

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

\$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

Joint Standing Committee on Taxation

allowable costs under rules adopted by the Department of Health and Human Services and may not be transferred for other purposes. The department must 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.

LD 1036 An Act To Clarify the Municipal Development District Law ONTP

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

This bill defines the terms "blighted area" and "credit enhancement agreement" in the municipal development district laws and provides a mechanism for the use of credit enhancement agreements in blighted areas. It also requires greater advance notice of public hearings on development districts and broadens the range of parties entitled to receive direct notice of such hearings.

LD 1044 An Act To Allow a Tax Credit for Tuition Paid to Private Schools ONTP

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

This bill provides for an income tax credit of up to \$2,000 for tuition paid to a private school for a taxpayer or a dependent of the taxpayer.

LD 1081 An Act To Provide a Property Tax Exemption for Family Burying Grounds DIED BETWEEN HOUSES

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HARVELL	OTP-AM	H-476 S-354 ROSEN R

This bill exempts family burying grounds of 1/4 of an acre or less from property taxation.

Committee Amendment "A" (H-476)

This amendment replaces the bill. It limits the bill's proposed property tax exemption for family burying grounds of 1/4 acres or less to include only those where human remains are known to be buried and that are not located within shoreland areas. The amendment also changes the application date from April 1, 2011 to April 1, 2012.

Senate Amendment "A" To Committee Amendment "A" (S-354)