

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 1369

An Act To Simplify the Maine Income Tax Law

ONTP

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

This bill simplifies the Maine Income Tax Law and replaces the current system with a system of personal income taxation that calculates state income tax as a percentage of federal income tax liability. The bill also provides a mechanism for the State Tax Assessor to adjust the tax rate when changes in federal law are estimated to change total federal anticipated revenue by more than 4% to maintain forecasted state income tax revenue.

LD 1371

An Act To Promote Fair and Efficient Resolutions in Tax Disputes

PUBLIC 439

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KNIGHT TRAHAN	OTP-AM MAJ ONTP MIN	H-629 H-660 KNIGHT

This bill eliminates the current appellate division within the Department of Administrative and Financial Services, Bureau of Revenue Services and replaces it with the Independent Appeals Office. The bill changes provisions relating to the position of taxpayer advocate in the bureau. The funds used to support existing positions that are eliminated are transferred to support the newly created positions.

The bill amends the procedure for administrative appeals resulting from assessments and other determinations of the State Tax Assessor by providing a 90-day period within which the division that issued the determination and the taxpayer may attempt to settle disputed issues before a reconsideration conference is scheduled. It establishes a process for the Independent Appeals Office to hear and decide reconsideration requests, which are currently decided by the appellate division of the Bureau of Revenue Services but are subject to review and input by the State Tax Assessor, and by other members of the Bureau of Revenue Services, including the division of the Bureau of Revenue Services that issued the assessment. Pursuant to this bill, appeals officers are not permitted ex parte communications with other employees of the Bureau of Revenue Services or the petitioner. Any additional costs of the Independent Appeals Office may be funded by the \$100 fee paid by the petitioner for appeals conferences.

The taxpayer advocate established in the bill is modeled after the Taxpayer Advocate Service offered by the Federal Government to assist taxpayers in relation to the federal Internal Revenue Service. The taxpayer advocate assists taxpayers in relation to the Bureau of Revenue Services, identifies issues and suggests solutions to the Bureau of Revenue Services and reports on the taxpayer advocate's activities to the joint standing committee of the Legislature having jurisdiction over taxation matters in order to provide information to assist the Legislature in determining whether additional legislation is needed to improve the operations of the Bureau of Revenue Services.

This bill also provides that when the State Tax Assessor has failed to comply with the taxpayer's requests that a representative with a valid power of attorney authorized to receive communications addressed to the taxpayer be notified of a determination, then the taxpayer is considered to have not received notice of a determination until such time as the representative receives notice.