

MAINE STATE LEGISLATURE

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STATE OF MAINE
126TH LEGISLATURE
SECOND REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

JOINT STANDING COMMITTEE ON TAXATION

May 2014

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STATE OF MAINE
126TH LEGISLATURE
SECOND REGULAR SESSION
LEGISLATIVE DIGEST OF BILL SUMMARIES AND
ENACTED LAWS

The *Digest* is arranged 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.

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 HOUSESHouse & 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
EMERGENCYenacted 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 Second Regular Session of the 126th Legislature is August 1, 2014. 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

\$5,000,000 each year for investments made in calendar years beginning with 2016.

Enacted Law Summary

Public Law 2013, chapter 438 extends the Maine Seed Capital Tax Credit Program, which is approaching the statutory cap on credits that can be authorized, and makes the following changes.

1. It makes the amount of the tax credit the same for individual investors and venture capital funds.
2. It clarifies that investments in value-added natural resource enterprises may be eligible for the credit.
3. It removes the eligibility requirement for businesses that "bring capital into the State" and specifies instead that eligible businesses must certify that the amount of the credit is necessary to allow the business to create or retain jobs in the State.
4. It increases the maximum annual sales limit of an eligible business for which a qualifying investment may be made from \$3,000,000 to \$5,000,000 beginning in 2014.
5. It changes the limits on the amount of investment by a private venture capital fund eligible for a credit from \$500,000 per entity to \$500,000 multiplied by the number of investors in the private venture capital fund or \$4,000,000, whichever is less.
6. It limits the value of additional seed capital tax credit certificates that may be issued to \$675,000 between January 1, 2014 and December 31, 2014, to \$4,000,000 for investments made in calendar year 2015 and to \$5,000,000 each year for investments made in calendar years beginning with 2016.

LD 816 An Act To Reduce the Property Tax Burden and Improve the Circuitbreaker Program

ONTP

Sponsor(s)

POWERS
HASKELL

Committee Report

ONTP

Amendments Adopted

This bill was carried over from the First Regular Session of the 126th Legislature.

This bill is a concept draft that 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.

Certain proposals in this bill were enacted as part of the FY 2013-14 biennial budget bill during the First Regular Session, Public Law 368, Part L.

LD 916 An Act To Promote Investment in Maine's Communications Network and Natural Gas Network

ONTP

Sponsor(s)

BROOKS
HASKELL

Committee Report

ONTP

Amendments Adopted

This bill was carried over from the First Regular Session of the 126th Legislature.

Joint Standing Committee on Taxation

This bill provides sales tax exemptions for telecommunications equipment sold to a provider of telecommunications services and natural gas heating equipment sold to a business or residential consumer.

**LD 936 An Act To Authorize Municipalities To Impose Service Charges on
Tax-exempt Property Owned by Certain Nonprofit Organizations**

**Accepted Majority
(ONTP) Report**

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

This bill was carried over from the First Regular Session of the 126th Legislature.

This bill expands municipal authority to impose service charges on the owner of certain property that is currently exempt from property tax by vote at a special or general election.

Committee Amendment "A" (H-622)

This amendment, which is the minority report of the committee, provides that a municipality may impose service charges on property that is exempt from taxation because it is owned or used by entities in the following categories: benevolent and charitable institutions; literary and scientific institutions; chambers of commerce and boards of trade; fraternal organizations operating under a lodge system; and property jointly owned or used by those entities. Service charges may not be imposed on property exempt as a house of worship or parsonage or a veterans organization.

Service charges must meet the following conditions:

1. The property must be owned by an entity that owns exempt property in the municipality that would have a total assessed value of at least \$1,000,000 if assessed for property tax purposes. The property must be owned by, rented to, or otherwise occupied by a person or entity that provides any employee or independent contractor engaged to provide professional management services with compensation, exclusive of health benefits, in excess of four times the median household income for the county in which the property is located;
2. The municipality must adopt an ordinance imposing service charges approved by the voters through a referendum process;
3. The municipality may not impose a service charge on individual properties without imposing service charges on all other property in that municipality that is within the same category of exempt property;
4. The calculation of service charges imposed by municipalities must be based on the square footage of building space that is exempt from taxation, unless the municipality determines that a different measure more accurately represents the cost of services for which the service charges are imposed; and
5. Service charges must be reduced by any payments made or services provided to the municipality by the exempt entity in lieu of taxes.

The amendment provides that municipal ordinances adopted before the effective date of the legislation remain valid even if they do not comply with the new requirements. The amendment retains the requirement in current law that service charges may not exceed 2% of the entity's gross annual revenue.