

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

date.

35. It repeals an obsolete statute that imposed an income tax surcharge for the 1991 and 1992 tax years.

36. It corrects a provision that deals with the annual inflation adjustment to the household income limits in the Maine Residents Property Tax Program to correct a cross-reference.

37. It adds an income tax modification to exclude municipal property tax assistance program benefits under Title 36, section 6232, subsection 1-A from taxable income. The proposed change reflects current administrative policy.

38. It clarifies the computation of Maine taxable income of a nonresident estate or trust.

Committee Amendment "A" (H-476)

This amendment removes from the bill a provision that requires producing books and records pertinent to a criminal investigation of certain tax-related crimes upon demand of the State Tax Assessor.

Senate Amendment "A" (S-315)

This amendment provides that the definition of "pet" for sales tax purposes has the same meaning as under the animal welfare laws and excludes equines. This amendment also clarifies the application of the Maine income tax to nonresidents.

Senate Amendment "B" (S-341)

This amendment clarifies the factors for determining a business customer for the exemption from the service provider tax on interstate or international telecommunications service.

Enacted Law Summary

Public Law 2009, chapter 434 makes technical changes to the tax laws.

LD 1120

Resolve, Relating To Review of Certain Changes in the Application of the Sales and Use Tax Law

RESOLVE 127

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| CHASE NASS R | OTP-AM | H-528 |

This bill requires the State Tax Assessor to report to the joint standing committee of the Legislature having jurisdiction over taxation matters before implementing any significant change in policy or practice of the Bureau of Revenue Services if that change will result in additional revenue. The joint standing committee is authorized to report out legislation reversing or modifying the change.

Committee Amendment "A" (H-528)

This amendment changes the bill to a resolve directing the Department of Administrative and Financial Services, Bureau of Revenue Services to consult with the Office of the Attorney General before implementing a significant change in policy, practice or interpretation of the sales and use tax law that would result in additional revenue to determine if the change represents a policy shift that ought to be reviewed by the appropriate legislative committee of oversight.

Enacted Law Summary

Resolve 2009, chapter 127 directs the Department of Administrative and Financial Services, Bureau of Revenue Services to consult with the Office of the Attorney General before implementing a significant change in policy, practice or interpretation of the sales and use tax law that would result in additional revenue to determine if the change represents a policy shift that ought to be reviewed by the appropriate legislative committee of oversight.