

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
125<sup>TH</sup> 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  
125<sup>TH</sup> 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 125<sup>th</sup> 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 125<sup>th</sup> 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*

- 8. It clarifies the computation of the visual media production credit;
- 9. It provides for application of the credit for rehabilitation of historic properties to condominiums, consistent with current administrative practice; and
- 10. It clarifies the computation of the visual media production reimbursement.

**Committee Amendment "A" (H-336)**

This amendment removes a provision amending the insurance premium tax law regarding the rate of tax paid by out-of-state insurance companies and adds contractual payments for the services of individuals working in the State to the definition of "certified production wages," as amended by the bill, under the tax reimbursement program for certified visual media production companies. This amendment adds a provision to apply the changes to the visual media production company tax reimbursement to applications filed on or after January 1, 2011.

**Enacted Law Summary**

Public Law 2011, chapter 240 makes the following changes to the laws governing taxation:

- 1. It clarifies and corrects cross-references; rectifies grammar, punctuation and spelling errors; repeals obsolete statutes; and replaces archaic and gender-specific language;
- 2. It relocates a provision of law relating to the Secretary of State from the Maine Revised Statutes, Title 36 to Title 29-A;
- 3. It clarifies that the State Tax Assessor is authorized to assess unpaid taxes and penalties;
- 4. It deletes obsolete requirements that certain schedules must be submitted in duplicate;
- 5. It deletes obsolete provisions relating to calendar year registrations of motor vehicles;
- 6. It clarifies the scope of the sales tax exemption for certain packaging materials, consistent with longstanding administrative practice;
- 7. It eliminates a cross-reference to a statute that has been repealed;
- 8. It clarifies the computation of the visual media production credit and the the visual media production reimbursement; and
- 9. It provides for application of the credit for rehabilitation of historic properties to condominiums, consistent with current administrative practice.

**LD 1470**

**An Act To Ensure Harvesting of Timber on Land Taxed under the  
Maine Tree Growth Tax Law**

**Carried Over**

Sponsor(s)

RAYE

Committee Report

Amendments Adopted

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

***Joint Standing Committee on Taxation***

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.

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

**LD 1535      An Act Relating to Fiscal Notes on Proposed Legislation      Carried Over**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| KNIGHT<br>TRAHAN  |                         |                           |

This bill requires the Department of Administrative and Financial Services, Bureau of Revenue Services and the Office of Fiscal and Program Review to prepare a dynamic fiscal note for any legislation that involves a tax expenditure or an increase or decrease in tax revenue resulting in a projected direct annual revenue impact of more than \$1,000,000. The dynamic fiscal note must include an analysis of the anticipated effects of any significant behavioral changes expected as a result of the legislation, excluding those reflected in the standard fiscal note, and must analyze any significant secondary and indirect economic effects of the legislation, including the effects on jobs, incomes and capital investment as well as the overall effect on the State's economy. Dynamic fiscal notes are for informational purposes only.

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

**LD 1574      An Act To Tax Water Used by Hydroelectric Facilities      INDEF PP**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| CLARK H           |                         |                           |

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

This bill proposes to impose a state tax on the use of water by a hydroelectric facility to generate electricity for sale. Revenue from the tax, after a deduction for administrative costs, would be paid by the State to the municipality where the facility is located.

The Joint Standing Committee on Taxation was the suggested committee of reference for this bill. The bill was "indefinitely postponed in concurrence" without reference to any committee.

**LD 1578      Resolve, Relating to the State Valuation of the Town of East Millinocket      ONTP**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| CLARK H<br>THOMAS | ONTP                    |                           |