

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
125TH LEGISLATURE
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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 1142 Resolve, Directing the Department of Administrative and Financial Services, Bureau of Revenue Services To Review the Farm and Open Space Tax Law

RESOLVE 86

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| KNIGHT MASON | OTP-AM | H-580 |

This bill allows a farm-related structure on land enrolled in the farm and open space tax program to be taxed at a current use value established by a method determined by the Department of Agriculture, Food and Rural Resources working with the Department of Administrative and Financial Services, Bureau of Revenue Services, representatives of municipal assessors and farmers.

Committee Amendment "A" (H-580)

This amendment changes the bill to a resolve and changes the title. It requires the Department of Administrative and Financial Services, Bureau of Revenue Services to work with guidance from the Department of Agriculture, Food and Rural Resources to evaluate land used for agricultural activities enrolled in the farm and open space tax law and to consider land within the footprint of agriculture-related buildings. The amendment requires the bureau's review to consider the method for the valuation of such lands under a current use valuation methodology and an assessment of the thresholds for acreage and income that allows farmland to be assessed at current use. It requires the bureau to invite the participation of representatives from municipalities and a statewide farming association. It requires the bureau to submit a report with recommendations and suggested legislation to the Joint Standing Committee on Taxation and the Joint Standing Committee on Agriculture, Conservation and Forestry. It authorizes the Joint Standing Committee on Taxation to submit a bill pertaining to the recommendations of the report to the Second Regular Session of the 125th Legislature.

Enacted Law Summary

Resolve 2011, chapter 86 requires the Department of Administrative and Financial Services, Bureau of Revenue Services to work with guidance from the Department of Agriculture, Food and Rural Resources to evaluate land used for agricultural activities enrolled in the farm and open space tax law and to consider land within the footprint of agriculture-related buildings. It requires the bureau's review to consider the method for the valuation of such lands under a current use valuation methodology and an assessment of the thresholds for acreage and income that allows farmland to be assessed at current use. It requires the bureau to invite the participation of representatives from municipalities and a statewide farming association. It requires the bureau to submit a report with recommendations and suggested legislation to the Joint Standing Committee on Taxation and the Joint Standing Committee on Agriculture, Conservation and Forestry. It authorizes the Joint Standing Committee on Taxation to submit a bill pertaining to the recommendations of the report to the Second Regular Session of the 125th Legislature.

LD 1147 An Act To Conform Maine's Estate Tax to the Federal Estate Tax

INDEF PP

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

This bill raises the Maine estate tax exclusion amount from \$1,000,000 to \$5,000,000 beginning with estates of decedents dying on or after January 1, 2012 and conforms to the federal exclusion level thereafter.

Joint Standing Committee on Taxation

Committee Amendment "A" (S-133)

The Committee amendment strikes and replaces the bill. With respect to the estate tax for estates of decedents dying after December 31, 2011, it provides an exclusion amount of \$5,000,000 and provides for the calculation of the estate tax according to a progressive rate structure of 10% for estates of at least \$5,000,000 but less than \$8,000,000 and 12% for estates of \$8,000,000 or more. For estates of decedents dying on or after January 1, 2011, it provides conformance with federal law with respect to the treatment of Maine qualified terminable interest property. It also clarifies provisions related to the estates of nonresidents.

Senate Amendment "B" To Committee Amendment "A" (S-217)

This amendment decreases the Maine exclusion amount proposed in Committee Amendment "A" from \$5,000,000 to \$2,000,000 and changes the tiers of the graduated rate structure by imposing a tax rate of 8% on estates of more than \$2,000,000 but no more than \$5,000,000; 10% on estates of more than \$5,000,000 but no more than \$8,000,000; and 12% on estates valued at more than \$8,000,000. See LD 1043, Part M.

LD 1157 An Act To Protect Property Tax Revenue in the Unorganized Territory

**MINORITY
(ONTP) REPORT**

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

This bill provides that a tax increment financing district containing a grid-scale wind energy development in the unorganized territory may not be approved by the Commissioner of Economic and Community Development after a permit has been issued for the wind energy development or if federal funding is approved for the wind energy development or if a person intends to claim state or federal tax credits for the development. If funding or a tax credit is received by a person after approval of the tax increment financing district, the person receiving the funding or credit must pay that amount to the State to be used to reduce property taxes in the unorganized territory.

**LD 1161 An Act To Waive Penalties Imposed under Laws Governing Taxation
for Persons Who Are Unemployed**

ONTP

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| BOLDUC | ONTP | |

This bill requires the State Tax Assessor to waive the penalties imposed for failing to file an income tax return or failing to pay, in whole or in part, income taxes due if the person is unemployed. The burden is on the person to prove unemployment status.