

MAINE STATE LEGISLATURE

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**STATE OF MAINE
119TH LEGISLATURE**

SECOND REGULAR SESSION

**BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
TAXATION**

JULY 2000

Staff:

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**Office of Fiscal and Program Review
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MAINE STATE LEGISLATURE
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TO: Members, Joint Standing Committee on Taxation
 FROM: Julie Jones, Legislative Analyst
 DATE: July, 2000
 RE: **BILL SUMMARIES, 119th LEGISLATURE, 2nd 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 2nd 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 2nd Regular Session (unless a later date is specified in a particular law) is August 11, 2000. 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:

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 amendment 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.

LD 2122 was carried over from the First Regular Session. The bill proposed to provide that the income tax liability of married nonresident individuals be calculated using a rate that is determined based only on income earned in Maine. Deductions, exemptions and credits would be prorated.

The Committee reported this bill out of Committee with a majority "Ought to Pass as Amended" report and a minority "Ought Not to Pass" report. The bill was rereferred to Committee and, on reconsideration, the Committee issued a unanimous "Ought Not to Pass" report.

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

<u>Sponsor(s)</u> GAGNON		<u>Committee Report</u> ONTP		<u>Amendments Adopted</u>
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LD 2207 was carried over from the First Regular Session. The bill was 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 current state-municipal revenue sharing;
2. Eliminate the sales tax exemption for machinery and equipment used in production;
3. Eliminate the business equipment tax reimbursement (BETR) program; and
4. Impose a 1% sales tax on ingredients and components used in production.

LD 2256 An Act to Conform the Tax Laws of this State for 1998 With the INDEF PP
United States Internal Revenue Code

<u>Sponsor(s)</u> GAGNON		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u>
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LD 2256 proposed to establish conformity in the Maine income tax laws with federal income tax laws relating to the deduction for health insurance costs for self-employed individuals.

The provisions of this bill were included in the Supplemental Budget Bill, Public Law 1999, chapter 731, Part X. See LD 2510, summarized by the Joint Standing Committee on Appropriations and Financial Affairs.

LD 2277 An Act to Conform the Maine Tax Laws for 1999 with the United PUBLIC 548
States Internal Revenue Code EMERGENCY

<u>Sponsor(s)</u> RUHLIN		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u>
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LD 2277 proposed to conform the Maine income, estate and mining excise tax laws with the federal Internal Revenue Code as of December 31, 1999 for tax years beginning on or after January 1, 1999. See also LD 2256.

Committee Amendment “A” (S-490) proposed to add a fiscal note to the bill.

Enacted Law Summary:

Public Law 1999, chapter 548 conforms the Maine income, estate and mining excise tax laws with the federal Internal Revenue Code as of December 31, 1999 for tax years beginning on or after January 1, 1999.

Public Law 1999, chapter 548 was enacted as an emergency measure, effective March 14, 2000.

**LD 2280 Resolve, Authorizing the State Tax Assessor to Convey the Interest RESOLVE 91
of the State in Certain Real Estate in the Unorganized Territory**

<u>Sponsor(s)</u> RUHLIN		<u>Committee Report</u> OTP-AM		<u>Amendments Adopted</u> S-494
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LD 2280 proposed to authorize the State Tax Assessor to convey the interest of the State in several parcels of real estate in the unorganized territory that were acquired for nonpayment of property taxes.

Committee Amendment “A” (S-494) proposed technical corrections.

Enacted Law Summary:

Resolve 1999, chapter 91 authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the unorganized territory that were acquired for nonpayment of property taxes.

**LD 2281 An Act to Grant Municipalities Greater Flexibility in their PUBLIC 550
Arrangements for Tax Base Sharing Agreements**

<u>Sponsor(s)</u> MILLS		<u>Committee Report</u> OTP		<u>Amendments Adopted</u>
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LD 2281 proposed to permit municipalities that are parties to a tax base sharing agreement to specify a period of time within which the municipality collecting taxes must remit the respective shares of collected taxes to the municipalities that are parties to the tax base sharing agreement.

Enacted Law Summary:

Public Law 1999, chapter 550 permits municipalities that are parties to a tax base sharing agreement to specify a period of time within which the municipality collecting taxes must remit the respective shares of collected taxes to the municipalities that are parties to the tax base sharing agreement.