

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

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

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

Joint Standing Committee on Taxation

This bill amends the laws governing the Maine New Markets Capital Investment Program tax credit to clarify that the limitation on the amount of investment that may be made with respect to certain qualified active low-income community businesses is \$40,000,000 per project constructed, maintained or operated.

Committee Amendment "A" (H-57)

This amendment provides that the maximum investments of \$10,000,000 and \$40,000,000 are on a per project basis regardless of whether there is common ownership of each project. It provides definitions for the term "project." It requires that projects to which the \$40,000,000 limitation applies must create or retain more than 200 jobs and that component pieces of an integrated manufacturing or production process do not qualify as a project.

Enacted Law Summary

Public Law 2013, chapter 75 amends the laws governing the Maine New Markets Capital Investment Program tax credit to clarify that the limitation on the amount of investment that may be made with respect to certain qualified active low-income community businesses is \$40,000,000 per project constructed, maintained or operated. It provides that the maximum investments of \$10,000,000 and \$40,000,000 are on a per project basis regardless of whether there is common ownership of each project. It provides definitions for the term "project." It requires that projects to which the \$40,000,000 limitation applies must create or retain more than 200 jobs and that component pieces of an integrated manufacturing or production process do not qualify as a project.

Public Law 2013, chapter 75 was enacted as an emergency measure effective May 7, 2013.

LD 1110 An Act To Simplify the Tax Code

ONTP

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

This bill repeals, for tax years beginning on or after January 1, 2015, the state income tax and broadens the sales tax to include the end use of all items, products and services, including Internet sales. It repeals all sales tax exemptions. It provides a sales tax reimbursement for sales of grocery staples to persons with incomes less than \$20,000. It requires the Department of Administrative and Financial Services, Bureau of Revenue Services to submit a report to the Joint Standing Committee on Taxation that provides a plan to implement the sales tax changes and the repeal of the income tax including a timeline, cost analysis and statutory changes. It authorizes the joint standing committee to report out a bill to the Second Regular Session of the 126th Legislature based on the report.

LD 1113 An Act To Provide Tax Fairness to Maine's Middle Class and Working Families

DIED BETWEEN HOUSES

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

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes emergency legislation to accomplish the following goals:

- (1) To equalize the total state and local effective tax rate paid by low-income, middle-income and high-income Maine tax filers;