

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals  
(may include minor formatting differences from printed original)

**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

**STAFF:**

JULIE S. JONES, SENIOR ANALYST  
ALEXANDRA AVORE, LEGISLATIVE ANALYST  
OFFICE OF FISCAL AND PROGRAM REVIEW  
5 STATE HOUSE STATION  
AUGUSTA, ME 04333  
(207)287-1635

**MEMBERS:**

SEN. JOSEPH C. PERRY, CHAIR  
SEN. ETHAN STRIMLING  
SEN. RICHARD A. NASS

REP. JOHN F. PIOTTI, CHAIR  
REP. HERBERT E. CLARK  
REP. ANNE M. RAND  
REP. THOMAS R. WATSON  
REP. DONALD E. PILON  
REP. RANDY E. HOTHAM  
REP. SCOTT E. LANSLEY  
REP. KATHLEEN D. CHASE  
REP. L. GARY KNIGHT  
REP. RICHARD G. WOODBURY

# 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***

**LD 640      An Act To Assess Farm Buildings at Current Use Value      ONTP**

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

This bill allows buildings used for farming or agricultural activities that are located on farmland to be assessed at their current use value.

**LD 641      An Act To Amend the Nonresident Income Tax Filing Requirements      DIED ON  
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WOODBURY NASS R	OTP-AM MAJ ONTP MIN	H-602

This bill amends the minimum taxability threshold for nonresidents by increasing from 10 to 45 the number of days a nonresident must be performing personal services in Maine before the compensation is considered Maine-source income. This bill also establishes a number of personal services that, when performed in Maine, do not count towards the 45-day threshold.

**Committee Amendment "A" (H-602)**

This amendment provides new minimum taxability thresholds for nonresidents. The new thresholds permit greater income-earning activity by nonresidents in the State before Maine income tax liability is triggered. The amendment also excludes from the determination of taxability in the State up to 24 days of personal services related to certain training, management functions, equipment upgrade and new investment. The amendment also adds an appropriations and allocations section.

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

**LD 665      An Act Regarding the Calculation of Tree Growth Reimbursements to Municipalities      ONTP**

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

This bill changes the formula for calculation of state reimbursement to municipalities for lost revenue under the Maine Tree Growth Tax Law by deleting the adjustment for additional general purpose aid for local schools resulting from the reduced state valuation due to tree growth valuations.

**LD 668      An Act To Reallocate Revenues from the Real Estate Transfer Tax      ONTP**

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

*Joint Standing Committee on Taxation*

This bill requires that, of the portion of real estate transfer tax revenue transferred to the General Fund, the Treasurer of State transfer the first \$2,000,000 to the Land for Maine's Future Fund.

**LD 690 An Act Regarding the Sales Tax**

**ONTP**

Sponsor(s)

PIEH

Committee Report

ONTP

Amendments Adopted

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

This bill proposes to amend the sales tax laws in the following ways:

1. All statutory exemptions from the sales tax would be repealed;
2. The general sales tax rate would be lowered from 5% to 3%;
3. Each business or person collecting sales tax would be entitled to retain 1/2 cent of the 3 cents per dollar imposed;
4. A mechanism would be established to increase or decrease the sales tax rate based on projected revenue shortfalls or surpluses; and
5. All revenue generated by this bill above current sales tax revenue would be used to decrease property tax rates through such methods as increasing education funding and raising the homestead property tax exemption amount.

**LD 693 RESOLUTION, Proposing an Amendment to the Constitution of Maine To Authorize the Legislature To Allow Municipalities To Exempt from Property Tax a Portion of the Value of Homesteads**

**ONTP**

Sponsor(s)

PIEH

Committee Report

ONTP

Amendments Adopted

This resolution proposes to amend the Constitution of Maine to allow the Legislature to allow a municipality to establish a local homestead property tax exemption program by exempting a portion of the just value of an owner's principal residence from taxation.

**LD 716 Resolve, Regarding Legislative Review of Chapter 324: ConnectME Tax Reimbursements, a Major Substantive Rule of Maine Revenue Services**

**RESOLVE 26 EMERGENCY**

Sponsor(s)

PIOTTI

Committee Report

OTP

Amendments Adopted

This resolve provides for legislative review of Chapter 324: ConnectME Tax Reimbursements, a major substantive rule of Maine Revenue Services regarding reimbursement of sales tax on machinery and equipment used to develop advanced communications technology infrastructure.