

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

2. The bill requires that, in order to qualify for the credit, an individual may work in Maine after graduation in order to qualify for the credit, except that an individual may work outside Maine for up to three months and still qualify and removes the requirement that an individual work for an employer located in Maine.
3. The bill clarifies that self-employed individuals who are not employers may participate in the program.

Committee Amendment "A" (H-746)

1. This amendment clarifies that only loan payments paid directly to a lender by an employer qualify for an employer tax credit, consistent with current law.
2. The amendment clarifies the proper calculation of the principal cap for individuals obtaining an associate degree.
3. The amendment clarifies that an employee may claim the deduction for loan payments made by an employer only if the employer pays the education loan payments directly to a lender.
4. The amendment clarifies that eliminating the requirement that a qualified individual work for an employer located in Maine and extending the credit to self-employed individuals apply to tax years beginning on or after January 1, 2015.
5. The amendment clarifies that only loan payments made directly to lenders qualify for the credit and provides that certain changes apply to tax years beginning on or after January 1, 2015: the requirement that loan payments must be made during that part of the tax year during which the qualified individual worked in Maine; the exception that allows an individual to work in Maine for only part of a month to be considered to have worked in Maine for the whole month; and the exception that allows an individual to work outside Maine for up to three months and still be considered to have worked in Maine during those months.
6. The amendment removes the provision in the bill that made the credit refundable for all associate degrees rather than just those in science, technology, engineering and mathematics disciplines.

Enacted Law Summary

Public Law 2013, chapter 525 consolidates under the tax laws the provisions of statute that govern the determination of the income tax credit for educational opportunity for the purpose of clarifying eligibility for the credit and, without changing the amount of the credit, the method by which the credit is calculated. Chapter 525 also makes the following changes to the credit.

1. It requires, beginning with 2015 tax years, that an individual work in Maine after graduation in order to qualify for the credit, except that an individual may work outside Maine for up to 3 months and still qualify and removes the requirement that an individual work for an employer located in Maine.
2. It clarifies that self-employed individuals who are not employers may participate in the program.
3. It clarifies the application of the credit calculation to loan payments made by employers.

LD 1722

An Act To Exempt from Sales and Use Tax Sales of Publications To Be Distributed without Charge and Printed Materials Included in Publications

**PUBLIC 564
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BERRY MASON G	OTP-AM	H-609 S-536 HILL

Joint Standing Committee on Taxation

This bill enacts a sales and use tax exemption for certain printed free publications and for printed materials purchased for inclusion in a publication.

Committee Amendment "A" (H-609)

This amendment incorporates a fiscal note.

Senate Amendment "A" To Committee Amendment "A" (S-536)

This amendment provides funding to the Department of Administrative and Financial Services, Bureau of Revenue Services to contract with the Kennebec County Sheriff's office for a contractor-provided audit selection system and for one Revenue Agent position to aid the bureau in tax collections.

Enacted Law Summary

Public Law 2013, chapter 564, enacts a sales and use tax exemption for certain printed free publications and for printed materials purchased for inclusion in a publication and provides funding to the Department of Administrative and Financial Services, Bureau of Revenue Services to contract with the Kennebec County Sheriff's office for a contractor-provided audit selection system and for one Revenue Agent position to aid the bureau in tax collections.

Public Law 2013, chapter 564 was enacted as an emergency measure effective April 24, 2014 and applies retroactively to sales occurring on or after October 1, 2013.

**LD 1733 An Act Regarding the Registration of Motor Vehicles of Deployed
Members of the National Guard or Reserves of the United States Armed
Forces**

PUBLIC 532

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CROCKETT	OTP-AM	H-747

This bill extends the motor vehicle excise tax exemption for persons on active duty serving in the Armed Forces of the United States to members of the National Guard or Reserves of the United States Armed Forces if that member is under an order to active duty for more than 30 days. This bill also specifies that a vehicle jointly owned with a spouse of a member of the Armed Forces of the United States who is on active duty is eligible for the exemption.

Committee Amendment "A" (H-747)

This amendment replaces the bill and specifies that a vehicle jointly owned by a member of the Armed Forces of the United States who is on active duty and the member's spouse is eligible for the motor vehicle excise tax exemption whether registered by the service member or the service member's spouse as long as the joint ownership is indicated in the motor vehicle's title documentation. The amendment removes provisions from the bill that propose to extend the exemption to motor vehicles owned by members of the National Guard or Reserves of the Armed Forces.

Enacted Law Summary

Public Law 2013, chapter 532 provides that a vehicle jointly owned by a member of the Armed Forces of the United States who is on active duty and the member's spouse is eligible for the motor vehicle excise tax exemption whether registered by the service member or the service member's spouse as long as the joint ownership is indicated in the motor vehicle's title documentation.