

MAINE STATE LEGISLATURE

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STATE OF MAINE
124TH LEGISLATURE
FIRST REGULAR SESSION



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

JOINT STANDING COMMITTEE ON TAXATION

July 2009

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STATE OF MAINE

124TH LEGISLATURE
FIRST 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 First 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 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; 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 First Regular Session of the 124th Legislature is September 12, 2009. 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

Enacted Law Summary

Public Law 2009, chapter 425 amends the tax exemption for the property of institutions and organizations to limit the tax exemption for leased property used by hospitals, health maintenance organizations or blood banks to personal property only beginning in 2012.

LD 553 An Act To Amend the Laws Governing Abatement of Property Taxes Due to Infirmity or Poverty **ONTP**

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

This bill amends the laws governing abatement of property taxes due to infirmity or poverty in 3 ways. The bill clarifies that a decision regarding an application for a poverty abatement may be deferred until the usual period to pay the property taxes has expired and the tax collector takes action to enforce the lien or is within 30 days of taking such action. The bill also clarifies that the value of real and personal property owned by the applicant may be considered as available to contribute to the public charges as long as use of that property for that purpose does not impair the ability of the applicant to remain in the applicant's residence and provide for the applicant's basic needs. The bill also authorizes the municipal officers or the State Tax Assessor to either grant an abatement to an applicant determined eligible for relief or waive the tax lien foreclosure according to the process generally available under law, except that under this type of waiver any subsequent enforcement of the tax lien is available only when the property is sold or transferred.

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

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

This bill changes the formula for calculation of the motor vehicle excise tax and provides 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.

This bill was carried over to any special or regular session of the 124th Legislature by joint order, H.P. 1053.

LD 589 An Act To Encourage the Production of Liquid Biofuels **DIED ON ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BUTTERFIELD	OTP-AM	H-119

Joint Standing Committee on Taxation

This bill increases the income tax credit for the production of biofuels from 5¢ per gallon to 15¢ per gallon, enacts an income tax credit equal to 25% of the capital costs of converting an existing wood mass production facility to a facility for the production of wood mass-derived biofuel and appropriates \$500,000 in fiscal year 2009-10 for the Maine Technology Institute to fund research into cost-effective technology to convert forest resources to biofuels.

Committee Amendment "A" (H-119)

This amendment removes from the bill an appropriation for research into cost-effective technology to convert forest resources to biofuels.

LD 589 was placed on the Special Appropriations Table and died on adjournment.

LD 590 An Act To Establish a Wellness Tax Credit

**ACCEPTED ONTP
REPORT**

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

This bill provides an income tax credit to employers of 20 or fewer employees 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 \$2,000. 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. The tax credit is paid for with funds from the Fund for a Healthy Maine.

LD 618 An Act To Reduce Income Tax on Capital Gains

**ACCEPTED ONTP
REPORT**

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

This bill excludes from both the individual and corporate income tax one half of net long-term capital gains.

LD 647 An Act To Provide Tax Relief for Retired Veterans Operating Businesses in Maine

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CORNELL DU HOUX PERRY J	ONTP	

This bill provides an income tax deduction for 50% of military retirement benefits for a veteran who operates a business in the State with at least one employee who is not related to the veteran.