

MAINE STATE LEGISLATURE

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STATE OF MAINE
123RD 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 123rd Maine
Legislature coming from the

JOINT STANDING COMMITTEE ON TAXATION

May 2008

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STATE OF MAINE
123RD 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 123rd 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 & 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&S XXX</i>	<i>Chapter # of enacted Private & 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, 2008.¹ 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 123rd Legislature.

¹ 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 2305 An Act To Restore Benefits under the Circuitbreaker Program

PUBLIC 700
EMERGENCY

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STRIMLING		S-617 NASS R S-693 ROTUNDO

Public Law 2007, chapter 539 changed the Circuitbreaker Program by repealing indexing of the maximum benefits under the program and reverting the maximum benefit to the amounts prior to indexing.

This bill restores indexing of the maximum benefit and puts the amounts of the benefit, beginning with the application period beginning August 1, 2008, at the amounts they would have been, \$3,350 for single-member households and \$4,400 for multi-member households, but for the changes made by Public Law 2007, chapter 539. This bill also places an income cap for eligibility for benefits under the Circuitbreaker Program of \$60,000 for an individual and \$80,000 for a multi-member household and provides for the indexing of that cap.

This bill also limits the subtraction modification for the recapture of carry-back net operating losses to \$75,000 from the current \$100,000 in taxable years beginning in 2008 and 2009. Unused amounts resulting from the limitation may be carried over to future tax years that are within the federal carry-over period for net operating losses.

Senate Amendment "A" (S-617)

This amendment removes the changes to the recapture of carry-back net operating losses proposed in the bill. This amendment requires for income tax years beginning in 2008 a corporation to increase its income, for Maine income tax purposes, by 10% of the value in excess of \$100,000 of any net operating loss carried over for federal income tax purposes and allows the corporation during the allowable federal period for carryover of the loss plus one year to reduce its income, for Maine income tax purposes, by a like amount, with certain limitations.

Senate Amendment "B" (S-693)

This amendment adds an emergency preamble and an emergency clause. This amendment also adds an additional transfer from the unappropriated surplus of the General Fund of up to \$10,000,000 to the Maine Budget Stabilization Fund from the uncommitted unappropriated surplus at the close of fiscal year 2007-08 prior to the transfers to MaineCare for hospital payments that preempted the normal year-end transfers in fiscal year 2007-08. This limited additional transfer is being made into the Maine Budget Stabilization Fund in order to increase balances in reserve due to concerns about the deteriorating national economy and the potential effect on future revenue forecasts.

Enacted Law Summary

Public Law 2007, chapter 700 changes amendments to the Circuitbreaker Program made in the supplemental budget bill, Public Law 2007, chapter 539 Part BBBB. Chapter 700 restores indexing of the maximum benefit and puts the amounts of the benefit, beginning with the application period beginning August 1, 2008, at the amounts they would have been, \$3,350 for single-member households and \$4,400 for multi-member households, but for the changes made by Public Law 2007, chapter 539. Chapter 700 also places an income cap for eligibility for benefits under the Circuitbreaker Program of \$60,000 for an individual and \$80,000 for a multi-member household and provides for the indexing of that cap.

Chapter 700 also requires that for income tax years beginning in 2008 a corporation to increase its income, for Maine income tax purposes, by 10% of the value in excess of \$100,000 of any net operating loss carried over for federal income tax purposes and allows the corporation during the allowable federal period for carryover of the loss plus one year to reduce its income, for Maine income tax purposes, by a like amount, with certain limitations.

Chapter 700 also requires a transfer from the unappropriated surplus of the General Fund of up to \$10,000,000 to the

Joint Standing Committee on Taxation

Maine Budget Stabilization Fund from the uncommitted unappropriated surplus at the close of fiscal year 2007-08 prior to the transfers to MaineCare for hospital payments that preempted the normal year-end transfers in fiscal year 2007-08. This limited additional transfer is being made into the Maine Budget Stabilization Fund in order to increase balances in reserve due to concerns about the deteriorating national economy and the potential effect on future revenue forecasts.

Public Law 2007, chapter 700 was enacted as an emergency measure effective April 24, 2008.

**LD 2310 An Act To Permit Persons 65 Years of Age or Older To Defer Payment of
Property Taxes**

**DIED ON
ADJOURNMENT**

Sponsor(s)

Committee Report

Amendments Adopted

This bill was submitted by the Joint Standing Committee on Taxation pursuant to Joint Order, H. P. 1233 and provides a process that permits persons 65 years of age or older to defer property taxes on their homesteads. The State would reimburse municipalities for the deferred taxes and acquire a lien on the property to collect what is owed when the property is sold or otherwise transferred.

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

LD 2319 An Act To Promote Filmmaking in the State

**DIED BETWEEN
HOUSES**

Sponsor(s)

Committee Report

Amendments Adopted

MILLS J

S-697 MARTIN

This bill provides reimbursement for expenditures of a feature film production in rural western Maine that occurs primarily between September 1, 2008 and January 1, 2009. Reimbursement is limited to \$800,000 and is paid in 4 equal installments beginning in July 2010.

Senate Amendment "A" (S-697)

This amendment provides the Governor with the discretion of determining whether a media production company is eligible for a film incentive credit.