

# 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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5 State House Station  
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  
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Rep. Thomas M. Davidson  
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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 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.

<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**

<u>Sponsor(s)</u> MILLS	<u>Committee Report</u>	<u>Amendments Adopted</u>
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LD 2035 proposed to provide a sales tax exemption for fliers, bulletins, catalogs or promotional materials that are purchased for redistribution at no charge.

This bill was carried over to the Second Regular Session.

**LD 2048**                    **An Act to Eliminate the Sales Tax on Fuel Oil Used for Plant and Animal Husbandry**                    **ONTP**

<u>Sponsor(s)</u> BAKER SMALL	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 2048 proposed to provide a sales tax exemption for fuel oil used for plant and animal husbandry.

**LD 2055**                    **An Act to Eliminate the Sales Tax on Labor for Installing Telephone, Telegraph and Related Equipment**                    **ONTP**

<u>Sponsor(s)</u> SKOGLUND	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 2055 proposed to eliminate the sales tax on the service or installation of telecommunication services, telegraph services or telecommunication-related or telegraph-related computer services.

**LD 2071**                    **An Act Concerning Penalties under the Maine Tree Growth Law and the Farm and Open Space Law**                    **ONTP**

<u>Sponsor(s)</u> MCKENNEY AMERO	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 2071 proposed to provide that tax assessors may choose whether to impose the withdrawal penalty on landowners whose land was classified for at least 5 years under the Maine Tree Growth Tax Law or the farm and open space tax law.

**LD 2101**                    **An Act to Enhance the Maine State College Savings Program**                    **CARRIED OVER**

<u>Sponsor(s)</u> PINGREE	<u>Committee Report</u>	<u>Amendments Adopted</u>
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LD 2101 proposed to provide a 10% income tax credit for contributions to a Maine College Savings Program account, up to a maximum credit of \$1,500 per year.