

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 577 An Act To Limit Taxes on Hospitals

ONTP

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

This bill limits the tax on hospitals to \$81,386,215 annually beginning in 2012.

**LD 590 An Act To Require Review of Certain Changes to Sales Tax Policy
Application or Practice prior to Implementation**

Carried Over

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

This bill requires the State Tax Assessor to report to the joint standing committee of the Legislature having jurisdiction over taxation matters prior to implementing any change in policy application or practice of the Department of Administrative and Financial Services, Bureau of Revenue Services regarding the sales and use tax if that change will result in additional revenue. The joint standing committee of the Legislature having jurisdiction over taxation matters is authorized to report out legislation reversing or modifying the change.

Committee Amendment "A" (H-434)

This amendment, which is the majority report, replaces the bill and provides that the State Tax Assessor may assess additional sales and use taxes as a result of nonpayment or underpayment only if there has been fraud with the intent to evade taxes, a mathematical error in the calculation of taxes owed has occurred, the taxpayer has previously demonstrated awareness of the obligation to pay the tax or the obligation to pay the tax has been recognized by at least 80% of taxpayers in similar situations.

The amendment also authorizes the assessor to recommend legislation or to propose major substantive rules to clarify tax obligations if the conditions for assessing additional sales and use taxes are not met and requires the assessor to notify potentially affected taxpayers of any public hearings on the legislation or proposed rules.

House Amendment "A" To Committee Amendment "A" (H-496)

This amendment provides that the State Tax Assessor may assess a taxpayer additional sales and use tax only if the law imposing the tax has been in effect for more than 90 days and permits an additional assessment if a majority, rather than 80%, of taxpayers currently pay taxes of the same type.

This bill was placed on the Special Appropriations Table and the Joint Standing Committee on Appropriations and Financial Affairs voted to recommit it to the Taxation Committee.

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