

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*

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*



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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> 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.

This bill was carried over to the Second Regular Session.

LD 2102 **An Act to Exempt from Use Tax Merchandise that is Donated to a Nonprofit Organization** **ONTP**

<u>Sponsor(s)</u> RUHLIN		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 2102 proposed to exempt from the use tax merchandise that a retailer or distributor donates to a nonprofit organization.

LD 2114 **An Act to Reduce Sales and Use Taxes and Address Volatility Within the State's Revenue System** **ONTP**

<u>Sponsor(s)</u> GAGNON RUHLIN		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 2114 was a concept draft that proposed to reduce volatility in the State's revenue system by lowering reliance on the sales and use tax by reducing the rate of the sales and use tax and modernizing the tax base by reviewing sales tax exemptions and exclusions and other sections of the tax code.

Enacted law summary

Private and Special Law 1999, chapter 49 provides one-time funding of \$109,000 in fiscal year 1999-00 to the National World War II Memorial Fund. The amount appropriated is approximately equal to one dollar for each resident of this State who served in the Armed Forces of the United States during World War II.

LD 2122 **An Act to Base the Rate of Tax Imposed on Married Couples Solely on Income Earned in this State** **CARRIED OVER**

<u>Sponsor(s)</u> LEMONT		<u>Committee Report</u>		<u>Amendments Adopted</u>
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LD 2122 proposed to provide that the income tax liability of a married nonresident individual be calculated using the rate that is determined based only on income earned in Maine. Deductions, exemptions and credits would be prorated.

This bill was carried over to the Second Regular Session.

LD 2143 **An Act to Reduce the Income Tax** **INDEF PP**