

MAINE STATE LEGISLATURE

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STATE OF MAINE
123RD LEGISLATURE
FIRST REGULAR SESSION



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

JOINT STANDING COMMITTEE ON TAXATION

July 2007

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STATE OF MAINE

123RD LEGISLATURE

FIRST REGULAR SESSION

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 123rd 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

practices and make recommendations to the Second Regular Session of the 123rd Legislature.

Committee Amendment "A" (H-75)

This amendment removes from the bill statutory provisions relating to the procedures for valuation of property for tax purposes and makes the bill a resolve.

This amendment also changes the membership and duties of the Property Tax Assessment Review Committee.

The Legislative Council authorized the Taxation Committee to conduct this review during regularly authorized interim meetings.

LD 262 An Act To Amend the Credit for Rehabilitation of Historic Properties

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KOFFMAN MARTIN		H-595

This bill changes the amount of historic rehabilitation tax credit a taxpayer may take if the taxpayer received a credit under the United States Internal Revenue Code from an amount equal to the credit the taxpayer received under the Code to an amount equal to 25% of the expenditures incurred after December 31, 1999 for a certified historic structure. This bill also allows a historic rehabilitation tax credit for a taxpayer who did not receive a credit under the United States Internal Revenue Code of 25% of expenditures if the taxpayer expended from \$50,000 to \$250,000 on a certified historic structure. This bill makes the credit fully refundable and authorizes the State Historic Preservation Officer to establish a schedule of fees for the historic rehabilitation tax credit program, the proceeds of which will go to administering the program.

Committee Amendment "A" (H-595)

This amendment changes future historic rehabilitation tax credits a taxpayer may take if the taxpayer received a credit under the United States Internal Revenue Code from an amount equal to the credit the taxpayer received under the Code to an amount equal to 25% of the expenditures incurred. This amendment also allows a historic rehabilitation tax credit for a taxpayer who did not receive a credit under the United States Internal Revenue Code of 25% of expenditures if the taxpayer expended from \$50,000 to \$250,000 on a certified historic structure. This amendment makes the credit refundable and authorizes the State Historic Preservation Officer to establish a schedule of fees for certifying the historic structures and certifying rehabilitations in the State, the proceeds of which will go to administering the program. The amendment sunsets the credit in 2013. The Maine Historic Preservation Commission shall submit an analysis of the use of the credit to the joint standing committee of the Legislature having jurisdiction over taxation matters by January 15, 2013.

This bill was removed from the Special Appropriations Table, recommitted and carried over to any special or regular session of the 123rd Legislature by joint order, H.P. 1369.

See also LDs 816 and 1356.

LD 263 An Act To Reduce the Property Tax Burden

ONTP

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

Joint Standing Committee on Taxation

This bill increases the taxes imposed on lodging and prepared meals from 7% to 9%. The bill returns 10% of the sales tax collected on lodging and prepared meals to the municipalities in which those taxes were levied; revenue received by a municipality must be used to provide property tax relief to the residents of that municipality.

This bill also requires transfers to the municipalities to be done before transfers to the Tourism Marketing Promotion Fund, which currently receives 5% of the 7% tax imposed on lodging and meals.

LD 276 RESOLUTION, Proposing an Amendment to the Constitution of Maine CARRIED OVER
To Require the Legislature To Freeze the Valuation of Maine Primary Residence Land

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERRY J		

This resolution is a Governor's bill that proposes a constitutional amendment to require the Legislature to provide for freezing the valuation of primary residence land. The resolution proposes payment of a penalty for certain transfers of the primary residence land equal to the difference in taxes for the five years preceding the transfer.

This bill was carried over to any special or regular session of the 123rd Legislature by joint order, H.P. 1369.

LD 288 An Act To Increase the State Share of the Homestead Exemption to ONTP
70%

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

This bill increases the state reimbursement to municipalities under the Maine resident homestead property tax exemption program from 50% to 70% of taxes lost because of the exemption.

LD 298 An Act To Assist Higher Education Debt Reduction ONTP

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

This bill provides an income tax deduction for student loan interest that has not already been deducted from federal adjusted gross income.

See also LDs 53, 368, 948, 1815 and 1856.

LD 302 An Act To Create an Alternative Fuel Vehicle Income Tax Credit and ONTP
an Alternative Fuel Vehicle Rebate

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