

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

STAFF:

ELIZABETH F. COOPER, LEGISLATIVE ANALYST
GREGORY CONNORS, LEGISLATIVE ANALYST
OFFICE OF FISCAL AND PROGRAM REVIEW
5 STATE HOUSE STATION
AUGUSTA, ME 04333
(207) 287-1635

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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

- 5. It permits a municipality or plantation to delay the operational functioning of a tax increment financing district until the tax year following the tax year in which the district takes effect.
- 6. It expands from 20 years to 30 years the allowable maturation period for bonds issued by the legislative body of a municipality or plantation to finance the cost of a development program within a development district.
- 7. It clarifies that the proposed project costs allowed for skills development and training for jobs created or retained in the municipality or plantation where a development district is located may include scholarships for tuition at in-state educational institutions or online learning entities when in-state options are not available.

LD 614 An Act To Adjust Fuel Taxes To Improve Sustainability ONTP

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

This bill changes the excise tax on gasoline, distillates and low-energy fuel from a fixed amount per gallon to a formula that includes a fixed amount per gallon plus 5% of the retail value of that gallon.

LD 624 An Act To Encourage Local Business Involvement in Local Schools ONTP

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

This bill provides a nonrefundable income tax credit to a qualified employer equal to the amount expended on a qualified adopt-a-school activity that benefits a public elementary or secondary school. The credit may not exceed 50% of the tax liability of the qualified employer for the taxable year before application of the credit. A qualified adopt-a-school activity includes contributing cash; donating supplies, equipment or other tangible property; providing services to a student at a qualified school at no profit to the qualified employer; providing employees of the qualified employer with paid time off to volunteer at a qualified school; and providing an internship for a student enrolled in a qualified school.

LD 631 An Act To Change the Taxes on Fuel Purchased for Use Other Than on the Highways CARRIED OVER

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

This bill changes the taxes on fuel purchased for use other than for vehicles used on the highways of this State from 1¢ per gallon plus 5% use tax to 5¢ per gallon with no use tax.

Committee Amendment "A" (S-20)

This amendment, which is the minority report, clarifies that a tax on sales, storage or use may not be collected upon or in connection with internal combustion engine fuel or special fuel for which a person has received a refund under the Maine Revised Statutes, Title 36, section 2908 or 3218.

This bill was committed to the Joint Standing Committee on Appropriations and Financial Affairs and carried over

Joint Standing Committee on Taxation

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 692 An Act To Provide Funding for Education by Restoring the 8.5 Percent ONTP
Income Tax Rate for High-income Taxpayers

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

This bill reinstates the 8.5% tax rate for high-income taxpayers and uses the funds to assist the State in providing at least 55% of the cost of the total allocation for kindergarten to grade 12 education from General Fund revenue sources. The higher tax rates apply to individuals filing married joint returns or surviving spouses who have Maine taxable income of \$275,000 or more, heads of households who have Maine taxable income of \$206,250 or more and single individuals and married persons filing separate returns who have Maine taxable income of \$137,500 or more.

LD 693 An Act To Provide Solar Energy Tax Credits to Maine Homeowners ONTP

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

This bill provides an income tax credit for installations of qualifying solar energy systems. The credits are \$1,000 for installations of qualifying solar energy systems on residential property and \$2,000 for installations of qualifying solar energy systems on commercial property. Installation must be certified by the Efficiency Maine Trust.

LD 698 An Act To Provide an Exemption from Fuel and Sales Taxes to Persons ONTP
Engaged in Snowmobile Trail Grooming

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

This bill makes the existing sales tax exemption for the purchase of snowmobiles and snowmobile trail grooming equipment by snowmobile clubs available to persons operating snowmobile trail grooming equipment registered with the Department of Agriculture, Conservation and Forestry, Division of Parks and Public Lands, Off-road Recreational Vehicle Division. It provides that operating registered snowmobile trail grooming equipment to groom trails financed by the Snowmobile Trail Fund is considered a commercial use for purposes of reimbursement of the tax paid on internal combustion engine fuel.

LD 719 An Act To Ensure Access to Information in the Property Tax PUBLIC 182
Abatement Process

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JOHNSON P	OTP-AM	H-190

This bill provides that a property taxpayer applying for or appealing an abatement of property taxes is entitled to notice in writing stating the reason the applicant's request was not fully granted. The bill also provides that if a decision on a request for abatement is not made within the required time period the request is deemed to be