

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

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.