

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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STATE OF MAINE

127TH 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 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.

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 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 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