

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

LD 1378 Resolve, To Provide Information to Maine Citizens Regarding Maine's Tax Laws

**DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RAND	OTP-AM	H-571

This resolve requires the State Tax Assessor to compile and mail to all households in Maine information regarding income, sales, meals and lodging, corporate and property taxes as those taxes are imposed in Maine and other states.

Committee Amendment "A" (H-571)

This amendment replaces the resolve with language that requires the State Tax Assessor to make available to citizens certain information regarding the State's tax structure and recent legislative changes to the tax structure.

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

LD 1379 An Act To Create an Income Tax Stabilization Program

ONTP

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

This bill proposes a mechanism to achieve periodic reductions in income tax rates by using revenue in excess of an income tax revenue target for fiscal year 2007-08 of \$1,400,000,000. A comparison of the actual fiscal year revenue excess to the target amount provides the measure by which tax rates are to be adjusted downward for the tax year. This process repeats itself annually until the cumulative 20% reduction is reached.

LD 1380 An Act To Provide Income Tax Relief to Working and Middle-class Families

ONTP

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

This bill increases the taxable income thresholds for heads of household and joint filers by approximately 20%.

LD 1400 An Act To Amend the Laws Governing the Taxation of Partnerships

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERRY J		S-288

This bill provides that in the case of a professional service partnership, the aggregate amount of income that may be considered as derived from or connected with sources in this State and allocated to all qualified nonresident partners may not exceed the total income of the partnership, as reduced by the aggregate amount of income allocated to those partners who are residents of this State or nonqualified nonresident partners. This treatment is retroactive to January 1, 2001.

Joint Standing Committee on Taxation

Committee Amendment "A" (S-288)

This amendment limits the scope of the bill to partnership income related to the practice of law or accountancy. It provides additional clarification regarding the calculation of income by specifying the method for determining reasonable compensation. It also adds an appropriations and allocations section. This treatment applies to tax years beginning on or after January 1, 2007.

This bill was removed from the Special Appropriations Table, recommitted and carried over to any special or regular session of the 123rd Legislature by joint order, H.P. 1369.

LD 1412 RESOLUTION, To Amend the Constitution of Maine To Protect Senior Property Owners

ONTP

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

This resolution proposes to amend the Constitution of Maine to authorize the Legislature to require municipalities to cap property taxes on property owned and occupied as a person's primary residence if that person is at least 65 years of age. The tax would be stabilized at the amount assessed on the property on the later of the property tax year in which the person attained 65 years of age or the year the person purchased the property. Upon transfer of the property to someone other than a family member of the owner, the property would assume the just value at the time of transfer. A municipality could choose not to participate by informing the State Tax Assessor of its choice.

LD 1413 An Act To Set Fees for Services for Tax-exempt Property in Municipalities

CARRIED OVER

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

This bill allows a municipality to assess fees for certain services provided to a tax-exempt institution, other than houses of religious worship, that have assets with a taxable value of more than \$10,000,000 if not for the property tax exemption.

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

LD 1414 An Act To Support Farms and Limit Sprawl

PUBLIC 301

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PIOTTI	OTP-AM	H-407

This bill allows a municipality to enter into arrangements under which the municipality obligates itself to make farm support payments equal to property taxes to the owner of qualified farmland and the owner of that farmland grants to the municipality a limited 30-year easement protecting the farmland from development. The bill directs the Department of Agriculture, Food and Rural Resources to adopt major substantive rules governing such arrangements.