

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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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 88 An Act To Streamline Purchasing by Entities Exempt from Sales Tax ONTP

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

This bill requires the State Tax Assessor to post a list containing information about sales tax exemption certificates on a publicly accessible website to assist retailers and purchasers in identifying valid exempt purchases.

**LD 117 An Act To Amend the Location of Motor Vehicle Excise Tax Collection MAJORITY
for Motor Vehicles Owned by Public Utilities (ONTP) REPORT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HARVELL SAVIELLO	ONTP MAJ OTP MIN	

This bill treats public utilities like other corporations and partnerships for purposes of motor vehicle excise taxation by changing the location of payment of the tax by those utilities from the place where the owner has its registered or main office to the place where the owner has a permanent location where the vehicle is kept.

**LD 119 An Act To Allow a Tax Credit for Students Enrolled in Postsecondary ONTP
Nondegree Programs**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CEBRA SNOWE-MELLO	ONTP	

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to amend the educational opportunity tax credit to allow a credit for tuition paid for postsecondary education courses taken as part of a nondegree program, such as the Aspirations Program offered by the University of Maine.

**LD 131 An Act To Change the Threshold for Qualification for a Sales Tax ONTP
Resale Certificate**

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

Joint Standing Committee on Taxation

This bill changes the threshold for the requirement to obtain a sales tax resale certificate from \$3,000 to \$500.

**LD 140 An Act To Eliminate the Restriction on Net Operating Loss
Carry-forwards**

**DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HUNT	OTP-AM A OTP B ONTP C	H-255

Current federal law allows a person to carry forward net operating losses from one tax year to the next. Maine law puts a 3-year moratorium on the carrying forward of net operating losses for tax years 2009, 2010 and 2011, requiring that the amount subtracted for federal income tax purposes be added back into income for purposes of computing Maine income tax. This bill eliminates the requirement that net operating losses be added back into Maine income for tax years beginning in 2011.

Committee Amendment "A" (H-255)

This amendment adds provisions to ensure that corporations as well as individuals are eligible to claim net operating losses as income tax deductions for tax years beginning in 2011 and makes technical corrections related to net operating loss recapture provisions.

This bill was placed on the Special Appropriations Table and died on adjournment.

**LD 147 Resolve, To Provide \$1,000,000 to the Fund for the Efficient Delivery of
Local and Regional Services**

ONTP

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

This resolve transfers \$1,000,000 to the Fund for the Efficient Delivery of Local and Regional Services on a one-time basis. This fund, which was established to assist those municipalities that collaborate with other municipalities, counties or state agencies to obtain savings in the cost of delivering local and regional governmental services, was previously funded by transfers based on 2% of the funds set aside for state-municipal revenue sharing. That funding mechanism was repealed by the 124th Legislature in Public Law 2009, chapter 213, Part S, section 8. This one-time transfer will reduce the amounts set aside in the Local Government Fund for distribution to municipalities in October 2011 under the main revenue sharing distribution and will not affect amounts to be distributed from the Disproportionate Tax Burden Fund, commonly referred to as "Revenue Sharing II."