

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.

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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

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organizations that receive such contributions are subject to reporting requirements. The credit is not available to a person who designates any part of the contribution for the direct benefit of a dependent of the person.

LD 1554 An Act To Assist Snowmobile Clubs with Local Property Taxes

ONTP

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

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

This bill proposes to permit a municipality to compensate a snowmobile club subject to property tax for the public benefits provided by the club to the municipality.

LD 1555 An Act To Remove the Tax-exempt Status on Land Purchased by Nonprofit Groups for Conservation

ONTP

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

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

This bill proposes to repeal the property tax exemption for certain land if the land is purchased by a nonprofit organization for conservation or preservation purposes and the owner restricts public access to the land for recreational purposes such as hiking, camping, hunting, trapping, fishing or snowmobiling. The bill would apply to land purchased in blocks of 100 or more acres either as a single parcel or in an aggregate of contiguous acres. The bill also proposes to remove such land from eligibility for current use valuation under the Maine Tree Growth Tax Law unless the land is maintained for commercial production.

LD 1556 An Act To Recouple Maine Estate Tax with Federal Estate Tax

CARRIED OVER

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

This bill amends the Maine estate tax to conform to the federal estate tax, beginning January 1, 2007.

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

LD 1557 RESOLUTION, Proposing an Amendment to the Constitution of Maine To Cap the Property Tax on the Primary Residence of a Person 65 Years of Age or Older

ONTP

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