

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
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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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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.

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Both the excise tax credit and the income tax credit would expire on December 31, 2016.

Committee Amendment “A” (S-588) proposed to make changes to the provisions of the bill relating to the malt liquor excise tax credit to apply the credit based on the fiscal year rather than on the year of production. The amendment also proposed to replace the income tax credit with an expansion of the employment tax increment financing program to provide an enhanced reimbursement for qualified brewers who add qualified employees. The amendment proposed that the excise tax credit and enhanced employment tax increment financing reimbursement be repealed March 1, 2010 unless the Commissioner of Economic and Community Development certifies that the number of new employees of qualified brewers for which reimbursement was made in 2009 has increased at least 10% over total 2006 employment.

This bill and its adopted amendment were placed on the Special Appropriations Table and died on adjournment of the Second Regular Session.

LD 2052	RESOLUTION, Proposing an Amendment to the Constitution of Maine To Create a Property Tax Exemption for Property Owners with Limited Personal Property Assessments	INDEF PP
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WOODBURY COURTNEY	OTP-AM MAJ ONTP MIN	H-877

LD 2052 proposed an amendment to the Constitution of Maine to provide a property tax exemption for personal property of a person who owns otherwise taxable personal property with a just value of no more than \$20,000.

See also LDs 1739, and 2053.

LD 2053	An Act To Simplify and Relieve Personal Property Taxes for Small Businesses	ONTP
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WEBSTER	ONTP	

LD 2053 proposed property tax exemptions for certain personal property owned by small businesses. A person with up to \$20,000 of business personal property would be entitled to an exemption for that property. A person with up to \$100,000 of personal property that would be eligible for the BETR program would be entitled to a property tax exemption for that property. The bill also proposed to require the State to reimburse municipalities and the unorganized territory for 100% of the property tax revenue loss resulting from the exemptions.

See also LDs 1739 and 2052.