

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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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

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Statutes, Title 13-B in order to receive the sales tax exemption for snowmobile trail grooming equipment.

Enacted Law Summary

Public Law 2009, chapter 491 requires that a snowmobile club must be a nonprofit corporation incorporated under the Maine Revised Statutes, Title 13-B in order to receive the sales tax exemption for snowmobile trail grooming equipment.

LD 1666 An Act To Improve the Seed Capital Investment Tax Credit Program

**DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MITCHELL E	OTP-AM	S-404

This bill changes the seed capital investment tax credit program by increasing the existing credit from 40% of an eligible investment to 60% and applying it uniformly across the State rather than basing it on unemployment rates. The bill eliminates the up-front tax credit for investors in certain venture capital funds and makes changes to the conditions and restrictions related to business ownership by investors in private venture capital funds. The bill retains the current amount of \$30,000,000 as the aggregate amount of credits that the Finance Authority of Maine may issue through the end of calendar year 2011 and then increases the amount to \$50,000,000 starting in 2012. It allows investors entitled to the credit that are part of a partnership, corporation or similar entity to allocate the credit using an alternate allocation method rather than allocating the credit in direct proportion to their respective interests in those partnerships, corporations or similar entities. It adds the partners, members or equity owners of certain nonprofit, civic and charitable organizations to the list of those entitled to the credit and states that they must be treated as taxpayers for the purposes of this refundable credit. The bill provides an exception to the provision that specifies that 25% of the tax credit must be taken in the year the investment is made for certain time periods and provides a schedule that specifies what percentage must be taken in each taxable year. The bill also makes the tax credit refundable to provide an incentive for investment in Maine businesses.

Committee Amendment "A" (S-404)

This amendment replaces the bill. The amendment, like the bill, changes the Maine Seed Capital Tax Credit Program by increasing the existing credit from 40% of an eligible investment to 60% and applying it uniformly across the State rather than basing it on unemployment rates. The amendment eliminates the up-front tax credit for investors in certain venture capital funds and authorizes a refundable tax credit of 50% for investments in eligible businesses by venture capital funds. Any income recognized on a taxpayer's federal tax return from the refundable tax credit would be subtracted from federal adjusted gross income for state income tax purposes. The amendment retains the current amount of \$30,000,000 as the aggregate amount of credits that the Finance Authority of Maine may issue. It requires the Finance Authority of Maine to report annually to the Joint Standing Committee on Taxation on activity in the program in the prior year.

LD 1674 An Act To Amend the Law Governing Sales Tax Exemptions for Certain Nonprofit Youth Organizations

ONTP

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