

MAINE STATE LEGISLATURE

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STATE OF MAINE
124TH LEGISLATURE
SECOND REGULAR SESSION



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

JOINT STANDING COMMITTEE ON TAXATION

April 2010

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STATE OF MAINE

124TH 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 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:

<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 & 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&S XXX</i>	<i>Chapter # of enacted Private & 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 124th 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.

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8. It exempts from sales tax any amount charged for the disposal of used tires.
9. It clarifies that the sales tax exemption granted for the sale of prescribed medication does not apply to the sale of marijuana under the Maine Medical Marijuana Act.
10. It provides that small sales of wood pellets and similar wood products intended for home heating are exempt from sales tax.
11. It codifies a state income tax subtraction modification for recovery amounts included in a taxpayer's federal adjusted gross income that were received after the taxpayer claimed an enhanced standard deduction for the amounts. The subtraction modification applies to tax years beginning on or after January 1, 2009.
12. It clarifies that the changes made by Public Law 2009, chapter 470, which changed the State's incentives to provide more effective strategies for attracting visual media productions to the State, applies to visual media production certificates issued by the Department of Economic and Community Development on or after January 1, 2010. Certificates that were issued prior to that date are governed by the law in effect on the date the certificate was issued for both tax credits and reimbursement of wages.
13. It adds a transfer of \$692,000 from the short-term emergency contingency account to increase the budgeted ending balance in the General Fund.

LD 1634 An Act To Increase Financial Assets of Maine Citizens by Allowing Split Tax Refunds

ONTP

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

This bill requires the State Tax Assessor to deposit a state income tax refund into up to three accounts at one or more financial institutions upon request of the person entitled to the refund.

LD 1635 An Act To Avoid Unnecessary Removal of Land from the Maine Tree Growth Tax Law Program

PUBLIC 577

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATSON DAMON	OTP-AM	H-751

This bill provides a grace period that imposes a temporary suspension from taxation under the Maine Tree Growth Tax Law for landowners who fail to file the required statements every 10 years but are otherwise in compliance with the law. Current law requires the tax assessor to withdraw the land from taxation under the program and impose prescribed penalties after notifying the landowner and providing a period of 60 days for the landowner to respond to that notice. This bill provides that the parcel for taxation under the Maine Tree Growth Tax Law is suspended from the program for one year after the original due date of the required statements and that the parcel is taxed as if it were not eligible for taxation under the program but without applying the penalty provision. The bill allows the land to be returned to classification under the Maine Tree Growth Tax Law if the landowner provides the required statements before the end of the one-year suspension period. It requires that the penalty be assessed as if the parcel

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were withdrawn on the original due date of the required statements if the landowner fails to file the required statements and the land is no longer classified under the Maine Tree Growth Tax Law. The bill requires that if, during the suspension period, the parcel becomes ineligible for taxation under the Maine Tree Growth Tax Law for reasons other than failure to file the required statements, the parcel must be immediately withdrawn and a penalty assessed as if the suspension period had not applied.

Committee Amendment "A" (H-751)

This amendment replaces the bill and creates a process requiring assessors to notify landowners of the deadline for submission of certain information associated with land classified under the Maine Tree Growth Tax Law. The amendment also provides relief from withdrawal and penalty to landowners in the unorganized territory that had land withdrawn between September 20, 2007 and July 1, 2010, if the landowner demonstrates compliance with all tree growth classification requirements before April 1, 2011. The amendment removes the emergency preamble and clause, and adds a mandate preamble.

Enacted Law Summary

Public Law 2009, chapter 577 creates a process requiring assessors to notify landowners of the deadline for submission of certain information associated with land classified under the Maine Tree Growth Tax Law. The law also provides relief from withdrawal and penalty to landowners in the unorganized territory that had land withdrawn between September 20, 2007 and July 1, 2010, if the landowner demonstrates compliance with all tree growth classification requirements before April 1, 2011.

LD 1636 An Act To Encourage Extended Stays in Maine Waters

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CUSHING RECTOR	ONTP	

Under current law, watercraft that are not within the State for more than 75 days during the year are exempt from excise tax. This bill extends that time period from 75 to 90 days.

LD 1637 An Act To Change the Requirements for the Sales Tax Exemption for Snowmobile Trail Grooming Equipment

PUBLIC 491

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATSON BLISS	OTP-AM	H-623

This bill removes the requirement that a snowmobile club be a nonprofit organization, which is defined in Title 36 as an organization exempt from taxation under Section 501 (c) of the United State Internal Revenue Code, in order to be eligible for the sales tax exemption for snowmobile trail grooming equipment.

Committee Amendment "A" (H-623)

The amendment replaces the bill. Current law requires that a snowmobile club must be a nonprofit corporation, which is defined in Title 36 as an organization exempt from taxation under Section 501(c) of the United State Internal Revenue Code, in order to receive the sales tax exemption for snowmobile trail grooming equipment. This amendment requires that a snowmobile club must be a nonprofit corporation incorporated under the Maine Revised