

MAINE STATE LEGISLATURE

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STATE OF MAINE
126TH LEGISLATURE
FIRST REGULAR SESSION



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

JOINT STANDING COMMITTEE ON TAXATION

July 2013

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STATE OF MAINE

126TH LEGISLATURE

FIRST REGULAR SESSION



LEGISLATIVE DIGEST OF BILL SUMMARIES AND ENACTED LAWS

This *Legislative Digest of Bill Summaries and Enacted Laws* contains summaries of all LDs and adopted amendments and all laws enacted or finally passed during the First Regular Session of the 126th 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 126th Legislature is October 9, 2013. 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 279 An Act To Sustain Maine's Aviation Industry by Extending the Exemption from Sales and Use Tax for Aircraft and Parts

PUBLIC 379

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CUSHING GOODE	OTP-AM	S-55 S-335 HILL

This bill permanently exempts aircraft and aircraft parts from Maine's sales and use tax. The exemption is currently scheduled to expire on June 30, 2015.

Committee Amendment "A" (S-55)

This amendment extends the exemption for aircraft and aircraft parts from Maine's sales and use tax until June 30, 2033; the bill made the exemption permanent. The amendment also requires that, by June 30, 2023, the joint standing committee of the Legislature having jurisdiction over taxation matters review the tax expenditure to determine whether it provides an incentive for increasing investment in the aviation sector, attracting and retaining aviation business and the basing of aircraft in the State. The exemption is currently scheduled to expire on June 30, 2015.

Senate Amendment "A" To Committee Amendment "A" (S-335)

This amendment implements the substance of the changes made in Committee Amendment "A" except that it reflects the changes that were made by Public Law 2013, chapter 368, the so-called unified biennial budget bill.

Enacted Law Summary

Public Law 2013, chapter 379 extends the exemption for aircraft and aircraft parts from Maine's sales and use tax until June 30, 2033; exemption is currently scheduled to expire on June 30, 2015. It also requires that, by June 30, 2023, the Taxation Committee review the tax expenditure to determine whether it provides an incentive for increasing investment in the aviation sector, attracting and retaining aviation business and the basing of aircraft in the State.

LD 316 An Act To Provide Property Tax Relief for Noncombat Veterans

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LIBBY N WHITTEMORE	ONTP	

This bill provides a \$4,500 property tax exemption to noncombat veterans. It provides the exemption to the unmarried widow or widower or minor child of a veteran who would be entitled to the exemption if living, and to the parent of a deceased veteran who would be entitled to the exemption if living, who is 62 years of age or older and is an unmarried widow or widower who is in receipt of a pension or compensation from the Federal Government based upon the service-connected death of that parent's child.

LD 317 An Act Regarding the Business Equipment Tax Reimbursement Program and the Business Equipment Tax Exemption Program

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
LIBBY N HASKELL	ONTP	

Joint Standing Committee on Taxation

This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to develop a process for identification of the purposes of the Business Equipment Tax Reimbursement program and the business equipment tax exemption program, create a framework for measuring the extent to which the programs meet their identified purposes and identify a mechanism for ongoing measurement of the programs' effectiveness.

**LD 318 An Act To Establish a Sales Tax Holiday for Purchases Made during
the Month of January**

**ACCEPTED
MAJORITY
(ONTP) REPORT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RYKERSON	ONTP OTP-AM	

This bill provides a sales tax holiday during the month of January for items of tangible personal property with a price of \$1,000 or less.

Committee Amendment "A" (H-41)

This amendment replaces the bill and creates a one-time sales tax holiday on August 23, 2014, exempting from sales tax the purchase of individual items of clothing costing \$200 or less and individual items of schools supplies costing \$100 or less. It requires the Department of Administrative and Financial Services, Maine Revenue Services to report to the joint standing committee of the Legislature having jurisdiction over taxation matters the estimated impact of the sales tax holiday and recommendations for an annual sales tax holiday beginning in 2015. It authorizes the joint standing committee to submit a bill pertaining to the report to the First Regular Session of the 127th Legislature.

**LD 319 Resolve, To Direct the Department of Administrative and Financial
Services, Bureau of Revenue Services To Report on Conformity with the
Streamlined Sales and Use Tax Agreement**

**VETO
SUSTAINED**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BERRY ALFOND	OTP-AM	H-81

Part A of this bill creates a presumption that a seller of goods or services is engaged in business in this State and therefore required to register with the State Tax Assessor as a retailer and collect and remit sales and use tax on purchases made by persons in the State, if a person affiliated with the seller has a substantial presence in the State or a person who has a substantial presence in the State engages in certain activities, such as selling a line of products similar to that of the seller or maintaining an office or distribution center in the State to facilitate the delivery of the seller's products. Alternatively, a seller is presumed to be required to register with the State and collect and remit sales and use tax if the seller has an agreement with a person to refer potential customers to the seller and the seller generates more than \$10,000 in sales in the State annually. Both presumptions may be rebutted. Part A also requires any agreement or ruling by the Governor or an executive branch department or agency that allows a seller to avoid registering as a seller to be approved by both Houses of the Legislature.

Part B directs the Department of Administrative and Financial Services, Bureau of Revenue Services to identify changes in the sales and use tax laws necessary to conform them to the national effort known as the "Streamlined Sales and Use Tax Agreement" and to submit its report and proposed legislation to the Joint Standing Committee on Taxation by January 15, 2014.

Committee Amendment "A" (H-81)