

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

LD 989 An Act To Conform the Maine Tax Laws for 2012 to the United States Internal Revenue Code

ONTP

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| HASKELL KNIGHT | ONTP | |

This bill updates references to the United States Internal Revenue Code contained in the Maine Revised Statutes, Title 36 so that they refer to the United States Internal Revenue Code of 1986 as amended through December 31, 2012 for tax years beginning on or after January 1, 2012 and for any prior tax years as specifically provided by the United States Internal Revenue Code of 1986. The bill primarily affects the State's income tax laws.

See LD 1509.

LD 996 An Act To Improve the Accuracy of Fuel Tax Reporting

CARRIED OVER

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

This bill improves the accuracy of Maine's fuel taxes by taking temperature into account when calculating inventory taxes on internal combustion engine fuel and special fuel. Given Maine's climate, fuel distributors, wholesalers, importers and exporters experience fuel shrinkage during cold weather periods. Currently, taxes are based on gross fuel amounts without adjustments for temperature or barometric pressure. This bill provides consistency with practices in other states by requiring that fuel be measured in gallons after it is adjusted to a temperature of 60 degrees Fahrenheit and a barometric pressure of 14.7 pounds per square inch or in gross gallons if elected by the licensed supplier or licensed distributor.

Committee Amendment "A" (S-109)

This amendment replaces the bill and allows, beginning with tax returns filed for calendar year 2014, an option of using net gallons, which take temperature into account, when calculating inventory taxes on internal combustion engine fuel and special fuel instead of taking the allowance for certain losses.

This bill was 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 998 An Act To Provide Consistency in the Application of the Property Tax Exemption for Religious Organizations

CARRIED OVER

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| HASKELL GOODE | OTP-AM ONTP | |

This bill expands the property tax exemption for property owned by religious organizations to include all real and personal property owned and occupied or used solely for its own purposes by a religious organization in connection with religious worship and removes the \$20,000 limitation on the exemption for parsonages and the \$6,000 limitation on the exemption for personal property.

Committee Amendment "A" (S-135)

Joint Standing Committee on Taxation

This amendment changes the bill by retaining the \$20,000 limitation on the value of a parsonage. Like the bill, it expands the property tax exemption for property owned by religious organizations to include all real and personal property owned and occupied or used solely for its own purposes by a religious organization in connection with religious worship and removes the limitation of \$6,000 on the exemption for personal property. This amendment also adds an appropriations and allocations section.

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 1007 An Act Relating to Precious Metal Coins

**ACCEPTED
MAJORITY
(ONTP) REPORT**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| LIBBY A TUTTLE | ONTP OTP-AM | |

This bill exempts from the sales tax gold and silver coins minted by the United States Department of the Treasury, United States Mint.

Committee Amendment "A" (H-114)

This amendment incorporates a fiscal note.

LD 1099 An Act To Provide an Internship Employment Tax Credit

**ACCEPTED
MAJORITY
(ONTP) REPORT**

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

This bill creates a tax credit for employers that employ qualified interns. The employer is entitled to a nonrefundable credit equal to 10% of the wages, stipend or salary paid to the intern and may not receive more than \$3,000 in total credits for all taxable years combined. The credit applies to the wages, stipend or salary of no more than 5 interns employed at the same time.

Committee Amendment "A" (S-95)

This amendment, which is the minority report of the committee, adds an appropriations and allocations section to the bill.

LD 1109 An Act To Clarify the Maine New Markets Capital Investment Program Tax Credit

**PUBLIC 75
EMERGENCY**

| <u>Sponsor(s)</u> | <u>Committee Report</u> | <u>Amendments Adopted</u> |
|-------------------|-------------------------|---------------------------|
| STANLEY THOMAS | OTP-AM | H-57 |