

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

a nonresident by removing limitations on the use of the aircraft in this State during the 12 months following purchase.

This bill was placed on the Special Appropriations Table and died on adjournment. See LD 1043, Part GGGG.

LD 961 An Act To Exempt Internet Sales from the Sales and Use Tax INDEF PP

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

This bill provides a sales and use tax exemption for sales made over the Internet.

**LD 965 Resolve, Directing the Bureau of Revenue Services To Provide Guidance MAJORITY
Regarding the Valuation of Residential Alternative Energy (ONTP) REPORT
Infrastructure**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FLEMINGS TRAHAN	ONTP MAJ OTP-AM MIN	

This resolve directs the Department of Administrative and Financial Services, Bureau of Revenue Services to develop guidance for municipalities with regard to the valuation of alternative energy infrastructure used for residential purposes.

**LD 991 An Act To Establish the Maine New Markets Capital Investment DIED ON
Program ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RAYE	OTP-AM	S-299

This bill enacts the Maine New Markets Capital Investment Program in order to attract investment in economically distressed areas of Maine. The program is modeled after the federal New Markets Tax Credit Program.

Committee Amendment "A" (S-299)

This amendment replaces the bill and establishes the Maine New Markets Capital Investment Program, which is modeled after the Federal New Markets Income Tax Credit, IRS Code 45D.

Under the program, the Finance Authority of Maine (FAME) receives applications from Qualified Community Development Entities," which may be approved for specific allocations of qualified investments eligible for the credit. FAME certifies qualified investments, with the maximum of qualified investments in Maine equal to

Joint Standing Committee on Taxation

\$250,000,000. At least 85% of investments must be made in "low-income or distressed areas" in Maine. The total credit is equal to 39% of qualified investment with the schedule for claiming it beginning at 0% in the first 2 years, 7% in the 3rd year of the investment and then 8% for remaining four years. The credit is refundable or at taxpayer's election, may be carried forward.

The Commissioner of Department of Administration and Financial Services enters into a Memorandum of Agreement with the certified investors eligible for the credit regarding the State's commitment to investors who make qualified investments. Maine Revenue Services processes the credits through tax returns and may recapture the credit if required under certain circumstances consistent with IRS Code provisions.

This bill was placed on the Special Appropriations Table and died on adjournment. See LD 1043, Part Q.

LD 1016 An Act To Restore the Health Care Provider Tax to 6 Percent

PUBLIC 411

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STRANG BURGESS CRAVEN	OTP-AM	H-649

Federal law permits states to use provider-specific taxes to fund their state shares of Medicaid expenses subject to certain limitations. This bill amends existing provisions effective October 1, 2011, increasing the provider tax rate applicable to nursing home from 5.5% to 6%, consistent with applicable federal requirements, and repealing authorization for the Commissioner of Health and Human Services to transfer funds received from nursing facilities that are credited to the Nursing Facility Other Special Revenue funds account in the Department of Health and Human Services.

It requires that funds received from this increased provider tax be applied to provide cost-of-living increases to MaineCare reimbursement to nursing homes and medical and remedial private nonmedical institutions that are reimbursed room and board costs and certain other allowable costs under rules adopted by the Department of Health and Human Services and may not be transferred for other purposes.

Committee Amendment "A" (H-649)

This amendment provides an increase in the provider tax rate applicable to residential treatment facilities from 5.5% to 6%, consistent with applicable federal requirements, in addition to the increase provided for nursing homes in the bill. It requires that the rules for the cost-of-living adjustment, to which all revenues related to the incremental increase for nursing homes must be applied, use a methodology that provides a cost-of-living increase that ensures that such nursing facilities and medical and remedial private nonmedical institutions receive a share of the revenues through MaineCare reimbursement of allowable costs. It requires that all revenues generated by the increase in the tax rate applicable to residential treatment facilities be applied to providing services to individuals on the waiting list for the community support benefit waiver under the MaineCare Benefits Manual, Chapter II, Section 29. The amendment also adds an appropriations and allocations section.

Enacted Law Summary

Public Law 2011, chapter 411 increases the provider tax rate applicable to nursing home and residential treatment facilities from 5.5% to 6%, effective October 1, 2011, consistent with applicable federal requirements. It repeals the authorization for the Commissioner of Health and Human Services to transfer funds received from nursing facilities that are credited to the Nursing Facility Other Special Revenue funds account in the Department of Health and Human Services. It requires that the incremental increase of funds received from this increased provider tax for nursing homes must be applied to provide cost-of-living increases to MaineCare reimbursement to nursing homes and medical and remedial private nonmedical institutions that are reimbursed room and board costs and certain other