

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

LD 1097 An Act To Amend the Laws Governing the Real Estate Transfer Tax

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SNOWE-MELLO	ONTP	

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to amend the real estate transfer tax laws to ensure equity in their application to the value of the property being transferred and the parties involved in the transfer.

LD 1118 An Act To Provide a Tax Credit for High-quality Child Care Sites

**MAJORITY
(ONTP) REPORT**

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

This bill amends the income tax credit for child and dependent care expenses to provide an enhanced credit if the services are provided at a child care site rated according to the level of quality by the Department of Health and Human Services. The bill also expands the income tax credit for quality child care investments to include contributions to a public-private partnership fund certified by the Department of Health and Human Services, Office of Child Care and Head Start and caps the amount of eligible investments that may be certified at \$50,000 per year.

**LD 1130 An Act To Amend the Laws Regarding the Determination of Domicile
Based on the Geographic Location of an Individual's Bank**

**PUBLIC 132
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COURTNEY	OTP-AM MAJ ONTP MIN	S-59

This bill amends the definition of "resident individual" for the laws regarding income taxes to include that the geographic location of a bank with an active bank account or bank loan of the individual may not be used to determine if the individual is considered to be domiciled in Maine.

Committee Amendment "A" (S-59)

This amendment adds an emergency preamble and emergency clause to the bill. The amendment changes the bill by excluding all financial institutions rather than just banks from the criteria used to determine if an individual is considered to be domiciled in Maine for tax purposes.

Enacted Law Summary

Public Law 2011, chapter 132 amends the definition of "resident individual" for the laws regarding income taxes to specify that the geographic location of a financial institution with an active account or loan of the individual may not

Joint Standing Committee on Taxation

be used to determine if the individual is considered to be domiciled in Maine.

Public Law 2011, chapter 132 was enacted as an emergency measure effective May 23, 2011.

LD 1137 An Act To Conform Business Expense Deductions to Federal Law

**DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KNIGHT TRAHAN	OTP-AM MAJ ONTP MIN	H-155

This bill permits businesses to claim business expense deductions for purchases to the same extent as permitted under federal income tax law. It was amended to adds corporations to the entities allowed to use the higher United States Internal Revenue Code, Section 179 expense deduction thresholds as permitted under federal income tax law.

Committee Amendment "A" (H-155)

This amendment adds corporations to the entities allowed to use the higher United States Internal Revenue Code, Section 179 expense deduction thresholds as permitted under federal income tax law.

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

**LD 1138 An Act To Prevent Unnecessary Expulsion of Landowners from the
Maine Tree Growth Tax Law Program**

Carried Over

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KNIGHT LANGLEY		

This bill requires the State Tax Assessor to impose a \$100 administrative penalty on a landowner enrolled in the Maine Tree Growth Tax Law program if the landowner fails to file a forest management and harvest plan by the later of the end of the 10-year period and the end of the 120-day notice period given by the assessor to notify the landowner that a plan is needed. If the landowner still does not file a plan within one year of the end of the 10-year deadline, then the assessor is required to withdraw the land from the tree growth tax program and assess a withdrawal penalty. This bill also repeals the 15,000-acre cap on land enrolled in the farm and open space tax law program to allow easier transfer of property between that program and the tree growth tax law program.

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