

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 549 An Act Regarding the Recognition of Corporate Entities for Tax Purposes

INDEF PP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KNIGHT MASON	OTP-AM MAJ ONTP MIN	

This bill clarifies that the State recognizes a corporation as a separate entity for tax purposes and provides that income of the corporation is taxable as income of the corporation rather than the owner of a distributive share of the income.

The bill clarifies the circumstances under which the State must respect a corporate entity for tax purposes and the amendment provides that the corporate entity is the owner of income paid or payable to the corporate entity. The bill as amended is not intended to change the determination of whether income paid or payable to the corporate entity is taxable to the corporate entity or to a shareholder of the corporate entity or whether an S corporation is a taxable corporation. The amendment also provides an application date.

LD 550 An Act To Provide a Property Tax Credit to Veterans

ONTP

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

This bill provides a \$500 credit against property taxes for eligible veterans and their survivors and requires the State to reimburse municipalities for the cost of the credit.

LD 557 An Act To Qualify the Port of Eastport as Tax Exempt for Purpose of Bonding

**P & S 7
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BURNS DC RAYE	OTP	

This bill removes the requirement that the Eastport Port Authority seek and obtain the consent of the Eastport city council to acquire real property in the City of Eastport. The intent of this change is to allow the Eastport Port Authority to qualify as a "political subdivision" under the federal Internal Revenue Code for purposes of issuing bonds that are exempt from federal income taxation.

Enacted Law Summary

Private and Special Law 2011, chapter 7 removes the requirement that the Eastport Port Authority seek and obtain the consent of the Eastport city council to acquire real property in the City of Eastport. The intent of this change is to allow the Eastport Port Authority to qualify as a "political subdivision" under the federal Internal Revenue Code for purposes of issuing bonds that are exempt from federal income taxation.

Joint Standing Committee on Taxation

Private and Special Law 2011, chapter 7 was enacted as an emergency measure effective May 19, 2011.

**LD 563 RESOLUTION, Proposing an Amendment to the Constitution of Maine
To Use a Portion of the Sales and Use Tax for the Protection of Maine's
Fish and Wildlife** **FINAL PASSAGE
FAILED**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TRAHAN	OTP-AM MAJ ONTP MIN	S-154 S-284 PATRICK

This resolution proposes to amend the Constitution of Maine to allocate 0.125% of revenues raised by means of the Sales and Use Tax Law to the Department of Inland Fisheries and Wildlife for the sole purpose of protecting the State's fish and wildlife resources.

Committee Amendment "A" (S-154)

This amendment changes the percent of the tax revenues allocated for the protection of fish and wildlife proposed in the resolution from 0.125% to 1.25%.

Senate Amendment "C" To Committee Amendment "A" (S-284)

This amendment changes the percent of the sales and use tax revenues allocated for the protection of fish and wildlife from 1.25% to 1.20%. It requires that 10% of sales and use tax revenues dedicated to fish and wildlife resources protection be allocated to the Department of Marine Resources to be used only to protect, conserve, restore, manage and enhance diadromous fish populations and their habitat in all waters of the State. It requires that 90% of sales and use tax revenues dedicated to fish and wildlife resources protection be allocated to the Department of Inland Fisheries and Wildlife. It provides that the constitutional amendment does not apply to additional sales or use tax revenue raised as the result of an increase in the rate of the sales or use tax imposed after July 1, 2011. It also provides that the constitutional amendment applies to fiscal years beginning on and after July 1, 2013.

**LD 571 An Act To Amend the Laws Governing Sales Tax on Used Motor
Vehicles** **MAJORITY
(ONTP) REPORT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SNOWE-MELLO	ONTP MAJ OTP-AM MIN	

This bill provides that only the items of consideration or other items of value shown on a receipt or bill of sale for a used motor vehicle may be considered part of the sale price for purposes of sales tax unless there is convincing evidence that other consideration was given as part of the sale.