

# 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

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 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*

This bill creates the retired senior resident homestead property tax exemption to provide a property tax exemption for retired persons of 50% of the just value of that person's homestead. A person is eligible if that person:

1. Is a permanent resident of this State and has had that status for the previous 5 years;
2. Is at least 65 years of age;
3. Is employed fewer than 20 hours per week; and
4. Has a Maine adjusted gross income of less than \$50,000.

The State is required to reimburse the municipality 100% of the taxes lost due to the exemption.

A person must apply for the exemption annually, either by applying to the municipality and providing a copy of the person's income tax form or other suitable verification of income or by using the individual income tax form to obtain a refundable credit.

**LD 528      An Act To Make BETR Better**

**PUBLIC 372**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SMITH N PERRY J	OTP-AM	H-453

This bill provides eligibility under the business equipment tax exemption for used property previously subject to property tax in the State as long as the primary purpose of the acquisition of the property was not to obtain eligibility for the exemption. The bill also makes it a Class E crime to claim an exemption when the primary purpose for the acquisition was to obtain eligibility.

**Committee Amendment "A" (H-453)**

This amendment clarifies that used qualified business property may qualify for the Business Equipment Tax Reimbursement program if it was first placed in service in the State, or constituted construction in progress commenced in the State, after April 1, 1995 and does not qualify for business equipment tax exemption.

**Enacted Law Summary**

Public Law 2007, chapter 372 clarifies that used qualified business property may qualify for the Business Equipment Tax Reimbursement program if it was first placed in service in the State, or constituted construction in progress commenced in the State, after April 1, 1995 and does not qualify for business equipment tax exemption.

**LD 529      An Act To Encourage Newly Retired Veterans To Reside in Maine**

**DIED ON  
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATSON	OTP-AM A OTP-AM B ONTP C	H-560

## *Joint Standing Committee on Taxation*

This bill exempts from the state income tax all military pension and survivors' benefits for military personnel retiring on or after January 1, 2007 received by a Maine resident as a result of service in the active or reserve components of the Army, Navy, Air Force, Marines or Coast Guard.

### **Committee Amendment "A" (H-559)**

This amendment is the majority report of the committee. It strikes and replaces the appropriations and allocations section.

### **Committee Amendment "B" (H-560)**

This amendment is the minority report of the committee. It limits the income tax exemption for newly retired veterans to \$15,000.

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

**LD 530      An Act To Encourage Open Space through Current Use Taxation of Open Space Land Set Aside for Long-term Protection from Development      CARRIED OVER**

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

This bill permits an 85% reduction in property taxes for open space land set aside for long-term protection in a municipality where the voters have determined that there is a critical need for open space land. The withdrawal penalty for open space land set aside for long-term protection is the same as for withdrawal of farmland from classification which is the minimum constitutional penalty.

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

**LD 531      An Act To Improve the Method of Taxing Natural Gas for Highway Use      CARRIED OVER**

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

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to change the method of taxing compressed natural gas used in vehicles so that the BTU value is more accurately reflected and accounted for in determining the tax.

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

**LD 543      Resolve, To Establish the Maine Tree Growth Tax Law Review Committee      CARRIED OVER**

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