

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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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

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

Joint Standing Committee on Taxation

forest products from the land will be processed only by processors located in the State.

LD 401 An Act To Provide Local Sales Tax Increment Disbursements

**DIED IN
CONCURRENCE**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHASE FLOOD	OTP-AM ONTP	H-166 S-338 HILL

This bill requires payments beginning in fiscal year 2016-17 to municipalities of an amount equal to 5% of the difference between the sales and use tax attributable to the municipality in a fiscal year and the comparable amounts for fiscal year 2015-16, referred to as the "local sales tax increment." If the amount of sales and use tax collected in a fiscal year in a municipality is below that collected in fiscal year 2015-16, then the municipality receives no payment. The amount received may not reduce any other state aid or revenue sharing received by that municipality, and the municipality must use the amount received to reduce property taxes by the same amount. The Unorganized Territory Education and Services Fund receives the same payment as municipalities and is subject to the same requirement to use the revenue to reduce property taxes.

Committee Amendment "A" (H-166)

This amendment requires the State Tax Assessor to determine the amount of the local sales tax increment based on available taxable retail sales data as derived from state sales tax collections excluding data reported in the categories of lodging and restaurants. The bill requires the State Tax Assessor to gather and maintain information that demonstrates the amount of revenue and the amount of local sales tax increment for each fiscal year that is attributable to each municipality and the unorganized territory. The amendment requires that the base year for determining the local sales tax increment be reset every 4 years. It clarifies that the municipality or fiscal administrator of the unorganized territory must use the local sales tax increment payments received to reduce property taxes. The amendment also adds an appropriations and allocations section.

Senate Amendment "A" To Committee Amendment "A" (S-338)

This amendment adds a mandate preamble.

**LD 402 An Act To Exempt Members of the Houlton Band of Maliseet Indians
from Property Tax**

**DIED IN
CONCURRENCE**

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

This bill provides that the Houlton Band of Maliseet Indians and members of the Houlton Band of Maliseet Indians are exempt from property taxes in the State.

Committee Amendment "A" (H-11)

This amendment, which is the minority report of the committee, incorporates a fiscal note. This amendment was not adopted.