

# MAINE STATE LEGISLATURE

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**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

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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 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**

commercial property in order to attract tenants and stimulate business development.

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

**LD 895      An Act To Allow the City of Bangor To Replace the Bangor Auditorium and Civic Center at the Bass Park Complex      P & S 15**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FARNHAM	OTP	

This bill facilitates the City of Bangor's ability to incur bonded indebtedness in order to fund a replacement building or structure for the existing Bangor Auditorium and Civic Center. The bill exempts the bonded indebtedness for the project from counting towards the city's statutory debt limit and Penobscot County's aggregate value of municipal general obligation indebtedness financed by the proceeds from tax increment financing districts. The bill also removes a 5-year deadline for completion of the project and extends the 20-year time limit to 30 years for bonded indebtedness incurred by the City of Bangor to finance the project.

**Enacted Law Summary**

Private and Special Law 2011, chapter 15 facilitates the City of Bangor's ability to incur bonded indebtedness in order to fund a replacement building or structure for the existing Bangor Auditorium and Civic Center. It exempts the bonded indebtedness for the project from counting towards the city's statutory debt limit and Penobscot County's aggregate value of municipal general obligation indebtedness financed by the proceeds from tax increment financing districts. It also removes a 5-year deadline for completion of the project and extends the 20-year time limit to 30 years for bonded indebtedness incurred by the City of Bangor to finance the project.

**LD 898      An Act To Reform the Maine Estate Tax      ONTP**

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

This bill provides a different method of calculation of the Maine estate tax. Instead of calculating the estate tax based on prior federal law, the bill establishes a progressive rate structure for estates that exceed an exemption amount of \$1,000,000 for persons who die after December 31, 2010. See LD 1147.

**LD 921      An Act To Clarify the Collection Process for the Commercial Forestry Excise Tax      PUBLIC 462**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCCABE TRAHAN	OTP-AM	H-484

This bill limits the period of assessments for back taxes under the commercial forestry excise tax and provides that landowners who sign an affidavit stating that they were unaware of the requirement to file a return may be assessed

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for the current year and the 2 previous years only, without the accumulation of interest or penalties. The bill also directs the State Tax Assessor to evaluate whether an amnesty program might contribute to the State's ability to enforce and collect revenue due under the tax.

### **Committee Amendment "A" (H-484)**

This amendment makes technical changes and removes the requirement that the State Tax Assessor report whether an amnesty program will contribute to the State's ability to collect taxes due under the commercial forestry excise tax. The amendment clarifies that the supplemental assessment may be limited to the prior 3 years if the landowner signs an affidavit stating that the landowner was unaware of the requirement to file a return and that penalties and interest must be waived or abated if the tax is paid within 30 days after receipt of the notice of supplemental assessment. The amendment provides that these provisions apply to property tax years beginning on or after April 1, 2011.

### **Enacted Law Summary**

Public Law 2011, chapter 462 limits the period of the supplemental assessment under the commercial forestry excise tax to the prior 3 years if the landowner signs an affidavit stating that the landowner was unaware of the requirement to file a return and that penalties and interest must be waived or abated if the tax is paid within 30 days after receipt of the notice of supplemental assessment. These provisions apply to property tax years beginning on or after April 1, 2011.

**LD 931      An Act To Ensure Proper Tax Assessment of Property Owners      ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WILLETTE M SHERMAN	ONTP	

This bill requires a municipal property tax assessor, upon receipt of notice of the transfer of property, to note the new owner on the tax records and issue any assessment due after the date of transfer to that new owner.

**LD 946      An Act To Amend the Sales and Use Tax Exemption for Aircraft      DIED ON  
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RAYE	OTP-AM	S-155

This bill amends the existing sales, storage and use tax exemption for an aircraft purchased outside of the State by a nonresident by removing limitations on the use of the aircraft in this State during the 12 months following purchase.

### **Committee Amendment "A" (S-155)**

This amendment changes the bill by expanding the current exemption from sales and use tax for aircraft purchased or leased by a nonresident and immediately transported out of the State and for certain other specifically designated aircraft to include sales and leases of all aircraft by a person, regardless of the type of aircraft or the state of residency of the purchaser. The amendment also expands the exemption to include sales of repair and replacement parts used exclusively in aircraft and in the overhauling and rebuilding of aircraft. It retains the bill's original provision to amend the existing sales, storage and use tax exemption for an aircraft purchased outside of the State by