

# 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**

**LD 1255      Resolve, To Provide Greater Depth and Transparency to the Review of Foregone Revenue Identified in the Biennial Tax Expenditure Report      ONTP**

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

This resolve requires the Department of Administrative and Financial Services, Bureau of Revenue Services to contract with an independent academic policy analysis organization by March 1, 2014 to review, analyze and develop options that would permit the Legislature to evaluate the effectiveness of tax expenditures and present a report of its work to the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs and the joint standing committee of the Legislature having jurisdiction over taxation matters of the First Regular Session of the 127th Legislature.

**LD 1256      An Act To Establish Tax Fairness      ONTP**

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

This bill creates a new top income tax rate of 8.5%. The new rate is imposed on taxable income over \$100,000 for single individuals and married persons filing separately, on income over \$110,000 for taxpayers filing as heads of households and on income over \$120,000 for individuals filing married joint returns or surviving spouses.

This amendment retains the new top income tax rate of 8.5% established by the bill but changes the income threshold to \$150,000 for taxpayers filing as heads of households and to \$200,000 for individuals filing married joint returns or surviving spouses and adjusts the income thresholds and tax rates for the lower 2 tax brackets. It adjusts the taxable income brackets for inflation and provides for ongoing annual adjustments for inflation.

**LD 1297      An Act To Provide Funding for Public Education by Increasing the Sales Tax      ONTP**

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

This bill raises the sales tax from 5% to 5 2/3% and uses the funds to assist the State in providing at least 55% of the cost of the total allocation for kindergarten to grade 12 education from General Fund revenue sources. The bill also requires the Department of Administrative and Financial Services, Bureau of Revenue Services and the Department of Education to evaluate the effect of the increase of the sales tax on the funding for essential programs and services for kindergarten to grade 12 education and report their findings and recommendations to the joint standing committee of the Legislature having jurisdiction over taxation matters and the joint standing committee of the Legislature having jurisdiction over education matters.

**LD 1314      An Act To Allow a Local Option Tax on Meals and Lodging      ONTP**

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