

MAINE STATE LEGISLATURE

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STATE OF MAINE
124TH LEGISLATURE
SECOND REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed during
the Second Regular Session of the 124th Maine Legislature coming from the

JOINT STANDING COMMITTEE ON TAXATION

April 2010

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STATE OF MAINE

124TH LEGISLATURE
SECOND 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 Second Regular Session of the 124th 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:

CARRIED OVER Carried over to a subsequent session of the Legislature
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 HOUSES..... 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; bill died
ONTP (or Accepted ONTP report) Ought Not To Pass report accepted; bill died
P&S XXX..... Chapter # of enacted Private & Special Law
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

The effective date for non-emergency legislation enacted in the Second Regular Session of the 124th Legislature is Monday, July 12, 2010. 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 71 Resolve, To Create a Working Group To Review the Property Tax Exemption for Veterans

RESOLVE 181

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
NASS J NUTTING J	OTP-AM	H-644 S-439 PERRY J

This bill was carried over from the First Regular Session. It increases the property tax exemption for post-World War I veterans and their eligible survivors from \$6,000 to \$7,000 to match the exemption given to veterans of World War I and earlier wars.

Committee Amendment "B" (H-644)

This amendment replaces the bill, changes it to a resolve and changes the title. The amendment requires the Department of Administrative and Financial Services, Bureau of Revenue Services to convene a working group, which must include representatives of the Department of Defense, Veterans and Emergency Management, Bureau of Maine Veterans' Services. The amendment requires the Bureau of Revenue Services to invite the participation of the Maine Municipal Association and other interested stakeholders. The amendment requires the working group to review alternatives for increasing the property tax exemption for qualified post-World War I veterans and report its findings and recommendations to the joint standing committee of the Legislature having jurisdiction over taxation matters, including any necessary implementing legislation. The amendment authorizes the joint standing committee of the Legislature having jurisdiction over taxation matters to submit a bill to the First Regular Session of the 125th Legislature related to the report.

Senate Amendment "A" To Committee Amendment "B" (S-439)

This amendment removes authority for the joint standing committee of the Legislature having jurisdiction over taxation matters to submit a bill to the 125th Legislature.

Enacted Law Summary

Resolve 2009, chapter 181 requires the Department of Administrative and Financial Services, Bureau of Revenue Services to convene a working group, which must include representatives of the Department of Defense, Veterans and Emergency Management, Bureau of Maine Veterans' Services. It requires the Bureau of Revenue Services to invite the participation of the Maine Municipal Association and other interested stakeholders. It requires the working group to review alternatives for increasing the property tax exemption for qualified post-World War I veterans and report its findings and recommendations to the joint standing committee of the Legislature having jurisdiction over taxation matters, including any necessary implementing legislation.

LD 195 An Act To Base the Excise Tax on Vehicles on a Percentage of the Manufacturer's Suggested Retail Price

ACCEPTED ONTP REPORT

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

Joint Standing Committee on Taxation

This bill was carried over from the First Regular Session. It requires the motor vehicle excise tax to be based on 90% of the manufacturer's suggested retail price for the motor vehicle, regardless of the amount actually paid for the motor vehicle.

LD 588 An Act To Amend the Excise Tax on Motor Vehicles To Reflect Depreciation

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PILON PERRY J	ONTP	

This bill was carried over from the First Regular Session. It changes the formula for the calculation of the motor vehicle excise tax so that the rate of the motor vehicle excise tax remains unchanged throughout the life of the vehicle but the base depreciates over the same 6-year period from 95% of the maker's list price to 15% of the maker's list price to reflect the depreciating actual value of the vehicle.

LD 659 An Act To Reduce the Sales Tax on Certain Watercraft

PUBLIC 620

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PILON PERRY J	OTP-AM	H-597 S-544 DIAMOND

This bill was carried over from the First Regular Session. Current law exempts from taxation the sale of watercraft, the sale of materials for watercraft construction and the sale of materials for watercraft repair, alteration, refitting, reconstruction, overhaul and restoration if the sale is made to a nonresident and the watercraft is intended to be transported outside the State. This bill extends the exemption to all persons and without regard to whether the watercraft will remain in the State.

Committee Amendment "B" (H-597)

This amendment changes the sales tax exemption for watercraft and related materials sold to nonresidents to eliminate the requirement that the watercraft be removed from the State immediately upon delivery by the seller.

Senate Amendment "A" To Committee Amendment "B" (S-544)

This amendment replaces changes made in the committee amendment to the sales tax exemption for certain watercraft purchased by nonresidents and provides a 60% reduction in the sales and use tax rate for nonresidents who keep their watercraft in the State beyond the time periods specified in the Maine Revised Statutes, Title 36, section 1760, subsection 25 and subsection 45, paragraph A-1.

Enacted Law Summary

Public Law 2009, chapter 620 provides a 60% reduction in the sales and use tax rate for nonresidents who keep their watercraft in the State beyond the time periods specified in the Maine Revised Statutes, Title 36, section 1760, subsection 25 and subsection 45, paragraph A-1.

Public Law 2009, chapter 620 takes effect August 1, 2010.