

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

approved.

Committee Amendment "A" (H-190)

This amendment removes from the bill language establishing that if a decision on a request for abatement is not made within the required time period the request is deemed to be approved. It requires that the notice of decision regarding an abatement request include the reason or reasons supporting the decision to approve or deny the abatement request.

Enacted Law Summary

Public Law 2013, chapter 182 requires that the notice of decision regarding an abatement request include the reason or reasons supporting the decision to approve or deny the abatement request.

LD 720 **An Act To Eliminate Sales Tax Exemptions for Snowmobiles and All-terrain Vehicles Purchased by Nonresidents for Use in the State** PUBLIC 86

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAREAN HASKELL	OTP-AM ONTP	H-42

This bill eliminates the sales tax exemptions for all-terrain vehicles and snowmobiles purchased in the State for nonresidents who are required to register and who store or use the snowmobile or all-terrain vehicle in the State.

Committee Amendment "A" (H-42)

This amendment clarifies that the sales tax exemption for the purchase of a snowmobile or all-terrain vehicle by a nonresident applies only when the vehicle is intended to be driven or transported outside the State immediately upon delivery.

Enacted Law Summary

Public Law 2013, chapter 86 eliminates the sales tax exemptions for all-terrain vehicles and snowmobiles purchased in the State for nonresidents who are required to register and who store or use the snowmobile or all-terrain vehicle in the State. The sales tax exemption for a nonresident applies only when the vehicle is intended to be driven or transported outside the State immediately upon delivery.

LD 728 **An Act To Amend the Laws Dealing with the Taxing of the Purchase of Extended Service Contracts and Extended Service Contract Claims for Trucks** PUBLIC 156

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
THOMAS DUNPHY	OTP-AM	S-53

This bill exempts from sales tax parts used in the repair of a truck pursuant to an extended service contract. Current law provides this exemption for the parts used in the repair of an automobile pursuant to an extended service contract.

Committee Amendment "A" (S-53)

This amendment provides that the sale of an extended service contract on a truck, as defined in the bill, is a taxable service.

Enacted Law Summary

Joint Standing Committee on Taxation

Public Law 2013, chapter 156 exempts from sales tax parts used in the repair of a truck pursuant to an extended service contract. Instead, sale of extended service contract on a truck is a taxable service. This is consistent with the treatment of exemption for the parts used in the repair of an automobile pursuant to an extended service contract.

**LD 734 An Act Relating to the Sales Tax Exemption on Depreciable Equipment
Used in Commercial Wood Harvesting VETO
SUSTAINED**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T	OTP-AM ONTP	S-99

This bill provides that the sales tax exemption or refund for depreciable equipment used in commercial wood harvesting applies only when the harvesting is performed by residents of the United States or by business entities with headquarters in the United States.

Committee Amendment "A" (S-99)

This amendment incorporates a fiscal note.

**LD 741 An Act To Promote Fairness in the Sales Tax Exemption for Vehicles
Used in Interstate Commerce CARRIED OVER**

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

This bill provides a sales tax exemption for vehicles used in interstate or foreign commerce, including those without operating authority under 49 Code of Federal Regulations, Section 392.9a.

Committee Amendment "A" (S-54)

This amendment clarifies that it is the purchaser who places property for use in interstate or foreign commerce.

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 743 An Act To Extend and Improve the Maine Seed Capital Tax Credit
Program HELD BY
GOVERNOR**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VALENTINO HOBBINS	OTP-AM	S-213 S-341 HILL

This bill extends the Maine Seed Capital Tax Credit Program, which is approaching the statutory cap on credits that can be authorized, and makes a number of improvements and clarifications. The bill makes the amount of the tax credit the same for individual investors and venture capital funds, clarifies that producers of value-added natural resource products are eligible, removes the ambiguous eligibility for businesses that "bring capital into the State" and specifies that eligible businesses must certify that the investment is necessary to allow the business to create or retain jobs in the State. The bill increases the maximum annual sales limit of \$3,000,000, which has been in effect