

# 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  
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 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:

|   |  |
|---|--|
| <i>CARRIED OVER</i> .....                             | <i>Carried over to a subsequent session of the Legislature</i>                 |
| <i>CON RES XXX</i> .....                              | <i>Chapter # of Constitutional Resolution passed by both Houses</i>            |
| <i>CONF CMTE UNABLE TO AGREE</i> .....                | <i>Committee of Conference unable to agree; bill died</i>                      |
| <i>DIED BETWEEN BODIES</i> .....                      | <i>House &amp; Senate disagree; bill died</i>                                  |
| <i>DIED IN CONCURRENCE</i> .....                      | <i>One body accepts ONTP report; the other indefinitely postpones the bill</i> |
| <i>DIED ON ADJOURNMENT</i> .....                      | <i>Action incomplete when session ended; bill died</i>                         |
| <i>EMERGENCY</i> .....                                | <i>Enacted law takes effect sooner than 90 days</i>                            |
| <i>FAILED EMERGENCY ENACTMENT/FINAL PASSAGE</i> ..... | <i>Emergency bill failed to get 2/3 vote</i>                                   |
| <i>FAILED ENACTMENT/FINAL PASSAGE</i> .....           | <i>Bill failed to get majority vote</i>  |
| <i>FAILED MANDATE ENACTMENT</i> .....                 | <i>Bill imposing local mandate failed to get 2/3 vote</i>                      |
| <i>NOT PROPERLY BEFORE THE BODY</i> .....             | <i>Ruled out of order by the presiding officers; bill died</i>                 |
| <i>INDEF PP</i> .....                                 | <i>Bill Indefinitely Postponed; bill died</i>                                  |
| <i>ONTP (or Accepted ONTP report)</i> .....           | <i>Ought Not To Pass report accepted; bill died</i>                            |
| <i>P&amp;S XXX</i> .....                              | <i>Chapter # of enacted Private &amp; Special Law</i>                          |
| <i>PUBLIC XXX</i> .....                               | <i>Chapter # of enacted Public Law</i>   |
| <i>RESOLVE XXX</i> .....                              | <i>Chapter # of finally passed Resolve</i>                                     |
| <i>UNSIGNED</i> .....                                 | <i>Bill held by Governor</i>   |
| <i>VETO SUSTAINED</i> .....                           | <i>Legislature failed to override Governor's Veto</i>                          |

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

## 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<br>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<br>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<br>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

***Joint Standing Committee on Taxation***

the revenue, 25%, would be deposited in the General Fund.

**LD 1385     An Act To Create an Energy Conservation Measures Tax Credit**

**ONTP**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| BARTLETT          | ONTP                    |                           |

This bill provides an income tax credit of up to \$250 annually, for tax years beginning on or after January 1, 2009 but before January 1, 2011, to a person who pays out-of-pocket costs to purchase and install energy conservation measures for a residence occupied by that person, such as insulation and caulking, energy-conserving windows and doors and automatic energy control systems.

**LD 1390     Resolve, Directing the State Tax Assessor To Adjust the State Valuation for the Town of Topsham**

**RESOLVE 116  
EMERGENCY**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| GOODALL           | OTP-AM                  | S-188                     |

This resolve directs the State Tax Assessor to adjust the 2009 state valuation for the Town of Topsham to correct an error that resulted in the valuation being lower than it should be.

**Committee Amendment "A" (S-188)**

This amendment incorporates a fiscal note.

**Enacted Law Summary**

Resolve 2009, chapter 116 directs the State Tax Assessor to adjust the 2009 state valuation for the Town of Topsham to correct an error that resulted in the valuation being lower than it should be.

Resolve 2009, chapter 116 was enacted as an emergency measure effective June 9, 2009.

**LD 1392     An Act To Promote Economic Development and Reduce Reliance on Automobiles through Transit-oriented Tax Increment Financing Districts**

**PUBLIC 314**

| <u>Sponsor(s)</u> | <u>Committee Report</u>  | <u>Amendments Adopted</u> |
|-------------------|--------------------------|---------------------------|
| BLISS             | OTP-AM MAJ<br>OTP-AM MIN | S-295                     |

This bill establishes authority for creation of transit-oriented development districts under the tax increment financing laws to define the parameters for transit districts and the permissible transit-oriented uses of TIF funds.

**Committee Amendment "A" (S-295)**