

# 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

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## 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 1189    An Act To Expand the Maine Residents Property Tax Program**

**ONTP**

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

Under the Maine Residents Property Tax Program, also known as the Circuitbreaker Program, a person whose housing costs were subsidized by government programs that limit housing costs to a percentage of household income is ineligible to participate under the Circuitbreaker Program. This bill repeals that ineligibility, effective for application periods beginning on or after April 1, 2007.

**LD 1192    An Act To Adjust Revenue Sharing Proportions for Education**

**ONTP**

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

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

This bill proposes to change the formula for the distribution of state-municipal revenue sharing. Currently, revenue is transferred from the Local Government Fund to each municipality in proportion to the product of the population of the municipality multiplied by the property tax burden of the municipality. This bill proposes to distribute state-municipal revenue sharing funds to a municipality in proportion to that municipality's tax effort that exceeds the State average full-value rate for education.

**LD 1193    An Act Regarding the Taxation of Income Derived from Out-of-state Trusts**

**ONTP**

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

This bill enacts a credit similar to that provided under the Maine Revised Statutes, Title 36, section 5217-A for income tax paid to another taxing jurisdiction for trust beneficiaries. The bill limits the credit to trust income distributed to a beneficiary when the trust was not entitled to an equivalent credit on the income distributed. The bill provides for a retroactive application to tax years beginning on or after January 1, 2002, but does not affect any agreement or settlement that has been reached prior to July 1, 2007 regarding payment of Maine taxes imposed on the distribution of income to a trust that was taxed in another jurisdiction.

**LD 1211    An Act To Decrease the Property Tax Rate**

**ONTP**

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

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

This bill proposes to implement various measures to reduce property tax rates by 5 mills.