

# 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:*

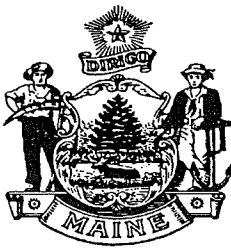
*Julie S. Jones, Legislative Analyst*

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**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>	<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

certain public assistance programs administered by the Department of Human Services. The Bureau of Revenue Services would also be required to conduct an outreach campaign to encourage people to apply for the Maine Residents Property Tax Program and provides for the electronic filing of those applications.

**Committee Amendment "A" (H-648)** would replace the bill and proposed that the unspent appropriations for the Maine Residents Property Tax Program would not lapse to the General Fund at the end of the fiscal year. The amendment would authorize the Bureau of Revenue Services to spend up to \$300,000 of surplus appropriations for outreach and require the bureau to adopt rules specifying the method for using those funds

**Senate Amendment "A" to Committee Amendment "A" (S-425)** proposed to require the Bureau of Revenue Services to conduct an outreach program within existing resources appropriated for the Maine Residents Property Tax Program.

***Enacted law summary***

Private and Special Law 1999, chapter 39 requires the Bureau of Revenue Services to conduct an outreach program within existing resources appropriated for the Maine Residents Property Tax Program to encourage participation in the program by eligible individuals.

**LD 2184**                      **An Act to Exempt from the Sales Tax Feminine Hygiene Products**                      **ONTP**

<u>Sponsor(s)</u> BAKER RUHLIN	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 2184 proposed a sales tax exemption for feminine hygiene products.

**LD 2207**                      **An Act to Eliminate the Personal Property Tax and Make Other Changes in the Tax Laws**                      **CARRIED OVER**

<u>Sponsor(s)</u> GAGNON	<u>Committee Report</u>	<u>Amendments Adopted</u>
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LD 2207 is a concept draft that proposed to:

1. Eliminate the personal property tax and reimburse municipalities for 100% of the resulting loss of tax revenue through a revenue-sharing program separate from the state-municipal revenue sharing provided for in the Maine Revised Statutes, Title 30-A, section 5681;
2. Eliminate the sales tax exemption for machinery and equipment used in production;
3. Eliminate the Business Equipment Tax Reimbursement (BETR) program that provides for reimbursement for taxes paid on certain business property; and
4. Impose a 1% tax on ingredients and components used in production.

This bill was carried over to the Second Regular Session.

**LD 2211**                      **Resolve, to Modify the State Valuation for the Sappi Plant in the City of Westbrook**                      **RESOLVE 54 EMERGENCY**