

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

LD 412 An Act To Expand Employment Tax Increment Financing To Support Job Creation ONTP

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

This bill expands the employment tax increment financing program to include for-profit businesses that add at least 2 new qualified employees within a one-year period.

LD 427 An Act To Authorize Options for Local Revenue Enhancement DIED BETWEEN HOUSES

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

This bill allows a municipality to impose a local option sales tax, which may be seasonal, of 5% or less by local referendum.

Committee Amendment "A" (H-363)

This amendment, which is the minority report, limits the local option sales tax to 1%, excludes certain items from the base on which a local option sales tax may be imposed and repeals the authorization for a local option sales tax on December 31, 2016. This amendment was adopted in the House, but not in the Senate.

LD 430 An Act To Amend the Laws Regarding Who May Appeal a Reconsideration Decision to the Maine Board of Tax Appeals PUBLIC 45 EMERGENCY

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
THOMAS	OTP-AM	S-13

Under current law, a petition for appealing a tax or tax refund request that is less than \$5,000 must be appealed to Superior Court. This bill changes the threshold for an appeal to the Maine Board of Tax Appeals to \$250. It also changes the \$150 processing fee for petitions that proceed to an appeals conference to \$25 when the amount of tax or refund request in controversy is less than \$5,000 and \$250 when the amount of tax or refund request in controversy is \$5,000 or more.

Committee Amendment "A" (S-13)

This amendment changes the amount of tax or refund in controversy that is considered a small claim to \$1,000, rather than \$250 as provided for in the bill. It provides that a taxpayer may be represented by an attorney, certified public accountant, enrolled agent, enrolled actuary or any other person permitted to represent the taxpayer before the Maine Board of Tax Appeals. The amendment does not change the amount of the processing fee as was proposed in the bill.

Enacted Law Summary

Public Law 2013, chapter 45 changes the threshold for an appeal to the Maine Board of Tax Appeals rather than directly to Superior Court from \$5,000 to \$1,000. It provides that a taxpayer may be represented by an attorney,

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certified public accountant, enrolled agent, enrolled actuary or any other person permitted to represent the taxpayer before the Maine Board of Tax Appeals.

Public Law 2013, chapter 45 was enacted as an emergency measure effective March 22, 2013.

LD 435 Resolve, To Require the State Tax Assessor To Develop Agreements with Online Retailers for the Collection of Sales and Use Tax ONTP

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

This resolve requires the State Tax Assessor to enter into negotiations and develop agreements with online retailers for the collection of Maine sales and use tax by those online retailers. An online retailer is defined as a person that makes sales to Maine residents but that does not collect sales and use tax from those Maine residents because the online retailer is not located in Maine. The State Tax Assessor is required to submit a quarterly report to the Joint Standing Committee on Taxation regarding the status of the negotiations.

LD 436 An Act To Raise the Maximum 529 Plan Contribution Tax Deduction CARRIED OVER

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

This bill increases the maximum deduction for contributions to a qualified tuition program established under Section 529 of the United States Internal Revenue Code of 1986 to \$1,000 per designated beneficiary. The change applies to tax years beginning on or after January 1, 2013.

Committee Amendment "A" (S-10)

This amendment changes the increase in the maximum deduction for contributions to a qualified tuition program established under Section 529 of the United States Internal Revenue Code of 1986 to \$500 per designated beneficiary. The bill proposes an increase from \$250 to \$1,000 for tax years starting on or after January 1, 2013.

This bill was committed to the Joint Standing Committee on Appropriations and Financial Affairs and carried over to any special or regular session of the 126th Legislature by joint order, H.P. 1145, as amended by H-B (H-580) and H-C (H-582).

LD 440 An Act To Create a Tax Credit for Primary Care Professionals Practicing in Underserved Areas CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T	OTP-AM	

This bill extends the existing dental care access tax credit, which currently allows the Department of Health and Human Services to certify dentists as eligible for the credit through 2015, by eliminating the repeal date of December 31, 2020. It creates a similar credit for primary care professionals practicing in underserved areas. It requires the Department of Health and Human Services oral health program to certify up to 5 eligible dentists who have unpaid student loans and practice full time for at least 5 years in an underserved area for the dental care access credit in each taxable year beginning on January 1, 2016. It requires the Department of Health and Human Services