

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
123<sup>RD</sup> LEGISLATURE  
FIRST REGULAR SESSION



Summaries of bills and adopted amendments and laws enacted or finally passed during the First Regular Session of the 123<sup>rd</sup> Maine Legislature coming from the

**JOINT STANDING COMMITTEE ON TAXATION**

July 2007

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# STATE OF MAINE

123<sup>RD</sup> LEGISLATURE

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## LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS



This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all bills and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 123<sup>rd</sup> Maine Legislature, which was in session from December 6, 2006 to June 21, 2007.

The *Digest* is arranged alphabetically by committee, and within each committee by LD number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each bill title. All adopted amendments are summarized and listed by paper number. A subject index is included with each committee. The appendices include a summary of relevant session statistics, an index of all bills by LD number and an index of enacted laws by law type and chapter number.

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 (or Accepted ONTP report).....	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.....	Bill held by Governor
VETO SUSTAINED.....	Legislature failed to override Governor's Veto

Please note that the effective date for non-emergency legislation enacted in the First Regular Session is **September 20, 2007**. The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills.

## *Joint Standing Committee on Taxation*

**LD 157      RESOLUTION, Proposing an Amendment to the Constitution of Maine  
To Lower the Income Tax      ONTP**

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

This constitutional resolution establishes a timetable for phasing in a reduction in the maximum individual income tax rate to 3.5% over 5 years. It also phases in an income tax exemption of up to \$20,000 over that same time period.

**LD 158      An Act To Allow a Local Option Sales Tax      ONTP**

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

This bill allows a municipality to adopt a local option sales tax up to 4% on prepared food and lodging. Revenue must be placed in a special account to be used to reduce property taxes.

**LD 171      An Act To Establish a Voluntary Tax Account      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LANSLEY COURTNEY	ONTP	

This bill establishes the Tax ME More Fund funded by a checkoff on the individual income tax form to allow a taxpayer to donate a portion of a tax refund or make a donation with the tax return.

This bill also requires the InforME Board to develop a method to accept contributions to the Tax ME More Fund using the State's website.

**LD 172      An Act To Increase the Property Tax Exemption for Veterans      DIED ON  
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
NASS J NASS R	OTP-AM	H-385

This bill increases the property tax exemption for post-World War I veterans and their eligible survivors from \$5,000 to \$6,000.

**Committee Amendment "A" (H-385)**

This amendment adds an appropriations and allocations section.

This bill was placed on the Special Appropriations Table and died on adjournment. The provisions of this bill were included in the biennial budget bill, Public Law 2007, chapter 240, Part PPPP.

## *Joint Standing Committee on Taxation*

See also LD 566.

**LD 174      An Act To Increase the County Share of the Real Estate Transfer Tax      ONTP**

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

This bill increases the portion of the real estate transfer tax that is retained by a county to 30%, from the current level of 10%, by increasing the percentage 10% each of 2 years, beginning February 2008.

**LD 179      An Act To Make Changes to the Maine Residents Property Tax Program      ONTP**

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

This bill allows certain homeowners who rent their homesteads for up to 31 days in the aggregate during the year to qualify for benefits under the Maine Residents Property Tax Program and prorates benefits to reflect the rental period.

This bill also provides that the earned income of a child who is a full-time postsecondary student is not counted for the purposes of a parent's claim under the Maine Residents Property Tax Program.

**LD 206      An Act To Provide an Inflation Adjustment to the Income Tax Exemption for Private, Public and Military Pensions      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CROCKETT SAVAGE C	ONTP	

This bill requires the amount of the deduction from income received as pension benefits to be adjusted annually based on the Consumer Price Index.

**LD 207      An Act To Reduce the Meals and Lodging Tax      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CRESSEY PLOWMAN	ONTP	

This bill reduces the taxes imposed on lodging and prepared meals from 7% to 5%.