

# MAINE STATE LEGISLATURE

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*State Of Maine  
122nd Legislature*

*Second Regular Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Taxation*

*July 2006*

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**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. Thomas R. Watson  
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Rep. Leonard Earl Bierman  
Rep. Bruce Q. Hanley*

# Maine State Legislature



## Office of Policy and Legal Analysis Office of Fiscal and Program Review

### 122nd Maine Legislature Second Regular Session

#### Summary of Legislation Before The Joint Standing Committees

Enclosed please find a summary of all bills, resolves, joint study orders, joint resolutions and Constitutional resolutions that were considered by the joint standing 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/billsumm.htm](http://www.state.me.us/legis/opla/billsumm.htm)).

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
P&S XXX.....	Chapter # of enacted Private & Special Law
PASSED.....	Joint Order passed in both bodies
PUBLIC XXX.....	Chapter # of enacted Public Law
RESOLVE XXX.....	Chapter # of finally passed Resolve
UNSIGNED (Pocket Veto).....	Bill held by Governor
VETO SUSTAINED.....	Legislature failed to override Governor's Veto

Please note that the effective date for all non-emergency legislation enacted in the Second Regular Session (unless otherwise specified in a particular law) is August 23, 2006.

## Joint Standing Committee on Taxation

It allows bonus depreciation, Section 179 expense and net operating loss addition modifications claimed by a C corporation to be recaptured by individual shareholders of the corporation if it elects to be treated as an S corporation in a subsequent year.

It excludes from the Maine estate tax real and tangible personal property owned by a resident of the State that is not located in the State.

It allows a taxpayer to qualify for the 80% employment tax increment financing benefit for employment inside a Pine Tree Development Zone even if it also claims a jobs and investment tax credit for qualified investment outside a Pine Tree Development Zone.

**LD 1729**

**An Act To Promote College Savings Accounts**

**ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DRISCOLL BARTLETT	ONTP	

LD 1729 was a concept draft pursuant to Joint Rule 208 that proposed to amend the law to provide a state income tax deduction for contributions to in-state and out-of-state qualified state tuition programs, or “529 college savings plans.”

The substance of this bill was incorporated into the Supplemental Budget Bill as Public Law 2005, chapter 519, Part LLL, LD 1968, An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Years Ending June 30, 2006 and June 30, 2007.

**LD 1739**

**RESOLUTION, Proposing an Amendment to the Constitution of  
Maine To Create a Property Tax Exemption for Lobster Traps**

**DIED BETWEEN  
BODIES**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ANDREWS	ONTP MAJ OTP-AM MIN	S-552

LD 1739 was a concept draft pursuant to Joint Rule 208 that proposed to clarify the law regarding the taxable status of lobster traps and eliminate the inconsistent treatment of lobster traps from municipality to municipality.

**Committee Amendment “A” (S-552)** proposed to amend the Constitution of Maine to establish a property tax exemption for lobster traps.

See also LDs 2052 and 2053.