

MAINE STATE LEGISLATURE

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STATE OF MAINE
125TH LEGISLATURE
SECOND REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

JOINT STANDING COMMITTEE ON TAXATION

June 2012

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STATE OF MAINE

125TH LEGISLATURE
SECOND REGULAR SESSION



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 Second 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.

<i>CARRIED OVER</i>	<i>carried over to a subsequent session of the Legislature</i>
<i>CON RES XXX</i>	<i>chapter # of constitutional resolution passed by both houses</i>
<i>CONF CMTE UNABLE TO AGREE</i>	<i>Committee of Conference unable to agree; legislation died</i>
<i>DIED BETWEEN HOUSES</i>	<i>House & Senate disagreed; legislation died</i>
<i>DIED IN CONCURRENCE</i>	<i>defeated in each house, but on different motions; legislation died</i>
<i>DIED ON ADJOURNMENT</i>	<i>action incomplete when session ended; legislation died</i>
<i>EMERGENCY</i>	<i>enacted law takes effect sooner than 90 days after session adjournment</i>
<i>FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE</i>	<i>emergency failed to receive required 2/3 vote</i>
<i>FAILED, ENACTMENT or FINAL PASSAGE</i>	<i>failed to receive final majority vote</i>
<i>FAILED, MANDATE ENACTMENT</i>	<i>legislation proposing local mandate failed required 2/3 vote</i>
<i>HELD BY GOVERNOR</i>	<i>Governor has not signed; final disposition to be determined at subsequent session</i>
<i>LEAVE TO WITHDRAW</i>	<i>sponsor's request to withdraw legislation granted</i>
<i>NOT PROPERLY BEFORE THE BODY</i>	<i>ruled out of order by the presiding officer; legislation died</i>
<i>INDEF PP</i>	<i>indefinitely postponed; legislation died</i>
<i>ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X</i> ...	<i>ought-not-to-pass report accepted; legislation died</i>
<i>P&S XXX</i>	<i>chapter # of enacted private & special law</i>
<i>PUBLIC XXX</i>	<i>chapter # of enacted public Law</i>
<i>RESOLVE XXX</i>	<i>chapter # of finally passed resolve</i>
<i>VETO SUSTAINED</i>	<i>Legislature failed to override Governor's veto</i>

The effective date for non-emergency legislation enacted in the Second Regular Session of the 125th Legislature is Thursday, August 30, 2012. The effective date for legislation enacted as an emergency measure may be found in the enacted law summary for that legislation.

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5. It requires that, for property transferred from the Maine Tree Growth Tax Law program to the open space tax program and subsequently withdrawn from all current use tax programs entirely, the tree growth withdrawal penalty rather than the open space withdrawal penalty applies for the first 10 years after transfer.

6. It clarifies that any property within the unorganized territory that was withdrawn from classification under the Maine Tree Growth Tax Law between September 20, 2007 and July 1, 2010 and returned to tree growth classification pursuant to Public Law 2009, chapter 577, section 3 is for all purposes deemed not to have been withdrawn from tree growth classification during that period of time.

LD 1164 An Act To Support Maine Farms and Alleviate Hunger

**DIED ON
ADJOURNMENT**

Sponsor(s)

DION
ALFOND

Committee Report

OTP-AM MAJ
ONTP MIN

Amendments Adopted

H-710

This bill was carried over from the First Regular Session of the 125th Legislature.

This bill provides an income tax credit up to \$5,000 to persons engaged in commercial agricultural production for donations of food to incorporated nonprofit organizations that provide free food to low-income individuals for the purpose of alleviating hunger.

Committee Amendment "A" (H-710)

This amendment changes the bill by reducing the maximum amount of the income tax credit for a donation of agricultural products to \$2,500 and making the credit nonrefundable. It clarifies that an organization receiving the donated food must be exempt from federal income tax under Section 501(c) of the federal Internal Revenue Code or a nonprofit corporation organized under the Maine Revised Statutes, Title 13-B and may not charge a fee for the food or require any other type of compensation. It provides a definition of "low-income individual," clarifies how fair market value of the donation will be determined and prohibits a taxpayer that has claimed a federal deduction for a charitable contribution for the same donation from claiming the credit. It provides for a review of the tax credit by the joint standing committee of the Legislature having jurisdiction over taxation matters no later than April 1, 2018 to determine whether the credit should be continued, repealed or modified. It provides that the changes apply to tax years beginning on or after January 1, 2013.

This bill was placed on the Special Appropriations Table and died on adjournment.

LD 1225 An Act To Create an Income Tax Return Checkoff To Fund Cancer Screening, Detection and Prevention

**DIED BETWEEN
HOUSES**

Sponsor(s)

STRANG BURGESS
RAYE

Committee Report

ONTP MAJ
OTP-AM MIN

Amendments Adopted

This bill was carried over from the First Regular Session of the 125th Legislature.

This bill creates a checkoff on the income tax form to allow tax filers to donate to the Comprehensive Cancer

Joint Standing Committee on Taxation

Screening, Detection and Prevention Fund for funding the cancer prevention and control program.

Committee Amendment "A" (H-712)

This amendment, which is the minority report, incorporates an appropriations and allocations section. This amendment was not adopted.

**LD 1470 An Act To Evaluate the Harvesting of Timber on Land Taxed under the PUBLIC 619
Maine Tree Growth Tax Law**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RAYE	OTP-AM MAJ ONTP MIN	S-441

This bill was carried over from the First Regular Session of the 125th Legislature. This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to ensure that future applicants for classification of land under the Maine Tree Growth Tax Law are eligible only if they are actually engaged in harvesting timber and not using the land as a property tax shelter without harvesting.

Committee Amendment "A" (S-441)

This amendment replaces the bill, which was a concept draft, and changes the title. It authorizes the Director of the Bureau of Forestry within the Department of Conservation to conduct periodic random sampling of land enrolled under the Maine Tree Growth Tax Law and assess overall compliance with the law as well as differences in compliance based on property location. It allows the director or the director's designee to examine forest land and review the forest management and harvest plan, or an expired plan, upon request when the director is conducting random sampling. This amendment provides that the information collected is confidential, except that the director is required to publish at least one summary report that does not reveal the activities of any person or business entity and that must be available as a public record. It also requires the director to provide a report that includes findings and recommendations to the joint standing committee of the Legislature having jurisdiction over taxation matters no later than March 1, 2014. This amendment provides that the provision authorizing the random sampling and report is repealed on December 31, 2014.

Enacted Law Summary

Public Law 2011, chapter 619 authorizes the Director of the Bureau of Forestry within the Department of Conservation to conduct periodic random sampling of land enrolled under the Maine Tree Growth Tax Law and assess overall compliance with the law as well as differences in compliance based on property location. It allows the director or the director's designee to examine forest land and review the forest management and harvest plan, or an expired plan, upon request when the director is conducting random sampling. It provides that the information collected is confidential, except that the director is required to publish at least one summary report that does not reveal the activities of any person or business entity and that must be available as a public record. It also requires the director to provide the summary report, including findings and recommendations, to the joint standing committee of the Legislature having jurisdiction over taxation matters no later than March 1, 2014. The law provides that the provision authorizing the random sampling and report is repealed on December 31, 2014.