

MAINE STATE LEGISLATURE

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STATE OF MAINE
125TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

JOINT STANDING COMMITTEE ON TAXATION

July 2011

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STATE OF MAINE
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LEGISLATIVE DIGEST OF BILL SUMMARIES AND
ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* summarizes all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 125th Maine Legislature.

The *Digest* is arranged alphabetically by committee and within each committee by Legislative Document (LD) number. The committee report(s), prime sponsor and lead co-sponsor(s), if designated, are listed below each LD 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 LD is noted to the right of the LD title. The following describes the various final actions.

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; legislation died
DIED BETWEEN HOUSES..... House & Senate disagreed; legislation died
DIED IN CONCURRENCE..... defeated in each house, but on different motions; legislation died
DIED ON ADJOURNMENT..... action incomplete when session ended; legislation died
EMERGENCY..... enacted law takes effect sooner than 90 days after session adjournment
FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE emergency failed to receive required 2/3 vote
FAILED, ENACTMENT or FINAL PASSAGE..... failed to receive final majority vote
FAILED, MANDATE ENACTMENT legislation proposing local mandate failed required 2/3 vote
HELD BY GOVERNOR..... Governor has not signed; final disposition to be determined at subsequent session
LEAVE TO WITHDRAW..... sponsor's request to withdraw legislation granted
NOT PROPERLY BEFORE THE BODY ruled out of order by the presiding officer; legislation died
INDEF PP..... indefinitely postponed; legislation died
ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X... ought-not-to-pass report accepted; legislation died
P&S XXX..... chapter # of enacted private & special law
PUBLIC XXX..... chapter # of enacted public Law
RESOLVE XXX..... chapter # of finally passed resolve
VETO SUSTAINED..... Legislature failed to override Governor's veto

The effective date for non-emergency legislation enacted in the First Regular Session of the 125th Legislature is September 28, 2011. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

Joint Standing Committee on Taxation

LD 21 An Act To Exempt from the Sales Tax Meals Provided at Retirement Facilities

**DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCKANE TRAHAN	OTP-AM	H-166 S-80 TRAHAN

This bill exempts from the sales tax meals provided to residents of full-service retirement facilities and applies the exemption retroactively to transactions for which an assessment was not made before April 1, 2009. The bill includes an effective date of October 1, 2011.

Committee Amendment "A" (H-166)

This amendment changes the retroactive date in the bill from April 1, 2009 to January 1, 2010.

Senate Amendment "A" (S-80)

This amendment specifies that the sales tax exemption in the bill applies only when participation in the meal program is a condition of occupancy of the retirement facility or the meal program is paid for as part of a comprehensive fee.

This bill was placed on the Special Appropriations Table and died on adjournment. See LD 1043, Part DDDD.

LD 22 An Act To Improve the Maine Seed Capital Tax Credit

PUBLIC 454

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VALENTINO	ONTP MAJ OTP-AM MIN	H-217

This bill changes the Maine Seed Capital Tax Credit Program for tax years beginning on or after January 1, 2012 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 private venture capital funds and authorizes a refundable tax credit of 50% for investments in eligible businesses by private venture capital funds in the current amount of \$30,000,000 that the Finance Authority of Maine may issue. Any income recognized on a taxpayers federal tax return from the refundable tax credit is subtracted from federal adjusted gross income for state income tax purposes. The bill requires the Finance Authority of Maine to report annually to the joint standing committee of the Legislature having jurisdiction over taxation matters on activity in the program in the prior year.

Committee Amendment "A" (H-217)

This amendment, which is the minority report of the committee, incorporates a fiscal note.

Enacted Law Summary

Public Law 2011, chapter 454 changes the Maine Seed Capital Tax Credit Program for tax years beginning on

Joint Standing Committee on Taxation

or after January 1, 2012 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. Public Law 2011, chapter 454 eliminates the up-front tax credit for investors in certain private venture capital funds and authorizes a refundable tax credit of 50% for investments in eligible businesses by private venture capital funds in the current amount of \$30,000,000 that the Finance Authority of Maine may issue. Any income recognized on a taxpayer's federal tax return from the refundable tax credit is subtracted from federal adjusted gross income for state income tax purposes. Public Law 2011, chapter 454 requires the Finance Authority of Maine to report annually to the joint standing committee of the Legislature having jurisdiction over taxation matters on activity in the program in the prior year.

LD 42 An Act Regarding the Tax on Fuel Used for Commercial Agriculture, Fishing and Forestry ONTP

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

Current law allows a person who purchases and uses fuel for any commercial use, other than in a motor vehicle on the highways of the State or for aircraft, to apply for a refund of the excise tax paid on that fuel, less 1¢ per gallon. Any fuel that qualifies for a refund is then subject to the state use tax of 5%.

This bill allows a person who purchases and uses fuel for commercial fishing, forestry or agriculture purposes to apply for a refund of the excise tax paid, less 5¢ per gallon; such fuel is also exempt from the use tax. All fuel used for other commercial purposes remains eligible for a refund of the excise tax, less 1¢ per gallon, and subject to the use tax.

LD 52 An Act To Dedicate a Percentage of the Sales and Use Tax on Motor Vehicles and Motor Vehicle Parts to the Highway Fund Carried Over

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CEBRA THOMAS		

This bill provides that 20% of the sales or use tax on motor vehicles and motor vehicle parts must be transferred to the Highway Fund beginning in 2012.

This bill was carried over to any special and/or regular session of the 125th Legislature by joint order, H.P. 1190.