

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals  
(may include minor formatting differences from printed original)

STATE OF MAINE  
125<sup>TH</sup> LEGISLATURE  
FIRST REGULAR SESSION



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

**JOINT STANDING COMMITTEE ON TAXATION**

July 2011

**STAFF:**

ELIZABETH F. COOPER, LEGISLATIVE ANALYST  
SCOTT MILLER, LEGISLATIVE ANALYST  
OFFICE OF FISCAL AND PROGRAM REVIEW  
5 STATE HOUSE STATION  
AUGUSTA, ME 04333  
(207) 287-1635

**MEMBERS:**

SEN. A. DAVID TRAHAN, CHAIR  
SEN. DAVID R. HASTINGS, III  
SEN. RICHARD G. WOODBURY

REP. L. GARY KNIGHT, CHAIR  
REP. G. PAUL WATERHOUSE  
REP. BRUCE A. BICKFORD  
REP. PAUL EDWARD BENNETT  
REP. DAVID R. BURNS  
REP. R. RYAN HARMON  
REP. SETH A. BERRY  
REP. DONALD E. PILON  
REP. MARK E. BRYANT  
REP. ELSPETH M. FLEMINGS

STATE OF MAINE  
125<sup>TH</sup> LEGISLATURE  
FIRST REGULAR SESSION



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 125<sup>th</sup> 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 125<sup>th</sup> 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 603      RESOLUTION, Proposing an Amendment to the Constitution of Maine To Require Approval by a 2/3 Vote of Each Branch of the Legislature in Order To Raise a Tax or Impose a New Tax      FINAL PASSAGE FAILED**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COURTNEY	OTP-AM   MAJ ONTP   MIN	S-230

This resolution proposes to amend the Constitution of Maine to require approval by a 2/3 vote of all the members elected to each House of the Legislature in order to raise a tax.

**Committee Amendment "A" (S-230)**

This amendment adds to the resolution to amend the Constitution of Maine language requiring approval by a 2/3 vote of all the members elected to each House of the Legislature for the imposition of a new tax.

**LD 604      An Act To Exempt Certain Meals Provided to Food Service Employees from the Sales and Use Tax      DIED ON ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TRAHAN	OTP-AM	S-53

This bill exempts from the sales and use tax meals provided to an employee of an eating establishment while that employee is working, up to a maximum cost to the employer of \$2.50 per day.

**Committee Amendment "A" (S-53)**

This amendment clarifies that the sales and use tax exemption in the bill applies to the retail value of meals provided to employees and that meals provided during break periods and 30 minutes before or after the employee's working hours are included in the exemption.

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

**LD 611      An Act Relating to Sales Tax on Certain Rental Vehicles      PUBLIC 209**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TRAHAN	OTP-AM	S-126

This bill requires a person that is primarily engaged in the business of renting automobiles to collect 10% sales tax on the short-term rental of a pickup truck or van with a gross vehicle weight of less than 26,000 pounds and allows such a person to purchase those vehicles tax-free, as is the case under current law with lighter-weight vehicles purchased for rental.

## *Joint Standing Committee on Taxation*

This bill also provides that the tax exemption in current law for the use of a loaner vehicle provided pursuant to a warranty applies regardless of whether the new motor vehicle dealer provides the vehicle directly to the service customer or instead arranges for a 3rd-party rental company to provide the vehicle to the customer.

### **Committee Amendment "A" (S-126)**

This amendment clarifies the proposed exclusion from sales and use tax for pickup trucks and vans purchased for short-term rental and the exemption for the rental of certain vehicles to the service customer of a new vehicle dealer pursuant to a warranty. It deletes language that would have changed how long-term rentals of pickup trucks and vans are taxed and provides that the changes apply to transactions entered into on or after October 1, 2011.

### **Enacted Law Summary**

Public Law 2011, chapter 209 requires a person that is primarily engaged in the business of renting automobiles to collect 10% sales tax on the short-term rental of a pickup truck or van with a gross vehicle weight of less than 26,000 pounds and allows such a person to purchase those vehicles tax-free, as is the case under current law with lighter-weight vehicles purchased for rental.

It also provides that the tax exemption in current law for the use of a loaner vehicle provided pursuant to a warranty applies regardless of whether the new motor vehicle dealer provides the vehicle directly to the service customer or instead arranges for a 3rd-party rental company to provide the vehicle to the customer.

## **LD 617      An Act To Modify the Process Regarding the Return of Unfit Tobacco Products**

**PUBLIC 441**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KATZ	OTP-AM	S-125 S-349 ROSEN R

This bill permits the State Tax Assessor to recognize a credit for tax previously paid on tobacco products that are returned to a distributor because the products have become unfit for use, sale or consumption and are subsequently destroyed by the distributor.

### **Committee Amendment "A" (S-125)**

The amendment permits the State Tax Assessor to redeem cigarette tax stamps with respect to cigarettes that are destroyed by the distributor because the cigarettes have become unfit for use, sale or consumption.

### **Senate Amendment "A" To Committee Amendment "A" (S-349)**

The amendment delays until July 1, 2012 the implementation of a credit for tax previously paid on tobacco products or cigarettes that are returned to a distributor because the products have become unfit for use, sale or consumption and are subsequently destroyed by the distributor.

### **Enacted Law Summary**

Public Law 2011, chapter 441 permits the State Tax Assessor to, beginning July 1, 2012, recognize a credit for tax previously paid on tobacco products that are returned to a distributor and are subsequently destroyed by the distributor because they have become unfit for use, sale or consumption. It permits the State Tax Assessor to, beginning July 1, 2012, redeem cigarette tax stamps with respect to cigarettes that are destroyed by the distributor because they have become unfit for use, sale or consumption.