

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
126<sup>TH</sup> 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

126<sup>TH</sup> 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 126<sup>th</sup> 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 126<sup>th</sup> 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*

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

## *Joint Standing Committee on Taxation*

since 1997, to \$5,000,000 for investments made in 2014 or after. The bill authorizes additional tax credits of \$2,000,000 for investments made between June 1, 2013 and December 31, 2013, \$4,000,000 for investments made in calendar year 2014 and \$5,000,000 each year for investments made in each subsequent year. An investor in a venture capital fund requesting a refundable tax credit may not file for a refund until the calendar year after the calendar year in which the investment is made.

### **Committee Amendment "A" (S-213)**

This amendment clarifies that investors other than private venture capital funds are eligible for a tax credit certificate. It requires businesses applying under the Maine Seed Capital Tax Credit Program to certify that the amount of the credit is necessary to allow the business to create or retain jobs in the State. It adds a definition of "value-added" and applies it to the term "natural resource enterprise," which is a defined term. It limits the availability of the tax credit for private venture capital funds to \$500,000 times the number of investors in the fund or \$4,000,000, whichever is less.

### **Senate Amendment "A" To Committee Amendment "A" (S-341)**

This amendment limits the amount of additional seed capital tax credit certificates that may be issued to \$675,000 between January 1, 2014 and December 31, 2014, \$4,000,000 for investments made in calendar year 2015 and \$5,000,000 each year for investments made in calendar years beginning with 2016.

### **LD 762      An Act To Facilitate Collection of Property Taxes on Personal Property      ONTP**

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

This bill requires owners of personal property subject to property tax to provide upon request of the person responsible for assessment of taxes the information necessary to establish a lien on the personal property.

### **LD 815      An Act To Tax Political Action Committees      INDEF PP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
HAYES	TAX REF TO VLA	

This bill imposes a tax on political action committees equal to 5% of the amount contributed to the committees. The tax must be reported and may be paid by political action committees at the same time as campaign reports under the election laws.

### **LD 816      An Act To Reduce the Property Tax Burden and Improve the Circuitbreaker Program      CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
POWERS HASKELL		

This bill is a concept draft pursuant to Joint Rule 208. This bill proposes to improve the Circuitbreaker Program by simplifying the determination of eligibility, transitioning the application period to the income tax filing period, permitting application to be made through the Department of Health and Human Services' integrated eligibility system and ensuring an adequate source of funding.