

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 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	

Joint Standing Committee on Taxation

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

This bill proposes to allow a municipality to impose an additional tax, up to 2%, on the value of rental of living quarters in any hotel, rooming house or tourist or trailer camp in that municipality and on prepared food sold in that municipality.

LD 1326 An Act To Prevent Youth Tobacco Use ONTP

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

This bill requires that all tobacco products be taxed at rates equivalent to the current tax on cigarettes. The bill provides an appropriations and allocations section to fund anticipated increased demand on the tobacco hotline for those people who are seeking to quit tobacco use.

**LD 1370 An Act To Exempt from Sales Tax the Sales of Adaptive Equipment To HELD BY
Make a Vehicle Handicapped Accessible GOVERNOR**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAUCIER JACKSON T	OTP-AM	H-192 S-361 HILL

Under current law, adaptive equipment installed on a motor vehicle owned by a person with a disability to make the vehicle operable or accessible by a person with a disability is exempt from the excise tax. This bill exempts from sales tax the sales of adaptive equipment to a person with a disability or a family member of a person with a disability for installation in or on a motor vehicle to make the vehicle accessible by a person with a disability.

Committee Amendment "A" (H-192)

The bill exempts from sales tax sales of adaptive equipment to a person with a disability or a family member of a person with a disability for installation in or on a motor vehicle to make the vehicle operable or accessible by a person with a disability. This amendment instead provides that the exemption applies to sales of such equipment to a person with a disability or a person at the request of a person with a disability for installation in or on a motor vehicle to make the vehicle operable or accessible by a person with a disability who is issued a disability plate or placard by the Secretary of State. The amendment also provides an effective date of October 1, 2013.

Senate Amendment "A" To Committee Amendment "A" (S-361)

This amendment changes the effective date from October 1, 2013 to July 1, 2014.

LD 1379 An Act Regarding the Valuation of Certain Vehicles PUBLIC 263

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
JACKSON T	OTP-AM	S-215

This bill directs the State Tax Assessor to value a vehicle that is restored or reconstructed using a prepackaged kit that may include a frame, front axle or body but does not include a power train or engine at the price of the