

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
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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
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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 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.

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**

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

LD 2143 proposed to increase by 10% the upper limit of each tax bracket. It also provides for an annual adjustment of these amounts based on the Consumer Price Index.

LD 2165 An Act to Provide a Sales Tax Credit on the First \$2000 of the Purchase Price of Certain Automobiles ONTP

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

LD 2165 proposed a motor vehicle excise tax credit equal to the sales tax up to a maximum of \$2,000 of the value of motor vehicles purchased for personal use.

**LD 2175 An Act to Amend the Maine Residents Property Tax Program PUBLIC 507
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RUHLIN	OTP-AM	S-293

LD 2175 proposed to permit a person to qualify for prorated reimbursement under the Maine Residents Property Tax Program if the person is domiciled in a homestead for at least 6 months of a calendar year, rather than the current requirement of full year domicile, and is otherwise qualified. This bill would apply retroactively to January 1, 1997.

Committee Amendment "A" (S-293) proposed that a claimant whose claim is based on occupancy of less than a full calendar year must have owned or maintained a homestead for the full calendar year.

Enacted law summary

Public Law 1999, chapter 507 permits a person to qualify for prorated reimbursement under the Maine Residents Property Tax Program if the person is owned or maintained a homestead in Maine for the full calendar year, was domiciled in a homestead for at least 6 months of a calendar year and is otherwise qualified. This bill applies retroactively to January 1, 1997. Chapter 507 was an emergency measure and took effect on June 11, 1999.

LD 2180 An Act to Promote Participation in the Maine Residents Property Tax Program P & S 39

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DUDLEY MILLS	OTP-AM	H-648 S-425 MICHAUD

LD 2180 proposed to require the Bureau of Revenue Services and the Department of Human Services to ensure that persons receiving certain public assistance from the Department of Human Services are mailed an application for the Maine Residents Property Tax Program. The bill would also require that low-income tax filers receive notice of the availability of