

# MAINE STATE LEGISLATURE

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

125<sup>TH</sup> 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 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.

|   |  |
|---|--|
| <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 &amp; 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&amp;S XXX</i> .....                                  | <i>chapter # of enacted private &amp; 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 125<sup>th</sup> 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.

## Joint Standing Committee on Taxation

### Committee Amendment "A" (H-724)

The amendment adds an appropriations and allocations section to the bill.

### Enacted Law Summary

Public Law 2011, chapter 646 provides that the motor vehicle excise tax on a bus manufactured in 2006 or after must be based on the purchase price of the bus rather than the maker's list price in the same manner as commercial trucks, truck tractors and special mobile equipment. It also provides for reimbursement to municipalities from the Municipal Excise Tax Reimbursement Fund.

### LD 1730 An Act To Require the Review of Proposed Tax Expenditures

ONTP

Sponsor(s)

Committee Report

Amendments Adopted

ONTP

This bill is the report of the Joint Standing Committee on Taxation pursuant to Title 36, section 199-D.

It creates a review process to be performed by the joint standing committee of the Legislature having jurisdiction over taxation matters prior to the enactment of legislation or approval of a legislative initiative that would result in a new tax expenditure or a change that prolongs or expands an existing tax expenditure. The bill requires that committee to consider the groups and numbers of taxpayers affected, the public policy objectives that provide justification for the proposed tax expenditure, fiscal impact projections related to the proposed tax expenditure, effects the proposed tax expenditure may have on the economy, unintended benefits or negative consequences of the proposed tax expenditure, similar tax expenditures in other states, standards of accountability or reporting requirements related to the proposed tax expenditure, methods for evaluating the proposed tax expenditure and mechanisms for recapturing the proposed tax expenditure if objectives are not fulfilled. The bill requires proposals for a new tax expenditure or a change that prolongs or expands an existing tax expenditure to include a repeal date and a review process for the tax expenditure. The bill requires the joint standing committee of the Legislature having jurisdiction over a proposal for a new tax expenditure or a change that prolongs or expands an existing tax expenditure to seek an advisory opinion from the joint standing committee of the Legislature having jurisdiction over taxation matters prior to enacting legislation or recommending a legislative initiative that would result in a new tax expenditure or a change that prolongs or expands an existing tax expenditure.

### LD 1735 An Act To Promote Jobs in the Motor Coach Industry by Providing a Sales Tax Exemption for Certain Buses

PUBLIC 501

Sponsor(s)

Committee Report

Amendments Adopted

RAYE

OTP

This bill modifies Maine's sales and use tax exemption for certain instrumentalities of interstate or foreign commerce to include a bus with a capacity of at least 47 passengers engaged in transporting within the State a bona fide payload of travelers on an interstate or foreign cruise that originates outside the State and terminates outside the State, as long as the transportation is provided pursuant to a contract between the interstate or foreign cruise provider and the person providing the transportation.

*Joint Standing Committee on Taxation*

**Enacted Law Summary**

Public Law 2011, chapter 501 modifies Maine's sales and use tax exemption for certain instrumentalities of interstate or foreign commerce to include a bus with a capacity of at least 47 passengers engaged in transporting within the State a bona fide payload of travelers on an interstate or foreign cruise that originates outside the State and terminates outside the State, as long as the transportation is provided pursuant to a contract between the interstate or foreign cruise provider and the person providing the transportation.

**LD 1748     An Act To Conform the Maine Tax Laws for 2011 to the United States  
Internal Revenue Code**

**PUBLIC 530  
EMERGENCY**

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

This bill updates references to the United States Internal Revenue Code of 1986 contained in the Maine Revised Statutes, Title 36 so that they refer to the United States Internal Revenue Code of 1986 as amended through December 31, 2011 for tax years beginning on or after January 1, 2011 and for any prior tax years as specifically provided by the United States Internal Revenue Code of 1986. The bill primarily affects the State's income tax laws.

**Enacted Law Summary**

Public Law 530 updates references to the United States Internal Revenue Code of 1986 contained in the Maine Revised Statutes, Title 36 so that they refer to the United States Internal Revenue Code of 1986 as amended through December 31, 2011 for tax years beginning on or after January 1, 2011, and for any prior tax years as specifically provided by the United States Internal Revenue Code of 1986.

Public Law 2011, chapter 530 was enacted as an emergency measure effective March 18, 2012.

**LD 1749     An Act To Amend the Tax Laws**

**PUBLIC 644**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| KNIGHT            | OTP-AM                  | H-792                     |

This bill makes the following changes to the laws governing taxation.

1. It extends from 30 days to 60 days the period during which a person who has received a demand to file a delinquent tax return must either file the return or request an extension in order to avoid an enhanced penalty.
2. It provides that the weight limitation for a pickup truck or van included in the definition of "automobile" in the sales and use tax law applies to the gross vehicle weight rating of the vehicle.
3. It removes the requirement that persons who rent or lease temporary retail space must file monthly returns reporting those rentals and replaces it with a tax registration certificate and record-keeping requirement. Additionally, the characteristics of the registration certificates are clarified.