

MAINE STATE LEGISLATURE

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**STATE OF MAINE
120TH LEGISLATURE**

FIRST REGULAR SESSION

**BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
TAXATION**

AUGUST 2001

Staff:

Julie S. Jones, Legislative Analyst

**Office of Fiscal and Program Review
5 State House Station
Augusta, ME 04333-0005
(207) 287-1635**

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Sen. Kenneth F. Lemont
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OFFICE OF FISCAL AND PROGRAM REVIEW

5 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0005
Telephone: (207) 287-1635
FAX: (207) 287-6469

MEMORANDUM

To: Members, Joint Standing Committee on Taxation

From: Julie S. Jones, Legislative Analyst

Date: August 22, 2001

Re: Bill Summaries, 120th 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 120th 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 21, 2001. 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 the 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*

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.

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 interim.

Joint Standing Committee on Taxation

LD 803

An Act to Implement the Recommendations of the Joint Standing Committee on Taxation Resulting from Its Review of Income Tax Expenditures Pursuant to the Maine Revised Statutes, Title 36, chapter 9

PUBLIC 177

Sponsor(s)

Committee Report

Amendments Adopted

OTP-AM

S-101

LD 803 contained the recommendations of the Joint Standing Committee on Taxation as a result of its review of income tax expenditures pursuant to the Maine Revised Statutes, Title 36, chapter 9.

The bill proposed to:

1. Delete the income tax deduction for "seller-sponsored loans" because the provision does not appear to have been used since its enactment in 1983;
2. Repeal the deduction for 1985-87 tax conformity adjustments because they are obsolete;
3. Amend the deduction for the new jobs credit to indicate the change of name of the credit on the federal level;
4. Amend terms used in the credit for employer-assisted day care to resolve a conflict resulting from changes made in 1999 and to reflect changes in terminology enacted in Public Law 1999, chapter 708; and
5. Repeal the 1987 tax conformity credit because it is obsolete.

Committee Amendment "A" (S-101) proposed to strike from the bill sections amending the quality child care credit in order to avoid conflict with other legislation. These provisions were included in the Committee amendment to LD 1613.

Enacted Law Summary:

Public Law 2001, chapter 177 contains the recommendations of the Joint Standing Committee on Taxation as a result of its review of income tax expenditures pursuant to the Maine Revised Statutes, Title 36, chapter 9.

The bill accomplishes the following.

1. It deletes the income tax deduction for "seller-sponsored loans" because the provision does not appear to have been used since its enactment in 1983.
2. It repeals the deduction for 1985-87 tax conformity adjustments because they are obsolete.
3. It amends the deduction for the new jobs credit to indicate the change of name of the credit on the federal level.
4. It repeals the 1987 tax conformity credit because it is obsolete.