of enactment of a state law or rule that may reduce the value of the property. If the assessor determines that the state law or rule does devalue the property, this bill would have required the assessor to revalue the property.

LD 1845 An Act to Limit the Imposition of Excise Taxes on Watercraft PUBLIC 304

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PIEH KILKELLY	OTP-AM	H-385

LD 1845 proposed to limit the collection of unpaid watercraft excise tax to the current year and the previous year.

Committee Amendment "A" (H-385) proposed to delete the requirement that the previous year's watercraft excise taxes be paid before a municipality certifies that excise taxes have been paid.

Enacted law summary

Public Law 1999, chapter 304 provides that a municipality may not withhold certification that watercraft excise taxes have been paid if the current year's tax has been paid.

LD 1847 An Act to Increase the Amount of Revenue Dedicated to Local Revenue Sharing INDEF PP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GAGNON TREAT	OTP-AM MAJ ONTP MIN	

LD 1847 proposed to increase the percentage of certain state tax revenues dedicated to state-municipal revenue sharing from 5.1% to 5.5%. The bill also proposed that the amount of revenue dedicated to state-municipal revenue sharing be calculated before any transfers are made from the revenues generated by the taxes subject to revenue sharing.

Committee Amendment "A" (H-651) proposed to change the proposed increase in state-municipal revenue sharing from 5.5% to 5.3%.