

# MAINE STATE LEGISLATURE

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



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

**JOINT STANDING COMMITTEE ON TAXATION**

April 2010

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SEN. LAWRENCE BLISS  
SEN. RICHARD A. NASS

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# STATE OF MAINE

124<sup>TH</sup> LEGISLATURE  
SECOND 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 Second 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 HOUSES</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 Second Regular Session of the 124<sup>th</sup> Legislature is Monday, July 12, 2010. 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

## Senate Amendment "A" (S-440)

This amendment removes authority for the joint standing committee of the Legislature having jurisdiction over taxation matters to submit legislation to the First Regular Session of the 125th Legislature.

### Enacted Law Summary

Resolve 2009, chapter 189 directs the Department of Administrative and Financial Services, Bureau of Revenue Services and the Department of Health and Human Services, office of integrated access and support to examine opportunities for using the Department of Health and Human Services' Automated Client Eligibility System to determine eligibility for the Maine Residents Property Tax Program. The bureau and the office are directed to submit a report to the joint standing committee of the Legislature having jurisdiction over taxation matters by January 15, 2011.

## LD 1533      **Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory**

**RESOLVE 150**

Sponsor(s)

PERRY J

Committee Report

OTP

Amendments Adopted

This resolve authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory.

### Enacted Law Summary

Resolve 2009, chapter 150 authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory.

## **LD 1539**      **An Act Concerning Technical Changes to the Tax Laws**

**PUBLIC 496**

Sponsor(s)

WATSON  
PERRY J

Committee Report

OTP-AM

Amendments Adopted

H-622

This bill makes the following changes to the laws governing taxation.

1. It authorizes the State Tax Assessor to enter into agreements with certain other governmental entities for assistance in the administration and enforcement of Maine tax laws.
2. It clarifies and corrects cross-references, grammar and syntax.
3. It authorizes the State Tax Assessor, under certain circumstances, to disclose information to duly authorized officers of other states for use in the administration and enforcement of Maine tax laws.
4. It eliminates gender-specific language.
5. It updates the name of a state agency that was renamed by Public Law 2009, chapter 340.

## *Joint Standing Committee on Taxation*

6. It provides that an applicant for sales tax registration must identify in its application the types of taxable services it intends to sell.
7. It repeals obsolete tax rates from the special fuel tax law.
8. It corrects a conflict created by Public Law 2009, chapters 213 and 434, which affected the same provision of law, by incorporating changes made by both laws.
9. It corrects an error in the subtraction modification for depreciation deductions for individual and corporate income taxes. This bill also corrects conflicts in the Maine Revised Statutes, Title 36, section 5122, subsection 2, paragraph AA and section 5200-A, subsection 2, paragraph R.
10. It repeals obsolete statutory language establishing the investment tax credit, since the credit is no longer available, and repeals a reference to the investment tax credit.
11. It clarifies the circumstances under which an income tax credit or refund may be claimed based on a federal amendment or adjustment.
12. It amends the law to clarify that a taxpayer participating in the business equipment tax reimbursement, or BETR, program and a tax increment financing agreement with a municipality may not receive a greater reimbursement than the amount of property taxes actually paid, less any tax increment financing refund received.
13. It repeals a reference to the investment tax credit and clarifies the computation of the reduced BETR program reimbursement.
14. It clarifies language relating to the computation of the employment tax increment financing reimbursement and corrects a conflict created by Public Law 2009, chapters 434 and 461, which affected the same provision of law.

### **Committee Amendment "A" (H-622)**

This amendment makes minor technical changes to the bill by changing a reference to a subsection and adding clarifying language to the end of a paragraph.

### **Enacted Law Summary**

Public Law 2009, chapter 496 makes several technical changes to the laws governing taxation.

1. It authorizes the State Tax Assessor to enter into agreements with certain other governmental entities for assistance in the administration and enforcement of Maine tax laws.
2. It clarifies and corrects cross-references, grammar and syntax.
3. It authorizes the State Tax Assessor, under certain circumstances, to disclose information to duly authorized officers of other states for use in the administration and enforcement of Maine tax laws.
4. It eliminates gender-specific language.
5. It updates the name of a state agency that was renamed by Public Law 2009, chapter 340.
6. It provides that an applicant for sales tax registration must identify in its application the types of taxable services it intends to sell.
7. It repeals obsolete tax rates from the special fuel tax law.

## *Joint Standing Committee on Taxation*

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13. It repeals a reference to the investment tax credit and clarifies the computation of the reduced BETR program reimbursement.
14. It clarifies language relating to the computation of the employment tax increment financing reimbursement and corrects a conflict created by Public Law 2009, chapters 434 and 461, which affected the same provision of law.

**LD 1540      An Act To Amend the Tax Laws**

**PUBLIC 625**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATSON PERRY J	OTP-AM	H-754 S-538    DIAMOND

This bill makes the following changes to the laws governing taxation.

1. It clarifies the procedure for apportionment of county taxes in the unorganized territory, requires the county commissioners to issue their warrant for county taxes by July 15th and provides that the county must bear the cost of a supplemental assessment if they fail to do so.
2. It provides that a credit or reimbursement allowed or paid that is recoverable by the State Tax Assessor is a tax for purposes of the administrative provisions of the Maine Revised Statutes, Title 36.
3. It imposes interest on credits and reimbursements allowed or paid that are recoverable by the State Tax Assessor.
4. It repeals the requirement that a nonresident purchaser must have been employed or registered to vote in another state in order to qualify for exemption from Maine use tax on an automobile purchased and used in the other state.
5. It provides that an insurance agency may elect to collect and pay the tax on surplus lines premiums on behalf of its employees who are surplus lines producers.
6. It limits the exemption for internal combustion engine fuel sold wholly for exportation from the State to sales by