

MAINE STATE LEGISLATURE

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STATE OF MAINE
125TH LEGISLATURE
SECOND REGULAR SESSION



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

JOINT STANDING COMMITTEE ON TAXATION

June 2012

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STATE OF MAINE

125TH LEGISLATURE
SECOND 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 Second 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.

<i>CARRIED OVER</i>	<i>carried over to a subsequent session of the Legislature</i>
<i>CON RES XXX</i>	<i>chapter # of constitutional resolution passed by both houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; legislation died</i>
<i>DIED BETWEEN HOUSES</i>	<i>House & Senate disagreed; legislation died</i>
<i>DIED IN CONCURRENCE</i>	<i>defeated in each house, but on different motions; legislation died</i>
<i>DIED ON ADJOURNMENT</i>	<i>action incomplete when session ended; legislation died</i>
<i>EMERGENCY</i>	<i>enacted law takes effect sooner than 90 days after session adjournment</i>
<i>FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE</i>	<i>emergency failed to receive required 2/3 vote</i>
<i>FAILED, ENACTMENT or FINAL PASSAGE</i>	<i>failed to receive final majority vote</i>
<i>FAILED, MANDATE ENACTMENT</i>	<i>legislation proposing local mandate failed required 2/3 vote</i>
<i>HELD BY GOVERNOR</i>	<i>Governor has not signed; final disposition to be determined at subsequent session</i>
<i>LEAVE TO WITHDRAW</i>	<i>sponsor's request to withdraw legislation granted</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>ruled out of order by the presiding officer; legislation died</i>
<i>INDEF PP</i>	<i>indefinitely postponed; legislation died</i>
<i>ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X</i> ...	<i>ought-not-to-pass report accepted; legislation died</i>
<i>P&S XXX</i>	<i>chapter # of enacted private & special law</i>
<i>PUBLIC XXX</i>	<i>chapter # of enacted public Law</i>
<i>RESOLVE XXX</i>	<i>chapter # of finally passed resolve</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's veto</i>

The effective date for non-emergency legislation enacted in the Second Regular Session of the 125th Legislature is Thursday, August 30, 2012. 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 849

An Act To Provide Tax Relief for Maine's Citizens by Reducing Income Taxes

PUBLIC 692

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
TRAHAN	OTP-AM MAJ ONTP MIN	S-427 S-443 COURTNEY S-596 ROSEN R

This bill was carried over from the First Regular Session of the 125th Legislature.

This bill provides tax relief for Maine's citizens by reducing income taxes paid by Maine citizens. The bill requires that revenue exceeding the General Fund appropriation limitation and unappropriated surplus of the General Fund be used to gradually increase by 20% the income bracket thresholds at which higher income tax rates apply and to reduce the highest income tax rates from 8.5% and 7% to 6.5%.

Committee Amendment "C" (S-427)

This amendment replaces the bill. It removes the requirement proposed in the bill that revenue exceeding the General Fund appropriation limitation and unappropriated surplus of the General Fund be applied to gradually increase by 20% the income bracket thresholds at which higher income tax rates apply. The amendment requires that a portion of revenue exceeding the General Fund appropriation limitation and unappropriated surplus of the General Fund be used to gradually reduce the tax rates to 4% instead of 6.5% as proposed in the bill.

Senate Amendment "C" To Committee Amendment "C" (S-443)

This amendment requires that the Circuitbreaker Program be fully funded prior to using the Tax Relief Fund for Maine Residents to reduce income tax rates.

Senate Amendment "F" To Committee Amendment "C" (S-596)

This amendment decreases the percentage of excess revenue that is transferred to the Tax Relief Fund for Maine Residents from 40% to 20% and revises the percentages of excess revenue that are transferred to certain other accounts in the cascade. In addition, this amendment makes a technical correction to clarify that the amount to be transferred to the Tax Relief Fund for Maine Residents is based on the amount by which General Fund budgeted revenue exceeds the General Fund appropriation limitation for that fiscal year.

Enacted Law Summary

Public Law 2011, chapter 692 requires that a portion of revenue exceeding the General Fund appropriation limitation and unappropriated surplus of the General Fund be used to gradually reduce the tax rates to 4%. It requires that the Circuitbreaker Program be fully funded prior to using the Tax Relief Fund for Maine Residents to reduce income tax rates.