

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

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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

This amendment changes the bill to a resolve and changes the title. It removes the emergency preamble and emergency clause. It retains that part of the bill that 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.

LD 341 An Act To Provide a Tax Credit to Employers That Hire Certain Veterans ONTP

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

This bill provides a nonrefundable income tax credit to qualified employers that hire qualified veterans in an amount equal to 10% of each veteran's compensation, up to \$1,500, as long as the veteran is employed for not less than 185 days in the taxable year. The credit may be claimed in the taxable year in which a qualified veteran is hired and the 2 following taxable years of sustained employment. The credit applies to veterans hired on or after January 1, 2013 and before January 1, 2017, and expires January 1, 2019.

LD 346 An Act Concerning the Collection of Sales Tax by Any Businesses Making Sales to Persons in Maine PUBLIC 200

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KNIGHT KATZ	OTP-AM	H-194 S-118 HASKELL

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. This bill 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.

Committee Amendment "A" (H-194)

This amendment changes the title of the bill. It removes the change to the definition of "retailer." It removes the repeal of the registration requirement for every person that makes retail sales in this State of tangible personal property or taxable services on behalf of the owner of that property or the provider of those services. It removes the requirement that any agreement or ruling by the Governor or an executive branch department or agency that allows a seller to avoid registering as a seller must be approved by both Houses of the Legislature.

Senate Amendment "A" (S-118)

This amendment requires the Office of Fiscal and Program Review to provide an update on federal legislation that provides states with the authority to compel remote sellers to collect and remit sales tax to the state in which the purchaser is located and to identify the actions Maine needs to take in order to participate under the federal legislation. This amendment also requires the office 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

Joint Standing Committee on Taxation

and proposed legislation to the Joint Standing Committee on Taxation by January 15, 2014. The office is authorized to enlist the assistance of an entity outside of the Legislature to aid in completion of the report.

Enacted Law Summary

Public Law 2013, chapter 200 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. It requires the Office of Fiscal and Program Review to provide an update on federal legislation that provides states with the authority to compel remote sellers to collect and remit sales tax to the state in which the purchaser is located and to identify the actions Maine needs to take in order to participate under the federal legislation. This amendment also requires the office 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. The office is authorized to enlist the assistance of an entity outside of the Legislature to aid in completion of the report.

LD 358 An Act To Protect Family Farms and Working Waterfront Subject to ONTP
Estate Tax and Reduce the Maine Estate Tax Exclusion

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

This bill reduces the \$2,000,000 Maine exclusion amount for the Maine estate tax to \$1,000,000 for the estates of decedents who die on or after January 1, 2014. It removes the value of eligible family owned and operated farmland and eligible family owned and operated working waterfront land from the calculation of the Maine estate tax for the estates of decedents who die on or after January 1, 2014.

LD 361 An Act To Promote Plug-in Electric Vehicle Sales ONTP

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

This bill creates an income tax credit for the purchase of a qualified plug-in electric vehicle that is equal to the excise tax paid, up to \$1,000. The credit expires January 1, 2017.

LD 400 An Act To Amend the Maine Tree Growth Tax Law ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JONES JACKSON T	ONTP	

This bill provides that a landowner applying for classification of land under the Maine Tree Growth Tax Law must attest that the harvesting of trees on the land will be performed by persons who are residents of the State and that