

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

This bill was placed on the Special Appropriations Table and died on adjournment.

LD 368 An Act To Encourage Employers To Defray the Cost of College for the Children of Their Employees **ONTP**

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

This bill provides an income tax deduction for contributions made by employers to a Coverdell education savings account of a child of an employee.

See also LDs 53, 298, 948, 1815 and 1856.

LD 394 An Act To Provide a Tax Benefit to Businesses That Invest in Quality Child Care **ONTP**

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

This bill provides an income tax deduction for a business that is located in a Pine Tree Development Zone or within 25 miles of such a zone of up to \$5,000 for 10% of the cost of construction or renovation to a facility for the provision of child care services eligible for a quality differential rate as determined by the Department of Health and Human Services and 25% of the cost of direct support provided to such a facility for child care for employees of the business. A new facility would need to demonstrate eligibility for the differential rate within 12 months of opening.

LD 395 An Act To Use National Standards To Determine Maine's Relative Tax Burden for Purposes of Budget Caps **ONTP**

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

This bill changes the State's tax burden goal for 2015 to be at or below the median for all states and requires that the calculation of the State's state and local tax burden relative to other states for purposes of state and local spending limitations be based solely on data from the United States Census Bureau without adjustments by the State Tax Assessor for the State's unique expenditure tax relief programs. The bill also requires the Governor to include in the biennial budget document an assessment of where the State stands in meeting the tax burden goal. See also LD 1581.

LD 402 An Act To Clarify the Application of the Real Estate Transfer Tax with Regard to Partial Sales of Corporations That Own Real Estate **ONTP**

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

Joint Standing Committee on Taxation

This bill provides that for purposes of the real estate transfer tax involving the transfer of a controlling interest in an entity, the value of the real estate subject to the tax is based only on the percentage of the entity that was transferred during the 12-month period preceding the transaction.

LD 422 An Act To Increase the State Income Tax Exemption for Retired Employees in the Maine State Retirement System and Other Pension Systems to the Same Level as That of Retirees under the Social Security System **ONTP**

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

Current law provides a deduction from the state income tax for the first \$6,000 of income from certain public and private pensions.

This bill increases the maximum income tax deduction for pension income from \$6,000 to the maximum allowable social security benefit reduced by any social security benefits and railroad retirement benefits actually received by the taxpayer. The deduction is required to be adjusted annually to reflect the annual cost-of-living adjustment in social security benefits.

LD 459 An Act To Reduce the Excise Tax on New Vehicles **ONTP**

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

This bill reduces the maker's list price by \$3,000 for the first year for the purpose of calculating motor vehicle excise tax.

LD 460 An Act To Amend the Municipal Excise Tax Reimbursement Fund Law **ONTP**

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

This bill amends the reimbursement procedure for municipalities with respect to excise tax on trucks more than 6 years old and registered for more than 26,000 pounds. Reimbursement is limited to the first 6 registration years.

The bill continues the current excise tax calculation method for trucks for the first 6 tax years, but for the 7th and subsequent tax years the excise tax is based on the vehicle's list price.

LD 527 An Act To Expand Property Tax Benefits for Retired Citizens **ONTP**

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