

# MAINE STATE LEGISLATURE

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*State Of Maine  
122nd Legislature*

*Second Regular Session*

*Bill Summaries*

*Joint Standing Committee  
on  
Taxation*

*July 2006*

**Staff:**

*Julie S. Jones, Senior Analyst*

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

**Members:**

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Sen. Ethan Strimling  
Sen. Jonathan T. E. Courtney*

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# 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

**LD 1749**

**An Act To Clarify the Taxable Status of Processing Fees Charged  
in Connection with Cancelled Lodging Reservations**

**PUBLIC 675**

<u>Sponsor(s)</u> COWGER KOFFMAN	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> S-530
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LD 1749 proposed to clarify the sales tax law to provide a sales tax exemption for processing fees or forfeited advance deposits held by an innkeeper in connection with a cancelled reservation or the failure of a guest to be present on the scheduled day of arrival.

**Committee Amendment “A” (S-530)** proposed to clarify the taxable status of forfeited deposits and cancellation fees for rental of living quarters under the sales tax by providing that those deposits or fees are not subject to sales tax if the rental is cancelled on or before the scheduled date of arrival. The amendment proposed to make this clarification retroactive to January 1, 2001 and to provide that a person who has paid or collected sales tax on forfeited deposits or cancellation fees would not be entitled to a refund.

### *Enacted law summary*

Public Law 2005, chapter 675 clarifies the taxable status under the sales tax laws of forfeited deposits and cancellation fees for rental of living quarters by providing that those deposits or fees are not subject to sales tax if the rental is cancelled on or before the scheduled date of arrival. The clarification is retroactive to January 1, 2001 and provides that a person who has paid or collected sales tax on forfeited deposits or cancellation fees is not entitled to a refund.

**LD 1751**

**An Act Concerning Technical Changes to the Tax Laws**

**PUBLIC 618**

<u>Sponsor(s)</u> PERRY J WOODBURY	<u>Committee Report</u> OTP-AM A OTP-AM B	<u>Amendments Adopted</u> S-571
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LD 1751 is the annual bill presented by the Department of Administrative and Financial Services, Bureau of Revenue Services to make technical changes to the laws governing taxation. In addition to correcting punctuation errors, standardizing archaic language and correcting cross-references, the bill proposed to make the following changes to the laws governing taxation.

It proposed to add a definition of “manufactured housing” to the sales and use tax law. The definition being added is the one that has been applied administratively by the Department of Administrative and Financial Services, Bureau of Revenue Services.

It proposed to eliminate a sales tax exemption that is not currently being administered because the Office of the Attorney General has advised the Bureau of Revenue Services that it violates the commerce clause of the United States Constitution.

It proposed to replace the imprecise phrase “mobile and modular homes” with the defined term “manufactured housing.”