

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
124<sup>TH</sup> LEGISLATURE  
FIRST REGULAR SESSION



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

**JOINT STANDING COMMITTEE ON TAXATION**

July 2009

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# STATE OF MAINE

124<sup>TH</sup> LEGISLATURE  
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## 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 124<sup>th</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:

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 124<sup>th</sup> 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*

**LD 1335    An Act To Exempt from the Sales Tax Meals Provided at Retirement Facilities**

**Carried Over**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERRY J		S-150

This bill exempts from the sales tax meals provided to residents of full-service retirement facilities. This bill also allows a retirement facility that has been audited to claim a credit against future sales tax payments for sales tax, including any interest or penalties on that sales tax, paid by that facility back to January 1, 2007 on meals that will now be exempt from the sales and use tax pursuant to this bill. The credit must be provided in equal installments over a 10-year period.

**Committee Amendment "A" (S-150)**

This amendment clarifies the definition of "retirement facility," removes the retroactive credit proposed in the bill and applies the exemption retroactively to transactions for which an assessment was not made before April 1, 2009. See also LD 1495.

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

**LD 1347    An Act To Deter Initiation of Tobacco Use by Increasing the Tax on Tobacco Products**

**ONTP**

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

This bill:

1. Increases the cigarette tax from \$2.00 to \$3.00 per pack;
2. Reclassifies certain little cigars that are, in content, design, size and shape, substantially similar to traditional cigarettes and taxes them as cigarettes;
3. Adjusts the tax on roll-your-own tobacco; and
4. Increases the tax on smokeless tobacco to 132% from 78% of the wholesale sales price or a minimum tax per container of \$2.67, whichever is greater, and increases the tax on cigars, pipe tobacco and other tobacco intended for smoking to 30% from 20% of the wholesale sales price.

**LD 1352    An Act To Exempt from Taxation Biodiesel Fuel Produced for Personal Use**

**PUBLIC 288**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BARTLETT	OTP-AM	S-224

This bill exempts from the tax imposed on special fuels biodiesel fuel produced and used by the same individual or a member of that individual's immediate family.

## *Joint Standing Committee on Taxation*

### Committee Amendment "A" (S-224)

This amendment removes the emergency provisions from the bill and provides that the bill applies to sales made on or after October 1, 2009.

#### Enacted Law Summary

Public Law 2009, chapter 288 exempts from the tax imposed on special fuels biodiesel fuel produced and used by the same individual or a member of that individual's immediate family.

**LD 1367      An Act To Increase the Homestead Property Tax Exemption** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CEBRA HASTINGS	ONTP	

This bill allows a municipality to approve a higher exemption amount of \$25,000 under the Maine resident homestead property tax exemption program.

**LD 1368      An Act To Broaden and Increase the Sales Tax, Increase the Earned Income Tax Credit and Amend the Application Process for the Circuitbreaker Program.** **ONTP**

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

Part A broadens the sales tax base by adding amusement, entertainment and recreation services and including foods, such as candy, potato chips and bakery products within the definition of prepared foods. This bill also increases the general sales tax rate from 5% to 6% and the sales tax on prepared food and lodging from 7% to 8%.

Part B increases the state earned income credit from 5% to 25% of the federal credit and provides that the state earned income credit is fully refundable.

Part C amends the Maine Residents Property Tax Program, also known as "the Circuitbreaker Program," by allowing an individual to apply for a benefit using the individual income tax form.

**LD 1381      An Act To Allow Counties To Provide Property Tax Relief by Enacting a County Option Meals and Lodging Tax** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FLEMINGS ALFOND	ONTP	

This bill allows a county to impose a county option meals and lodging tax of 2% or less by approval at local referendum. Seventy-five percent of the revenue from the county option meals and lodging tax would be retained by the county and used to reduce the annual tax assessments on municipalities located in that county. The balance of