

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

It adds a specific requirement that estates must include in Maine adjusted gross income administrative expenses that were claimed as a deduction for Maine estate tax purposes.

It changes certain requirements relating to payee statements furnished with respect to income that is subject to Maine income tax withholding to make them consistent with federal law.

It amends the forest management planning income tax credit to require that forest land be located in this State in order to be eligible for the credit.

It establishes a penalty similar to that imposed by federal law for failure to furnish accurate and timely statements to payees with respect to income that is subject to Maine income tax withholding.

It makes specific the statutory references to eligible business equipment for which no claim may be made under the business equipment reimbursement program.

LD 1510 **An Act To Provide an Income Tax Deduction for Health Insurance Premiums** **ONTP**

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

This bill provides a deduction from income for premiums paid for health insurance.

LD 1518 **An Act To Establish a Renewable Energy Tax Credit** **ONTP**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| BARTLETT | ONTP | |

This bill provides a tax credit for a business engaged in the qualified business activity of manufacturing renewable energy products or biofuel or engaged in research and development in renewable energy equal to the income taxes otherwise due for 5 years and then 50% of the income taxes due for the next 5 years from when the business commences the qualified activity, similar to the credit given for Pine Tree Development Zone businesses.

LD 1529 **An Act To Create a Scholarship Grant Organization Tax Credit** **ONTP**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| SHERMAN | ONTP | |

This bill establishes an income tax credit for individuals who donate to school tuition organizations that provide grants or scholarships to private school students in kindergarten to grade 12 and to private preschools for children with disabilities.

The maximum amount of the credit is \$1,200 per year per child enrolled in a private school. School tuition