

# 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

127<sup>TH</sup> LEGISLATURE  
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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.

*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 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

This bill provides a sales tax exemption for sales to certain incorporated nonprofit organizations whose primary purpose is to use volunteers to rehabilitate or modify housing for low-income individuals.

### LD 341 An Act To Prevent Tax Haven Abuse

Died Between  
Houses

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

This bill requires corporations that file unitary income tax returns in Maine to include income from certain jurisdictions outside the United States in net income when apportioning income among tax jurisdictions. The State Tax Assessor is required to adopt major substantive rules to determine the income or loss attributable to such corporations and to prevent double taxation or deduction of income.

#### Committee Amendment "A" (H-97)

This amendment, the minority report of the committee, removes the Republic of Ireland from the list of jurisdictions considered tax havens and adds a requirement that the State Tax Assessor submit an annual report to the joint standing committee of the Legislature having jurisdiction over taxation matters regarding whether jurisdictions should be added to or deleted from the list of tax havens based on specified criteria.

### LD 365 An Act To Provide a Tax Reduction for Modifications To Make a Home More Accessible for a Person with a Disability

CARRIED OVER

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VEROW	OTP-AM	H-277

This bill is a concept draft pursuant to Joint Rule 208 and proposes to provide a means to offset the costs incurred by a person with a disability who modifies a residence, such as by installing ramps or stairlifts, widening entryways or remodeling, to make it more accessible for that person. The offset could be in the form of an income tax credit or an exemption from property taxes.

#### Committee Amendment "A" (H-277)

This amendment replaces the bill and creates an income tax credit for expenses incurred for certain modifications to make a homestead accessible to an individual with a disability or physical hardship who resides or will reside in the homestead if the taxpayer's federal adjusted gross income does not exceed \$55,000. The credit is capped at \$1,000,000 annually.

This bill was carried over on the Special Appropriations Table to any special or regular session of the 127th Legislature by joint order, S.P. 555.

### LD 367 An Act To Protect the Income of Service Workers

ONTP

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

## Joint Standing Committee on Taxation

This bill exempts from Maine income tax all tips included in federal adjusted gross income.

### LD 409 An Act To Lower the Individual Income Tax Incrementally to Zero

Accepted Majority  
(ONTP) Report

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'CONNOR BRAKEY	ONTP OTP-AM	

This bill provides for the phase-out of the individual income tax. Income taxes are reduced 25 percent beginning with 2016 tax years. A calculation is done each following year, and further 25 percent reductions are implemented when revenues exceed the amount of revenue for the year preceding the previous reduction.

#### Committee Amendment "A" (H-212)

This amendment, the minority report of the committee, clarifies the timing and calculation of future income tax reductions provided in the bill.

### LD 432 An Act To Exempt Fuel Purchased for Off-road Use in Commercial Construction and Wood Harvesting Equipment from Sales and Use Tax

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BURNS CAMPBELL R	ONTP	

This bill provides a sales and use tax refund or exemption for fuel purchased for off-road use in commercial wood harvesting or commercial construction equipment.

See also LD 30 and LD 290.

### LD 444 An Act To Allow a Motor Vehicle Excise Tax Credit for a Vehicle No Longer in Use

PUBLIC 87

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
THIBODEAU GILLWAY	OTP	

This bill extends the motor vehicle excise tax credit to situations where the use of the vehicle is totally discontinued. This bill requires the owner of the vehicle to provide a signed statement attesting that the vehicle from which the credit is being transferred is totally discontinued and states that if the owner who has totally discontinued use of a vehicle later seeks to register that vehicle, no excise tax credits may be applied with respect to the registration of that vehicle or any subsequent transfer of that vehicle's registration.

#### Enacted Law Summary

Public Law 2015, chapter 87 extends the motor vehicle excise tax credit for destroyed, junked or abandoned motor vehicles to situations where the use of a vehicle is totally discontinued. This law requires the owner of the vehicle to provide a signed statement attesting that use of the vehicle from which the credit is being transferred is totally discontinued and states that if the owner who has totally discontinued use of a vehicle later seeks to register that vehicle, no excise tax credits may be applied with respect to the registration of that vehicle or any subsequent