

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 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		

Joint Standing Committee on Taxation

This resolve establishes the Maine Tree Growth Tax Law Review Committee to examine and make recommendations regarding a number of administrative issues related to the Maine Tree Growth Tax Law. The committee is required to submit a report of its findings and recommendations to the Joint Standing Committee on Taxation no later than December 15, 2007.

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

LD 544 An Act To Provide Maine Land Conservation Tax Incentives

**DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATSON	OTP-AM MAJ ONTP MIN	H-528

This bill provides a transferable income tax credit for voluntary contributions of land for conservation and for conservation easements that qualify as charitable donations under the federal income tax. The credit is equal to 25% of the value of the donation up to \$500,000 for corporate donors and \$250,000 for other donors.

Committee Amendment "A" (H-528)

This amendment decreases the total amount of the credit from 25% to 15% of the value of the donation, provides that the credit is refundable up to 20% per year instead of being transferable and requires the Commissioner of Conservation to adopt major substantive rules to ensure maximum state benefit from the credit and to ensure that smaller landowners are the primary users of the credit. The amendment also provides that the credit begins with the 2009 tax year and expires after 5 years.

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

**LD 558 An Act To Create Fairness in the Motor Vehicle Excise Tax by
Implementing the Recommendations of the Secretary of State's Task
Force on Registration Fees**

ONTP

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

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

This bill proposes to implement the recommendations of the Secretary of State's task force to study the motor vehicle excise tax and motor vehicle registration fees. The recommendations include:

1. Flattening the current excise tax rate imposed on motor vehicles to provide for a lower initial rate from the current 24 mills and a more gradual decrease in the rate;
2. Phasing in gradually a decrease in the top excise tax rate from 24 mills to 18 mills, the national average;
3. Enhancing the vehicle registration form to make it clear that the motor vehicle excise tax is municipal revenue to be used by the municipality at its discretion;
4. Requiring municipalities to include in their town reports an explanation of the implementation and