

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
5 State House Station
Augusta, ME 04333-0005
(207)287-1635*

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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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Office of Fiscal and Program Review
5 State House Station
Augusta Maine 04333-0005
TEL: (207) 287-1635
FAX: (207) 287-6469

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.

Sponsor(s)
VOLENIK

Committee Report
ONTP

Amendments Adopted

LD 1953 proposed to repeal sales and use tax exemptions, exclusions and credits and appropriate the additional revenues to provide \$400,000,000 in each year of the biennium as additional state funding for primary and secondary education. The Department of Education would be required to submit the legislation necessary to implement the proposed new subsidy distribution to the next session of the Legislature. Any additional new revenue would be used to reduce the sales and use tax rates.

LD 1956 **An Act to Limit the Number of Appeals Concerning a Property Tax Assessment** **ONTP**

Sponsor(s)
PIEH
KILKELLY

Committee Report
ONTP

Amendments Adopted

LD 1956 proposed to limit the appeal of a property tax assessment to one time if the applicant does not prevail in a decision by the board of assessment review.

LD 1959 **An Act to Require Payment of the Excise Tax for First-time Vehicle Registration Only** **ONTP**

Sponsor(s)
SNOWE-MELLO
DAVIS P

Committee Report
ONTP

Amendments Adopted

LD 1959 proposed to change the basis for the motor vehicle excise tax to the purchase price of the vehicle, as evidenced by the bill of sale or the sales tax document instead of the maker's list price. This is the current practice for a commercial vehicle. The bill also provided that the excise tax on most vehicles would only be due in the first year of registration.

LD 1983 **An Act to Assist Independent Contractors to Comply with State Tax Laws** **ONTP**

Sponsor(s)
HATCH
CAREY

Committee Report
ONTP

Amendments Adopted

LD 1983 proposed to clarify that the State must use the same criteria for determining status of an employee or independent contractor as is used by the federal Internal Revenue Service.

LD 2016 **An Act to Provide a Reward for Certain Tax Information** **ONTP**

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

LD 2016 proposed to provide a reward to a person who provides information to the Bureau of Revenue Services regarding a person or entity that did not pay or that underpaid income taxes for a tax year with 25% of the tax collected as a result of that information.

LD 2023 An Act to Authorize a Local Option Tax on Wages Earned in a Municipality CARRIED OVER

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

LD 2023 proposed to allow municipalities to adopt by referendum a local option wage tax at a rate of not more than 2% of the amount of the Maine income tax owed on wages under the Maine Revised Statutes, Title 36, chapter 803. The tax would be administered by the State. Revenues, less administrative costs, would be returned to the municipality where collected. Revenue raised by a local option wage tax must be used by the municipality to finance specifically approved major capital projects.

This bill was carried over to the Second Regular Session.

LD 2024 An Act to Establish the Local Option Tax on Liquor, Meals and Lodging CARRIED OVER

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

LD 2024 proposed to allow municipalities to adopt a local option tax at a rate not to exceed 2% on liquor, meals and lodging that are provided within the municipal corporate limits. The voters of the town would be required to approve this local tax at a local referendum, unless the municipality has a charter that allows the issuance of municipal bonds without a referendum vote.

The tax would apply to the sales of the same liquor, meals and lodging services to which the state sales and use tax currently applies. The tax would be administered by the State and revenues less administrative costs returned to the municipality where collected. The additional revenue raised by the local option tax must be used by the municipality to finance specifically approved major capital projects.

This bill was carried over to the Second Regular Session.

LD 2035 An Act to Clarify That Sales Catalogs and Fliers are Exempt from Sales Tax when Purchased for Redistribution at No Charge CARRIED OVER