

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

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