

MAINE STATE LEGISLATURE

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*State Of Maine
120th Legislature*

Second Regular Session

Bill Summaries

*Joint Standing Committee
on
Taxation*

May 2002

Members:

*Sen. Kenneth T. Gagnon, Chair
Sen. Kenneth F. Lemont
Sen. Richard Kneeland*

*Rep. Bonnie Green, Chair
Rep. Stephen S. Stanley
Rep. Rosita Gagne*

*Rep. Joseph C. Perry
Rep. Bernard E. McGowan
Rep. Janet L. McLaughlin
Rep. Eleanor M. Murphy
Rep. John T. Buck
Rep. Randall L. Bumps
Rep. David E. Bowles*

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Maine State Legislature
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120th Legislature
Second Regular Session

Summary Of Legislation Before The Joint Standing Committees
May 2002

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing select committees of the Maine Legislature this past session. The document is a compilation of bill summaries which describe each bill and relevant amendments, as well as the final action taken. Also included are statistical summaries of bill activity this session for the Legislature and each of its joint standing committees.

The document is organized for convenient reference to information on bills considered by the committees. It is arranged alphabetically by committee name and within committees by bill (LD) number. The committee report(s), prime sponsor for each bill and the lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are listed by paper number. Two indices, a subject index and a numerical index by LD number are provided for easy reference to bills. They are located at the back of the document. A separate publication, History and Final Disposition of Legislative Documents, may also be helpful in providing information on the disposition of bills. These bill summaries also are available at the Law and Legislative Reference Library and on the Internet (www.state.me.us/legis/opla).

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:

| | |
|---|--|
| <i>CON RES XXX</i> | <i>Chapter # of Constitutional Resolution passed by both Houses</i> |
| <i>CONF CMTE UNABLE TO AGREE</i> | <i>Committee of Conference unable to agree; bill died</i> |
| <i>DIED BETWEEN BODIES</i> | <i>House & Senate disagree; bill died</i> |
| <i>DIED IN CONCURRENCE</i> | <i>One body accepts ONTP report; the other indefinitely postpones the bill</i> |
| <i>DIED ON ADJOURNMENT</i> | <i>Action incomplete when session ended; bill died</i> |
| <i>EMERGENCY</i> | <i>Enacted law takes effect sooner than 90 days</i> |
| <i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i> | <i>Emergency bill failed to get 2/3 vote</i> |
| <i>FAILED ENACTMENT/FINAL PASSAGE</i> | <i>Bill failed to get majority vote</i> |
| <i>FAILED MANDATE ENACTMENT</i> | <i>Bill imposing local mandate failed to get 2/3 vote</i> |
| <i>NOT PROPERLY BEFORE THE BODY</i> | <i>Ruled out of order by the presiding officers; bill died</i> |
| <i>INDEF PP</i> | <i>Bill Indefinitely Postponed</i> |
| <i>ONTP</i> | <i>Ought Not To Pass report accepted</i> |
| <i>OTP ND</i> | <i>Committee report Ought To Pass In New Draft</i> |
| <i>OTP ND/NT</i> | <i>Committee report Ought To Pass In New Draft/New Title</i> |
| <i>P&S XXX</i> | <i>Chapter # of enacted Private & Special Law</i> |
| <i>PASSED</i> | <i>Joint Order passed in both bodies</i> |
| <i>PUBLIC XXX</i> | <i>Chapter # of enacted Public Law</i> |
| <i>RESOLVE XXX</i> | <i>Chapter # of finally passed Resolve</i> |
| <i>UNSIGNED</i> | <i>Bill held by Governor</i> |
| <i>VETO SUSTAINED</i> | <i>Legislature failed to override Governor's Veto</i> |

Please note the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is July 25, 2002.

Patrick T. Norton, Interim Director
Offices located in Room 215 of the Cross Office Building

Joint Standing Committee on Taxation

LD 1873

An Act to Amend the Tax Laws

**PUBLIC 583
EMERGENCY**

| | | | | |
|-----------------------------|--|-----------------------------------|--|------------------------------------|
| <u>Sponsor(s)</u> GAGNON | | <u>Committee Report</u> OTP-AM | | <u>Amendments Adopted</u> S-444 |
|-----------------------------|--|-----------------------------------|--|------------------------------------|

LD 1873 proposed to make the following changes to the laws governing taxation.

1. It proposed to provide that if a person receives notice of an assessment and does not file a request for reconsideration within the specified time period, the State Tax Assessor may not reconsider the assessment and no review is available in Superior Court, regardless of whether the taxpayer subsequently makes payment and requests a refund.
2. It proposed to amend the provisions regarding time of filing or payment of taxes to include filing or payment via a delivery service other than the United States Postal Service.
3. It proposed to amend the provisions regarding levy and sale of property.
4. It proposed to amend the provisions governing injunctions.
5. It proposed to change the method by which the interest rate applied to the late payment of taxes is calculated.
6. It proposed to amend the definition of "primarily" in the Sales and Use Tax Law.
7. It proposed to amend the provisions regarding the employment of an assessor by a municipal assessing unit, reporting use tax on individual income tax returns, personal exemptions and the payment of estimated tax.

Committee Amendment "A" (S-444) proposed to correct a misspelled word and change proposed language to further clarify the meaning of the term "primarily" in the sales tax law and the application of a provision related to penalties for underpayment of 4th quarter installment payments of estimated income tax.

Enacted Law Summary:

Public Law 2001, chapter 583 makes the following changes to the laws governing taxation:

1. It provides that if a person receives notices of an assessment and does not file a request for reconsideration within the specified time period, the State Tax Assessor may not reconsider the assessment and no review is available in Superior Court, regardless of whether the taxpayer subsequently makes payment and requests a refund.
2. It amends the provisions regarding time of filing or payment of taxes to include filing or payment via a delivery service other than the United States Postal Service.
3. It amends the provisions regarding levy and sale of property.
4. It amends the provisions governing injunctions.

Joint Standing Committee on Taxation

5. Effective January 1, 2003, it changes the methods by which the interest rate applied to the late payment of taxes is calculated.
6. It amends the definition of “primarily” in the Sales and Use Tax Law.
7. It amends the provisions regarding the employment of an assessor by the municipal assessing unit, reporting use tax on individual income tax returns, personal exemptions and the payment of estimated tax.

This bill was enacted as an emergency measure and, except as otherwise indicated, took effect April 1, 2002.

LD 1894

An Act Regarding Cigarette Tax Stamps

ONTP

Sponsor(s)
DAGGETT

Committee Report
ONTP MAJ
OTP-AM MIN

Amendments Adopted

LD 1894 proposed to change the law regarding cigarette tax stamps enacted by the First Regular Session of the 120th Legislature by replacing it with the law that was previously in effect. Current law requires the State Tax Assessor to sell cigarette stamps to licensed cigarette distributors at a discount of 2.16% from face value for stamps sold prior to July 1, 2002 and 2.03% for stamps sold on or after July 1, 2002. This bill proposed to require the State Tax Assessor to sell these stamps at a discount of 2.5% from face value and to apply this change retroactively to July 1, 2001.

Committee Amendment “A” (S-442) proposed to maintain the distributor discount on cigarette tax stamps at the current amount of 2.16% and eliminate the scheduled reduction on July 1, 2002 to 2.03%.

LD 1966

An Act to Amend the Laws Relating to Development Districts

PUBLIC 669

Sponsor(s)
GAGNON
RICHARDSON

Committee Report
OTP-AM

Amendments Adopted
S-547

LD 1966 proposed to amend the provisions of law relating to municipal development districts and tax increment financing districts.

Committee Amendment “B” (S-547) proposed to make changes to improve and clarify the reorganization of the laws relating to development districts and tax increment financing districts. The amendment proposed to clarify the application of the laws to districts designated before the effective date of the Act and to require that a development program for a development district include all documentation submitted to or prepared by the municipality when considering the economic benefit of the district to the municipality and the potential economic detriment to other businesses in the municipality.