

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. Harold A. Clough
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Rep. Earle L. McCormick
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).

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.

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Residents Property Tax Program, the so-called “circuit breaker program,” from \$2,000 to \$5,000 and to increase the renters benefit from 20% to 22%.

LD 2026 **An Act To Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning Conformity with Federal Tax Laws** **DIED BETWEEN BODIES**

<u>Sponsor(s)</u>	<u>Committee Report</u> ONTP MAJ OTP-AM MIN	<u>Amendments Adopted</u>
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LD 2026 was a recommendation of the Study Commission Regarding Liveable Wages established in Resolve 2005, chapter 128. The bill proposed to amend Maine's tax laws to achieve conformity with federal tax laws regarding the child care credit, personal exemption and child tax credit.

LD 2027 **An Act To Implement Recommendations of the Study Commission Regarding Liveable Wages Concerning the State Earned Income Tax Credit** **DIED BETWEEN BODIES**

<u>Sponsor(s)</u>	<u>Committee Report</u> ONTP MAJ OTP-AM MIN	<u>Amendments Adopted</u>
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LD 2027 was a recommendation of the Study Commission Regarding Liveable Wages, established in Resolve 2005, chapter 128, that proposed to expand the Maine earned income tax credit by increasing it to 30% of the federal credit and by making it refundable.

LD 2039 **An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2006-07** **PUBLIC 624 EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> H-952 S-630 MARTIN
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LD 2039 proposed to establish municipal cost components for state and county services provided to the unorganized territory that would be paid for by a municipality. The municipal cost components constitute the property tax for the unorganized territory.

Committee Amendment “A” (H-952) proposed statutory changes to apply growth limitations to spending and taxes under the municipal cost component that parallel state and local limitations and to direct the Commission to Study the Cost of Providing Certain Services in the Unorganized Territories to review the new growth limitations and make recommendations for retaining, amending or repealing those limitations to the joint standing committee

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of the Legislature having jurisdiction over taxation matters as part of its reporting responsibilities under Resolve 2005, chapter 125.

Senate Amendment “A” to Committee Amendment “A” (S-630) proposed to allow a governmental body to exceed or increase the county growth limitation only if a majority of the members of the county budget committee or county advisory committee and the county commissioners agree to that action. The amendment also proposed to require the Commission To Study the Cost of Providing Certain Services in the Unorganized Territories to develop a new budget funding mechanism for the office of the fiscal administrator of the unorganized territory that promotes budget transparency and provides better fiscal accountability.

Enacted law summary

Public Law 2005, chapter 624 establishes municipal cost components for state and county services provided to the unorganized territory that would be paid for by a municipality. The municipal cost components constitute the property tax for the unorganized territory.

Chapter 624 also includes statutory changes to apply growth limitations to spending and taxes under the municipal cost component that parallel state and local limitations and directs the Commission to Study the Cost of Providing Certain Services in the Unorganized Territories to review the new growth limitations and make recommendations for retaining, amending or repealing those limitations to the joint standing committee of the Legislature having jurisdiction over taxation matters as part of its reporting responsibilities under Resolve 2005, chapter 125. The commission is also directed to develop a new budget funding mechanism for the office of the fiscal administrator of the unorganized territory that promotes budget transparency and provides better fiscal accountability.

Public Law 2005, chapter 624 was enacted as an emergency measure effective May 4, 2006.

LD 2048

An Act To Strengthen Maine's Craft Brewers

**DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
EDMONDS RICHARDSON J	OTP-AM MAJ ONTP MIN	S-588

LD 2048 proposed to provide the following tax incentives to malt liquor brewers:

The bill proposed a tax credit against the excise taxes imposed on malt liquor manufactured and sold in Maine by a brewer equal to 17.5¢ per gallon of malt liquor manufactured in Maine and exported from the State. The credit would be limited to 50% of the amount of excise taxes due. The percentage of malt liquor that is eligible for the credit is 90% of the amount produced and exported in the first year and is reduced by 10% each year. If a brewer increases its production and export of malt liquor by 10% in a year, an additional credit would be allowed for the excess.

The bill proposed to provide a nonrefundable credit against income taxes paid by a Maine brewer equal to 50% of the payroll taxes withheld by that brewer for each employee employed in the State for the manufacture of malt liquor above the number of employees employed by the brewer in the State for the manufacture of malt liquor in 2005, or the first year of business of the brewer, whichever is later.