

# MAINE STATE LEGISLATURE

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*State Of Maine  
122nd Legislature*

*First Regular Session and  
First Special Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Taxation*

*August 2005*

**Members:**

*Sen. Joseph C. Perry, Chair  
Sen. Ethan Strimling  
Sen. Jonathan T. E. Courtney*

*Rep. Richard G. Woodbury  
Rep. Herbert E. Clark  
Rep. Deborah J. Hutton  
Rep. Raymond G. Pineau  
Rep. Thomas R. Watson  
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Rep. Earle L. McCormick  
Rep. Leonard Earl Bierman  
Rep. Bruce Q. Hanley*

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Maine State Legislature

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122nd Legislature
First Regular Session and First Special Session

Summary of Legislation Considered by the Joint Standing Committees
August 2005

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 organized by committees 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. A subject index for each committee is included immediately before the bill summaries for that committee, and a numerical index by LD number is included 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:

- 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

Please note the effective date for all non-emergency legislation enacted in the First Regular Session (unless otherwise specified in a particular law) is June 29, 2005; and for non-emergency legislation enacted in the First Special Session is September 17, 2005.

## Joint Standing Committee on Taxation

timberlands are held for at least 19 years after January 1, 2005, the tax deduction is 100% of the gain on the sale of the eligible timberlands.

**Committee Amendment "A" (H-403)** proposed to add a requirement that eligible timberlands be sustainably managed. This amendment also provided that the amount of the deduction would increase from 1/15th of the capital gains to 100% incrementally over a 15-year period beginning after the 10th year of ownership.

This bill, and its adopted amendment, were carried over on the Special Appropriations Table by S.P. 640 to the next special or regular session of the 122<sup>nd</sup> Legislature.

### *Enacted law summary*

Public Law 2005, chapter 416 provides an income tax deduction to individuals and corporations for the taxable gain on the sale of sustainably managed eligible timberlands held for at least a 10-year period beginning on or after January 1, 2005. The amount of the deduction increases over a 15-year from 1/15th of the taxable capital gain for eligible timberlands held for at least 10 years after 2005 to 100% of the capital gain if the eligible timberlands are held for at least 24 years after 2005.

**LD 1314**

**An Act To Provide Safety Net Funds**

**ONTP**

Sponsor(s)  
PINGREE

Committee Report  
ONTP

Amendments Adopted

LD 1314 proposed to increase the cigarette tax by 4¢ and appropriate the additional funds for the Department of Health and Human Services, Bureau of Health to provide grants to federally qualified health centers and federal Indian Health Service-supported centers.

See also LD 1448 and LD 1617. A \$1.00 cigarette tax increase was enacted in Part AA of Public Law 2005, chapter 457.

**LD 1328**

**An Act To Amend the Maine Tree Growth Tax Law To Encourage Public Access CARRIED OVER**

Sponsor(s)  
MARTIN  
PINEAU

Committee Report

Amendments Adopted

LD 1328 proposed to deny Maine Tree Growth Tax Law eligibility for a parcel of land to which public access for recreational use is limited or prohibited.

This bill was carried over by H.P. 1203 to the next special or regular session of the 122<sup>nd</sup> Legislature.

See also LD 851 and LD 988.