

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.

Joint Standing Committee on Taxation

LD 2075

An Act To Create the Taxpayer Bill of Rights

ONTP

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

LD 2075 is a citizen-initiated bill under Article IV, Part 3, section 18 of the Maine Constitution. It proposed to restrain the growth in state and local government by imposing tax and expenditure limitations on state and local government and by requiring a procedure of voter approval of tax and fee increases.

Under LD 2075, growth in annual expenditures of the General Fund, the Highway Fund, quasi-governmental organizations, Other Special Revenue funds and local district governments would be limited according to a formula based on changes in population and inflation. Growth in budgets of school administrative units and state-level educational institutions is limited according to changes in inflation and student enrollment. For the General Fund and Highway Fund budgets, revenues exceeding the expenditure limitation must be distributed by directing 20% of that excess to a budget stabilization fund and 80% of that excess to a tax relief fund. The budget stabilization funds may be used only in years when revenues are not sufficient to fund the level of expenditure permitted by the growth limits. The tax relief funds must be used to provide tax relief. For quasi-governmental agencies and state agencies that manage Other Special Revenue funds, the managers of those funds must report excess surpluses to the Legislature with a plan for refund of those revenues.

Under LD 2075, any increase in revenue would be possible only by a 2/3 vote of each House of the Legislature or the legislative body of a local district or the governing body of a quasi-governmental agency and the approval of the voters of the jurisdiction, if applicable.

Committee Amendment “A” (H-1106) proposed to incorporate a fiscal note.

As a citizen-initiated bill, under the terms of the Maine Constitution, LD 2075 will be submitted to the voters for approval at the general election on November 7, 2006.

LD 2079

An Act To Encourage the Preservation of Historic Structures

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GAGNON	ONTP	
MARRACHE		

LD 2079 proposed to provide an additional income tax credit for the rehabilitation of historic properties not to exceed \$100,000 annually per taxpayer for expenditures that meet the requirements in current law for a tax credit for the rehabilitation of historic properties and that are expended for a certified historic structure located in a municipality that is eligible to receive a distribution from the Disproportionate Tax Burden Fund in at least one month during the calendar year that expenditures are made and that has experienced a decline in population as determined by the latest Federal Decennial Census. The bill also provides that a tax credit for the rehabilitation of historic properties is transferable.

See also LD 1775 and Public Law 2005, chapter 519, Part H, the Supplemental Budget Bill, LD 1968, An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change

Joint Standing Committee on Taxation

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 2084 **An Act To Clarify the Taxable Status of Parts Provided under Service Contracts** **DIED ON ADJOURNMENT**

<u>Sponsor(s)</u> ROTUNDO CRAVEN	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> S-551
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LD 2084 proposed a sales tax exemption for parts provided to a nonprofit entity for the repair of equipment pursuant to a service contract.

Committee Amendment “A” (S-551) proposed to clarify that the exemption would apply to parts used in performance of a service contract for an organization or government agency if the parts would have been exempt if purchased directly by the organization or government agency.

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

LD 2085 **An Act To Clarify the Sales Tax Exemption for Air Ambulance Services** **DIED ON ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u> OTP-AM	<u>Amendments Adopted</u> S-589
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LD 2085 proposed to exempt from sales tax sales made on or after December 1, 2004 to an air ambulance service established as a limited liability company if all of the members of the limited liability company were incorporated nonprofit organizations.

Committee Amendment “A” (S-589) proposed to apply the sales tax exemption to nonprofit ambulance services that are not incorporated and to apply the exemption retroactively to sales to an air ambulance service that is organized as a limited liability company if all of the members of the company are incorporated nonprofit organizations.

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