

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
123<sup>RD</sup> LEGISLATURE  
SECOND REGULAR AND FIRST SPECIAL SESSIONS



Summaries of bills, adopted amendments and laws enacted or finally passed  
during the Second Regular or First Special Sessions of the 123<sup>rd</sup> Maine  
Legislature coming from the

**JOINT STANDING COMMITTEE ON TAXATION**

May 2008

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**STATE OF MAINE**  
123<sup>RD</sup> LEGISLATURE  
SECOND REGULAR & FIRST SPECIAL SESSIONS



**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 Second Regular or First Special Sessions of the 123<sup>rd</sup> Maine Legislature.

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:

<i>CON RES XXX</i> .....	<i>Chapter # of Constitutional Resolution passed by both Houses</i>
<i>CONF CMTE UNABLE TO AGREE</i> .....	<i>Committee of Conference unable to agree; bill died</i>
<i>DIED BETWEEN BODIES</i> .....	<i>House &amp; Senate disagree; bill died</i>
<i>DIED IN CONCURRENCE</i> .....	<i>One body accepts ONTP report; the other indefinitely postpones the bill</i>
<i>DIED ON ADJOURNMENT</i> .....	<i>Action incomplete when session ended; bill died</i>
<i>EMERGENCY</i> .....	<i>Enacted law takes effect sooner than 90 days</i>
<i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i> .....	<i>Emergency bill failed to get 2/3 vote</i>
<i>FAILED ENACTMENT/FINAL PASSAGE</i> .....	<i>Bill failed to get majority vote</i>
<i>FAILED MANDATE ENACTMENT</i> .....	<i>Bill imposing local mandate failed to get 2/3 vote</i>
<i>NOT PROPERLY BEFORE THE BODY</i> .....	<i>Ruled out of order by the presiding officers; bill died</i>
<i>INDEF PP</i> .....	<i>Bill Indefinitely Postponed; bill died</i>
<i>ONTP (or Accepted ONTP report)</i> .....	<i>Ought Not To Pass report accepted; bill died</i>
<i>P&amp;S XXX</i> .....	<i>Chapter # of enacted Private &amp; Special Law</i>
<i>PUBLIC XXX</i> .....	<i>Chapter # of enacted Public Law</i>
<i>RESOLVE XXX</i> .....	<i>Chapter # of finally passed Resolve</i>
<i>UNSIGNED</i> .....	<i>Bill held by Governor</i>
<i>VETO SUSTAINED</i> .....	<i>Legislature failed to override Governor's Veto</i>

The effective date for non-emergency legislation enacted in the Second Regular Session (R2) is June 30, 2008. The effective date for non-emergency legislation enacted in the First Special Session (S1) is July 18, 2008.<sup>1</sup> The effective date for legislation enacted as an emergency measure is specified in the enacted law summary for those bills. Any bill summarized in this document having an LD number less than 1932 was a bill carried over from the First Regular Session of the 123<sup>rd</sup> Legislature.

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<sup>1</sup> The session in which each law was enacted or finally passed (R2 or S1) is included in Appendix C.

## Joint Standing Committee on Taxation

**LD 2008 An Act To Provide Ongoing Funding for the Historic Preservation Tax Credit**

**PUBLIC 614**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COURTNEY	OTP-AM	S-573

This bill provides a source of funding for the income tax credit provided to persons who rehabilitate historic properties by earmarking sales tax revenue generated at such rehabilitated properties and all income tax paid by persons employed by a historic property retailer at those rehabilitated properties.

### Committee Amendment "A" (S-573)

This amendment establishes a revised process for identifying certain sales tax and real estate transfer tax revenues attributable to historic rehabilitation projects for which an income tax credit is available and transferring those revenues to a separate fund that can be used to compensate the General Fund for future credit costs. The amendment also directs the State Tax Assessor to recommend ways to identify income tax revenues related to the same purpose.

See also LD 262.

### Enacted Law Summary

Public Law 2007, chapter 614 establishes a process for identifying certain sales tax and real estate transfer tax revenues attributable to historic rehabilitation projects for which an income tax credit is available and transferring those revenues to a separate fund that can be used to compensate the General Fund for future historic rehabilitation credit costs. The State Tax Assessor is directed to recommend ways to identify income tax revenues related to the same purpose.

**LD 2021 An Act To Continue the Maine Military Family Relief Fund Voluntary Checkoff**

**PUBLIC 674**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FISCHER	OTP-AM	H-731 S-676 ROTUNDO

This bill reintroduces the provision to the voluntary contribution checkoff on Maine individual income tax returns for the Maine Military Family Relief Fund, which provides grants to eligible families of persons who are members of the Maine National Guard or Maine residents who are members of the Reserves of the Armed Forces of the United States who have been called to military duty. The original section of law automatically repealed on December 31, 2007.

### Committee Amendment "A" (H-731)

This amendment fully funds the administrative costs of the Maine Military Family Relief Fund from contributions to the fund.

### Senate Amendment "A" to Committee Amendment "A" (S-676)

This amendment eliminates the General Fund appropriation and provides an Other Special Revenue Funds allocation for the administrative costs associated with the Maine Military Family Relief Fund voluntary checkoff.

### Enacted Law Summary

Public Law 2007, chapter 674 reenacts the provision to the voluntary contribution checkoff on Maine individual

## *Joint Standing Committee on Taxation*

income tax returns for the Maine Military Family Relief Fund, which provides grants to eligible families of persons who are members of the Maine National Guard or Maine residents who are members of the Reserves of the Armed Forces of the United States who have been called to military duty. The original section of law was automatically repealed on December 31, 2007.

**LD 2049    An Act To Provide Tax Treatment Consistency for Limited Liability and S Corporations**

**DIED ON  
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BRAUTIGAM	OTP-AM	H-919

This bill allows a member of a pass-through entity, such as a limited liability company or S corporation, to receive an income tax credit against taxes imposed on that member's distributive share or pro rata share of the pass-through entity's income.

**Committee Amendment "A" (H-919)**

This amendment ensures that amounts used to calculate the income tax credit for certain members of pass-through entities cannot also be used as a deduction from income. It also adds an appropriations and allocations section.

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

**LD 2059    An Act To Establish a Wellness Tax Credit**

**ACCEPTED ONTP  
REPORT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GILES	ONTP MAJ OTP-AM MIN	

This bill provides an income tax credit to employers for the expense of developing, instituting and maintaining wellness programs for their employees in the amount of \$100 per employee, up to a maximum of \$10,000. A wellness program includes programs for behavior modification, such as smoking cessation programs, equipping and maintaining an exercise facility and providing incentive awards to employees who exercise regularly.

**LD 2074    An Act To Reestablish Fairness in Corporate Taxation by Taxing Real Estate Investment Trusts**

**ONTP**

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

Under current law, real estate investment trusts, or "REITs," which are a type of corporation that invests in real estate, are not taxed at the corporate or entity level, although distributions from the REIT are taxable income to participants in the REIT.

This bill taxes REITs at the corporate level at the same rate as other corporations are taxed in Maine. Revenue generated by this tax is dedicated to the Land for Maine's Future Fund. The bill also amends current law to require an individual to modify that individual's taxable income based on any items of loss or gain by the REIT that are passed through the REIT to the individual.