

# 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 1712 An Act To Amend the Amount of the Child Care Tax Credit**

**ONTP**

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

This bill increases the income tax credit for child care expenses to 100% of the credit allowed under federal law and proposes to remove the \$500 cap on the amount of the refund.

**LD 1725 An Act To Modernize the Alcohol Tax by Imposing It on a Per Drink Basis**

**CARRIED OVER**

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

This bill adjusts alcohol premium taxes on beer, wine, sparkling wine, fortified wine, hard cider and low-alcohol spirits products by establishing a uniform tax intended to equal 10¢ per drink. To accomplish this, the bill raises the premium tax on beer, hard cider and wine and reduces the premium tax on low-alcohol spirits products. This bill will significantly increase revenues for the prevention fund. Taxes on distilled spirits are unaffected by the bill.

The bill increases the premium tax on beer and hard cider from 10¢ per gallon to 82¢ per gallon. The premium tax on table wines increases from 30¢ per gallon to \$2.26 per gallon. The premium tax on fortified wines and sparkling wines increases from 24¢ to \$1.56 per gallon.

The bill indexes both the excise tax and the premium tax to inflation beginning in 2008. This provision will result in modest increases to both the General Fund and the prevention fund.

This bill also directs that increased premium tax revenues be used for substance abuse treatment and prevention programs, after-school programs and property tax relief, the latter by offsetting the cost of local law and liquor enforcement programs.

The bill establishes an effective date of January 1, 2008.

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

**LD 1731 RESOLUTION, Proposing an Amendment to the Constitution of Maine To Tax Nonprimary Residences at a Higher Rate**

**ONTP**

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

This resolution amends the Constitution of Maine to allow a municipality to impose a greater assessment of property taxes on real property that has an assessed value of more than \$500,000 and that is not occupied as the primary residence by the owner of that property. The threshold amount of \$500,000 would be adjusted annually to reflect the cost of living, as published in a federal publication.