

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 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.

Joint Standing Committee on Taxation

Enacted Law Summary

Resolve 2007, chapter 26 provides legislative authorization for adoption of a major substantive rule, of the Department of Administrative and Financial Services, Bureau of Revenue Services, Chapter 324: ConnectME Tax Reimbursements, regarding reimbursement of sales tax on machinery and equipment used to develop advanced communications technology infrastructure.

Resolve 2007, chapter 26 is an emergency measure that took effect May 16, 2007.

LD 735 An Act To Provide an Income Tax Exemption for Active Duty Military Pay and Disability Military Pay ONTP

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

This bill exempts from income tax income received by an individual for active duty in the Armed Forces of the United States or as compensation for a disability as a veteran of the Armed Forces of the United States.

LD 736 An Act To Require Notification before Withdrawal of Land from Classification under the Maine Tree Growth Tax Law for Failure To File Certain Statements PUBLIC 425

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATSON MARTIN	OTP-AM	H-577

This bill requires the State Tax Assessor or municipal assessor to provide notice to a landowner who fails to timely file the sworn statement and allow the landowner 6 months to file the sworn statement to avoid having the parcel withdrawn from valuation under the tree growth tax law.

Committee Amendment "A" (H-577)

This amendment replaces the bill and provides that before withdrawing land from classification under the Maine Tree Growth Tax Law the local tax assessor must have provided notice to the owner of the deadline for filing required statements and allowed the landowner 60 days to respond to the notice. The amendment also adds a mandate preamble.

Enacted Law Summary

Public Law 2007, chapter 425 provides that before withdrawing land from classification under the Maine Tree Growth Tax Law the local tax assessor must provide notice to the owner of the deadline for filing required statements and allow the landowner 60 days to respond to the notice.

LD 737 An Act To Promote Forest Management Planning and Certification CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATSON MARTIN		H-585