

# MAINE STATE LEGISLATURE

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**STATE OF MAINE**  
127<sup>TH</sup> LEGISLATURE  
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed

**JOINT STANDING COMMITTEE ON TAXATION**

August 2015

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# STATE OF MAINE

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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 127<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. An appendix provides a summary of relevant session statistics.

Final action on each LD is noted to the right of the LD title. The following describes the various final actions.

<i>CARRIED OVER</i> .....	<i>carried over to a subsequent session of the Legislature</i>
<i>CON RES XXX</i> .....	<i>chapter # of constitutional resolution passed by both houses</i>
<i>CONF CMTE UNABLE TO AGREE</i> .....	<i>Committee of Conference unable to agree; legislation died</i>
<i>DIED BETWEEN HOUSES</i> .....	<i>House &amp; Senate disagreed; legislation died</i>
<i>DIED IN CONCURRENCE</i> .....	<i>defeated in each house, but on different motions; legislation died</i>
<i>DIED ON ADJOURNMENT</i> .....	<i>action incomplete when session ended; legislation died</i>
<i>EMERGENCY</i> .....	<i>enacted law takes effect sooner than 90 days after session adjournment</i>
<i>FAILED, EMERGENCY ENACTMENT or FINAL PASSAGE</i> .....	<i>emergency failed to receive required 2/3 vote</i>
<i>FAILED, ENACTMENT or FINAL PASSAGE</i> .....	<i>failed to receive final majority vote</i>
<i>FAILED, MANDATE ENACTMENT</i> .....	<i>legislation proposing local mandate failed required 2/3 vote</i>
<i>HELD BY GOVERNOR</i> .....	<i>Governor has not signed; final disposition to be determined at subsequent session</i>
<i>LEAVE TO WITHDRAW</i> .....	<i>sponsor's request to withdraw legislation granted</i>
<i>NOT PROPERLY BEFORE THE BODY</i> .....	<i>ruled out of order by the presiding officer; legislation died</i>
<i>INDEF PP</i> .....	<i>indefinitely postponed; legislation died</i>
<i>ONTP, ACCEPTED, MAJORITY, MINORITY or REPORT X</i> ....	<i>ought-not-to-pass report accepted; legislation died</i>
<i>P&amp;S XXX</i> .....	<i>chapter # of enacted private &amp; special law</i>
<i>PUBLIC XXX</i> .....	<i>chapter # of enacted public law</i>
<i>RESOLVE XXX</i> .....	<i>chapter # of finally passed resolve</i>
<i>VETO SUSTAINED</i> .....	<i>Legislature failed to override Governor's veto</i>

The effective date for non-emergency legislation enacted in the First Regular Session of the 127<sup>th</sup> Legislature is October 15, 2015. 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 49      An Act To Exempt from Excise Tax Certain Vehicles Used by Persons with a Disability      CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VEROW LIBBY		

This bill provides a motor vehicle excise tax exemption for motor vehicles owned and designed for use by a person with a disability. This exemption is in addition to the sales tax exemption currently allowed for adaptive equipment installed on a vehicle.

This bill was carried over to any special or regular session of the 127th Legislature by joint order, H.P. 992.

**LD 64      An Act To Reduce the Time within Which a Challenge to a Tax Lien Foreclosure May Be Filed      Veto Sustained**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VEROW LIBBY	OTP	

This bill reduces from five years to three years following foreclosure the length of time in which a challenge to a governmental taking of real estate for nonpayment of taxes may be filed.

**LD 76      An Act To Amend the Property Tax Fairness Credit      Died Between Houses**

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

This bill amends the property tax fairness credit by increasing the maximum credit to \$900 for an eligible person under 65 years of age and \$1,200 for an eligible person 65 years of age and older.

**Committee Amendment "A" (S-202)**

This amendment, which is the majority report of the committee, replaces the bill and amends the property tax fairness credit by increasing the percentage of rent constituting property taxes from 15 percent to 20 percent and lowering the property tax as a percentage of the income threshold above which a credit may be available from six percent of income to five percent of income.

See also LD 1095.

**LD 79      An Act To Provide a Sales Tax Trade-in Credit for Core Parts      ONTP**

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

## *Joint Standing Committee on Taxation*

This bill provides a sales tax trade-in credit for core parts. A core part is a component that, when replaced, is returned to the manufacturer to be rebuilt and used again.

**LD 94      An Act To Base the Excise Tax Imposed on the Purchase of a Motor Vehicle on the Price Paid      Died Between Houses**

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

This bill requires the excise tax on motor vehicles and camper trailers to be based on the purchase price of the motor vehicle or camper trailer. The purchase price is determined for new motor vehicles and camper trailers based on the initial bill of sale or state sales tax document. For used motor vehicles and camper trailers, if the initial bill of sale or state sales tax document is not available, the excise tax is based on the maker's list price. This bill requires the State to reimburse municipalities for the excise tax revenue loss attributable to basing the excise tax on all motor vehicles on the purchase price.

### **Committee Amendment "A" (H-327)**

This amendment, the minority report of the committee, replaces the bill and provides that, beginning January 1, 2017, the motor vehicle excise tax is imposed on 90 percent of the maker's list price.

**LD 95      An Act To Provide Income Tax Relief      ONTP**

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

This bill changes the Maine income tax rate structure by replacing the current three-bracket rate structure with a six-bracket rate structure from zero percent to ten percent. The rate brackets are calculated by the State Tax Assessor every five calendar years to maintain the same level of progressivity of the tax by maintaining the same percentage of taxpayers in each top marginal rate category.

This bill also repeals the Tax Relief Fund for Maine Residents and increases the percentage of excess General Fund revenues transferred to the Maine Budget Stabilization Fund by the amount currently transferred to the tax relief fund.

See also LD 836 and LD 1269.

**LD 96      An Act To Increase the State Earned Income Credit      INDEF PP**

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

This bill, beginning in 2015, increases the state earned income credit from five percent to ten percent of the federal earned income credit and provides that the state earned income credit is fully refundable.

### **Committee Amendment "A" (H-230)**