

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

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

**STAFF:**

JULIE S. JONES, SENIOR ANALYST  
ALEXANDRA AVORE, LEGISLATIVE ANALYST  
OFFICE OF FISCAL AND PROGRAM REVIEW  
5 STATE HOUSE STATION  
AUGUSTA, ME 04333  
(207)287-1635

**MEMBERS:**

SEN. JOSEPH C. PERRY, CHAIR  
SEN. ETHAN STRIMLING  
SEN. RICHARD A. NASS

REP. JOHN F. PIOTTI, CHAIR  
REP. HERBERT E. CLARK  
REP. ANNE M. RAND  
REP. THOMAS R. WATSON  
REP. DONALD E. PILON  
REP. SCOTT E. LANSLEY  
REP. KATHLEEN D. CHASE  
REP. L. GARY KNIGHT  
REP. BONNIE S. GOULD  
REP. RICHARD G. WOODBURY

**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.

---

<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

properties.

### LD 2154 An Act Concerning Technical Changes to the Tax Laws

PUBLIC 627

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERRY J	OTP-AM	S-508 S-550 PERRY J

This bill is the annual bill presented by the Bureau of Revenue Services to make technical corrections to the tax laws including repealing superfluous or redundant definitions and effective dates, updating references to the Internal Revenue Code and correcting grammar, punctuation and internal cross-references. In addition, this bill also:

1. Clarifies the effect of a determination by the State Tax Assessor that collection of a tax will be jeopardized by delay;
2. Relocates a provision relating to service charges imposed by municipalities for municipal services provided with respect to certain tax-exempt property that is inappropriately located in a statute providing exemptions for property of certain institutions and organizations;
3. Replaces the imprecise term "camp trailer" with the defined term "camper trailer";
4. Corrects a conflict created by Public Law 2007, chapters 425 and 438, which affected the same provision of law, by incorporating changes made by both laws;
5. Eliminates certain defunct organizations from a list of exempt institutions and organizations;
6. Eliminates a reference to the Commissioner of Finance, an office that no longer exists;
7. Clarifies the computation of "property tax revenue lost" for purposes of determining the reimbursement to municipalities with respect to the business equipment tax exemption;
8. Amends the excise tax law to reflect the fact that licensing of common carriers has been transferred from the Public Utilities Commission to the Department of Transportation;
9. Clarifies certain requirements relating to payment of excise taxes on aircraft;
10. Clarifies that the same definition of "automobile" applies throughout the sales and use tax law and relocates the definition of "loaner vehicle" to the definitions section;
11. Clarifies that repair parts used in the performance of repair services under certain extended warranty contracts are not deemed to be "sold" for purposes of the sales and use tax law;
12. Clarifies requirements relating to payment of use tax on property registered for use in this State;
13. Clarifies requirements relating to furnishing of bonds by certain taxpayers;
14. Clarifies that the sales tax exemption for property delivered outside the State does not apply to subsequent use of the property in the State. The proposed change reflects current Maine Revenue Services administrative policy;
15. Restores a trade-in credit that was inadvertently repealed by legislation enacted in the First Regular Session of the 123rd Legislature;
16. Clarifies the responsibilities of a surplus lines producer under the insurance company tax law. The proposed changes reflect current Maine Revenue Services administrative policy;
17. Clarifies that the annual return filed by risk retention groups is to be filed with the State Tax Assessor rather than the Treasurer of State and that the due date of the return is March 15th rather than March 1st. The proposed changes make the requirements similar to those for other insurance taxes and reflect current Maine Revenue Services administrative policy;
18. Corrects a conflict created by Public Law 2007, chapters 427 and 437, which affected the same provision of law, by incorporating changes made by both laws;
19. Amends provisions of the service provider tax law relating to telecommunications services to reflect current telecommunications technology;
20. Clarifies the meaning of "international flight" for purposes of exempting certain fuel used in international flights from the gasoline tax;
21. Clarifies provisions of the special fuel tax law by adding definitions;
22. Corrects a conflict created by Public Law 2007, chapters 410 and 444, which affected the same provision of law, by incorporating changes made by both laws;

## *Joint Standing Committee on Taxation*

24. Corrects a conflict created by Public Law 2007, chapters 372 and 437, which affected the same provision of law, by incorporating changes made by both laws;
25. Clarifies the authority of the State Tax Assessor to include in the establishment of the applicable tax mill rate in the unorganized territory the costs of payments that the unorganized territory district is obligated to make under a tax increment financing agreement and clarifies that the Treasurer of State is authorized to make the payments obligated under an unorganized territory tax increment financing agreement after the tax increment financing taxes are paid;
26. Clarifies that the premium charged for motor vehicle oil changes is not included in the sale price for purposes of the sales tax; and
27. Reenacts definitions that were repealed mistakenly in Public Law 2007, chapter 240.

### **Committee Amendment "A" (S-508)**

This amendment amends provisions regarding tax increment financing districts in the unorganized territories. It also removes a provision resolving a statutory conflict in the real estate transfer tax because that conflict is resolved in other legislation. The amendment also adds a section to correct a provision in the forest management planning income tax credit to avoid double counting of certain expenses.

### **Senate Amendment "A" (S-550) to Committee Amendment "A"**

This amendment expands the deadline for fiscal arrangements as part of the municipal cost component for tax increment financing districts in the unorganized territory from January 1, 2008 to July 1, 2008.

### **Enacted Law Summary**

Public Law 2007, chapter 627 is the annual bill presented by the Bureau of Revenue Services to make technical corrections to the tax laws including repealing superfluous or redundant definitions and effective dates, updating references to the Internal Revenue Code and correcting grammar, punctuation and internal cross-references. In addition, this law also:

1. Clarifies the effect of a determination by the State Tax Assessor that collection of a tax will be jeopardized by delay;
2. Relocates a provision relating to service charges imposed by municipalities for municipal services provided with respect to certain tax-exempt property that is inappropriately located in a statute providing exemptions for property of certain institutions and organizations;
3. Replaces the imprecise term "camp trailer" with the defined term "camper trailer";
4. Corrects a conflict created by Public Law 2007, chapters 425 and 438, which affected the same provision of law, by incorporating changes made by both laws;
5. Eliminates certain defunct organizations from a list of exempt institutions and organizations;
6. Eliminates a reference to the Commissioner of Finance, an office that no longer exists;
7. Clarifies the computation of "property tax revenue lost" for purposes of determining the reimbursement to municipalities with respect to the business equipment tax exemption;
8. Amends the excise tax law to reflect the fact that licensing of common carriers has been transferred from the Public Utilities Commission to the Department of Transportation;
9. Clarifies certain requirements relating to payment of excise taxes on aircraft;
10. Clarifies that the same definition of "automobile" applies throughout the sales and use tax law and relocates the definition of "loaner vehicle" to the definitions section;
11. Clarifies that repair parts used in the performance of repair services under certain extended warranty contracts are not deemed to be "sold" for purposes of the sales and use tax law;
12. Clarifies requirements relating to payment of use tax on property registered for use in this State;
13. Clarifies requirements relating to furnishing of bonds by certain taxpayers;
14. Clarifies that the sales tax exemption for property delivered outside the State does not apply to subsequent use of the property in the State. The proposed change reflects current Maine Revenue Services administrative policy;
15. Restores a trade-in credit that was inadvertently repealed by legislation enacted in the First Regular Session of the 123rd Legislature;
16. Clarifies the responsibilities of a surplus lines producer under the insurance company tax law. The proposed changes reflect current Maine Revenue Services administrative policy;

## *Joint Standing Committee on Taxation*

17. Clarifies that the annual return filed by risk retention groups is to be filed with the State Tax Assessor rather than the Treasurer of State and that the due date of the return is March 15th rather than March 1st. The proposed changes make the requirements similar to those for other insurance taxes and reflect current Maine Revenue Services administrative policy;
18. Amends the forest management planning income tax credit to avoid double counting of certain expenses;
19. Amends provisions of the service provider tax law relating to telecommunications services to reflect current telecommunications technology;
20. Clarifies the meaning of "international flight" for purposes of exempting certain fuel used in international flights from the gasoline tax;
21. Clarifies provisions of the special fuel tax law by adding definitions;
22. Corrects a conflict created by Public Law 2007, chapters 410 and 444, which affected the same provision of law, by incorporating changes made by both laws;
24. Corrects a conflict created by Public Law 2007, chapters 372 and 437, which affected the same provision of law, by incorporating changes made by both laws;
25. Clarifies the authority of the State Tax Assessor to include in the establishment of the applicable tax mill rate in the unorganized territory the costs of payments that the unorganized territory district is obligated to make under a tax increment financing agreement entered into before July 1, 2008 and clarifies that the Treasurer of State is authorized to make the payments obligated under an unorganized territory tax increment financing agreement after the tax increment financing taxes are paid;
26. Clarifies that the premium charged for motor vehicle oil changes is not included in the sale price for purposes of the sales tax; and
27. Reenacts definitions that were repealed mistakenly in Public Law 2007, chapter 240.

**LD 2192    An Act To Increase Access to Dental Care**

**PUBLIC 690**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SUTHERLAND	OTP-AM	H-902

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

This bill proposes to provide sales and income tax incentives for 5 years to recent graduates from dental school or dentists practicing in another state to practice in underserved areas in Maine.

### **Committee Amendment "A" (H-902)**

This amendment creates an income tax credit of up to \$15,000 beginning in 2009 for up to 5 new dentists in 2009 and 5 additional dentists in 2010 who agree to practice in underserved areas of the State for at least 5 years and requires the Department of Health and Human Services' oral health program to certify eligibility and to report on the effectiveness of the tax incentive in 2011.

### **Enacted Law Summary**

Public Law 2007, chapter 690 creates an income tax credit of up to \$15,000 beginning in 2009 for up to 5 new dentists in 2009 and 5 additional dentists in 2010 who agree to practice in underserved areas of the State for at least 5 years and requires the Department of Health and Human Services' oral health program to certify eligibility and to report on the effectiveness of the tax incentive in 2011.

**LD 2202    An Act To Allow a Municipality To Adopt a Program To Provide Property Tax Benefits to Senior Citizens**

**PUBLIC 635**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHEELER	OTP-AM	H-903