

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

sufficient information to the assessor is ineligible for the exemption;

3. It repeals a provision of law regarding confidential information and enacts a new provision to specify that proprietary information, such as trade secrets or otherwise not publicly available information, that is part of a taxpayer's application for the exemption is confidential information, exempt from the Freedom of Access Act;
4. It eliminates the requirement that the municipal assessor certify to the State Tax Assessor that the municipal assessor has received the taxpayer's income and expense information and has considered that information in the valuation and exemption determination; and
5. It specifies that the changes apply to property tax years beginning on or after April 1, 2014.

Committee Amendment "A" (S-462)

This amendment replaces the bill and removes changes to the reporting requirements under the business equipment tax exemption enacted by Public Law 2013, chapter 368, Part O. This amendment also specifies the information that an assessor or the State Tax Assessor may request pursuant to the Maine Revised Statutes, Title 36, section 706 regarding property subject to the property tax exemption for business equipment and adds confidentiality provisions applicable to proprietary information provided pursuant to that section.

Enacted Law Summary

Public Law 2013, chapter 544 repeals changes to the reporting requirements under the business equipment tax exemption enacted by Public Law 2013, chapter 368, Part O. It also specifies the information that an assessor or the State Tax Assessor may request pursuant to the Maine Revised Statutes, Title 36, section 706 regarding property subject to the property tax exemption for business equipment and adds confidentiality provisions applicable to proprietary information provided pursuant to that section.

Public Law 2013, chapter 544, was enacted as an emergency measure effective April 15, 2014 and applies to property tax years beginning on or after April 1, 2014.

LD 1646 An Act To Provide Property Tax Relief to Seniors Residing in Maine

ONTP

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

This bill requires municipalities to "abate" property taxes if the owner is at least 65 years of age, is a permanent resident of this State, has household income of no more than \$65,000, has resided in the household for which the abatement is sought for at least 5 years prior to application and has been retired for at least 5 years. The amount of the tax reduction is equal to the difference between the property taxes imposed on the residence the year of the initial application and the property taxes imposed each year following the year of the initial application. The bill requires the State to reimburse a municipality 50% of the property tax revenue loss suffered by the municipality due to the property tax reduction.

LD 1649 An Act To Make Maine Mills More Competitive by Encouraging the Processing of Forest Products at Mills in the United States

Died Between Houses

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

Joint Standing Committee on Taxation

This bill provides a complete exemption from property tax for land enrolled under the Maine Tree Growth Tax Law when the forest products harvested from that land are processed solely at mills located in the United States.

Committee Amendment "A" (S-397)

This amendment, which is the minority report of the committee, changes the date of application of the Act from property tax years beginning on or after April 1, 2014 to property tax years beginning on or after April 1, 2015. The amendment also adds an appropriations and allocations section.

LD 1654 An Act To Amend the Municipal Hardship or Poverty Tax Abatement Law To Reflect the Replacement of the Circuitbreaker Program ONTP

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

This bill allows municipal officers when considering a request for a property tax abatement based on hardship or poverty to take into account any property tax fairness credit received by that the applicant when determining the ability of the applicant to pay the assessed property taxes.

LD 1661 An Act To Clarify the Provisions of a Historic Preservation Tax Credit PUBLIC 550

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CRAVEN GOODE	OTP-AM	S-493

Under current law a person is entitled to an income tax credit of not more than \$5,000,000 for each certified rehabilitation project engaged in by that person. This bill provides that certified rehabilitation projects include rehabilitation projects involving only a portion of a certified historic structure or complex of certified historic structures when undertaken in phases or by different entities.

Committee Amendment "A" (S-493)

This amendment provides that the \$5,000,000 cap on the tax credit applies with respect to each certified rehabilitation or to each building that is a component of a certified historic structure, whichever is greater. The amendment also provides that a certified rehabilitation that is placed in service over multiple taxable years is allowed up to \$5,000,000 in credit for the portion of the certified rehabilitation placed in service for each taxable year. This change allows a portion of a building or a single building in a complex to qualify for the \$5,000,000 cap. The change applies to credits for which the first credit installment is claimed on a return filed for a tax year beginning on or after January 1, 2014.

Enacted Law Summary

Public Law 2013, chapter 550 provides that the \$5,000,000 cap on the historic rehabilitation tax credit applies with respect to each certified rehabilitation or to each building that is a component of a certified historic structure, whichever is greater. The law also provides that a certified rehabilitation that is placed in service over multiple taxable years is allowed up to \$5,000,000 in credit for the portion of the certified rehabilitation placed in service for each taxable year. This change allows a portion of a building or a single building in a complex to qualify for the \$5,000,000 cap. The change applies to credits for which the first credit installment is claimed on a return filed for a tax year beginning on or after January 1, 2014.