

MAINE STATE LEGISLATURE

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STATE OF MAINE
127TH 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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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 127th 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 & 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&S XXX</i>	<i>chapter # of enacted private & 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 127th 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

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)

Joint Standing Committee on Taxation

This amendment clarifies the timing of the bill's changes to the earned income tax credit, adds an enhanced credit for taxpayers with no qualifying child that is equal to 50 percent of the federal earned income tax credit and removes provisions of the bill making the credit refundable.

See also LD 96 and LD 648.

LD 116 An Act To Expand the Use of Tax Increment Financing Revenue ONTP

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

This bill allows a municipality or plantation that forms a tax increment financing district to use the revenue generated by that district to pay for the costs of vital public services, as long as the costs of the services do not exceed 50 percent of the tax increment revenue and the costs are not paid for more than two fiscal years during the life of the tax increment financing district and its development program. Vital public services are fire and rescue, law enforcement and waste disposal services and local road improvements.

**LD 118 An Act To Authorize Municipalities To Refund Amounts Collected in PUBLIC 53
Excess of Tax Liens EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCCORMICK	OTP-AM	S-55

This bill authorizes a municipality that forecloses on residential real estate to return the excess funds, after subtracting the tax lien, interest, fees for recording the lien, costs of mailing notice, court costs, taxes that would have been assessed while the property was held by the municipality and any other expenses incurred in disposing of the real estate.

Committee Amendment "A" (S-55)

This amendment provides that disbursement of the excess of any funds acquired for nonpayment of property taxes must be authorized by municipal ordinance or, with regard to the unorganized territory, by rulemaking by the State Tax Assessor. The amendment clarifies the taxes, interest, fees and other costs connected with the disposal of property acquired through the tax lien and foreclosure process that may be retained by the municipality. The amendment also provides that an authorizing ordinance may apply to sales of property acquired through the tax lien and foreclosure process on or after January 1, 2015.

Enacted Law Summary

Public Law 2015, chapter 53 authorizes a municipality that forecloses on residential real estate to return the excess funds, after subtracting the taxes, interest and fees and any other expenses incurred in disposing of the real estate. The disbursement of the excess of any funds acquired for nonpayment of property taxes must be authorized by municipal ordinance or, with regard to the unorganized territory, by rulemaking by the State Tax Assessor. An authorizing ordinance may apply to sales of property acquired through the tax lien and foreclosure process on or after January 1, 2015.

Public Law 2015, chapter 53 was enacted as an emergency measure effective May 8, 2015.