

MAINE STATE LEGISLATURE

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STATE OF MAINE
127TH LEGISLATURE
SECOND REGULAR SESSION



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

JOINT STANDING COMMITTEE ON TAXATION

May 2016

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STATE OF MAINE

127TH LEGISLATURE

SECOND REGULAR SESSION



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 Second 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 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 July 29, 2016. 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 1672 An Act To Improve Priority of Tax Liens and the Collection of Sales Taxes

ONTP

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

This bill makes several changes to facilitate the collection of taxes.

1. The bill clarifies that a tax lien arises at the time an assessment is made rather than the time when an assessment becomes final.
2. The bill provides that the liability for payment of sales and use tax is on the party responsible for collection of the tax whether or not the taxes are actually collected.
3. The bill changes the date for filing an income tax information return from February 28th to January 31st.
4. The bill relocates language providing for the phase-out of standard and itemized deductions to avoid a statutory anomaly. There is no substantive change.

LD 1691 An Act To Improve the Maine Tree Growth Tax Law Program

ONTP

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

This bill makes the following changes to the Tree Growth Tax Law.

1. It adds “harvesting” to the list of purposes of the Tree Growth Tax Law.
2. It removes Christmas trees, maple syrup, nursery products used for ornamental purposes, wreaths, bough material or cones or other seed products from the list of forest products that qualify as having “commercial value.”
3. It removes eligibility for:
 - A. Parcels with less than 25 acres first enrolled on or after April 1, 2017. Parcels between 10 and 25 acres enrolled before April 1, 2017 may continue to be enrolled; and
 - B. Parcels for which any portion of the land is within 10 miles of the Atlantic Ocean regardless of when first enrolled.
4. It reduces withdrawal penalties by providing that parcels withdrawn due to becoming statutorily ineligible may enroll in the open space program or pay a penalty similar to the constitutional minimum penalty of five years back taxes with interest.
5. It authorizes the Bureau of Forestry to review forest management plans and actual management of the land and to require a municipality to withdraw any parcel found to be not in “substantial compliance” with the plan. The landowner is provided 120 days to come into substantial compliance. The State Tax Assessor is prohibited from paying tree growth program reimbursement to a municipality that fails to remove a parcel from enrollment following notification from the Bureau of Forestry.

Joint Standing Committee on Taxation

6. It provides an income tax credit to an individual who “directly” owns more than 25 but less than 100 acres of land in the aggregate regardless of where located or whether enrolled in TGT program. The credit is equal to 8% of the gain associated with cutting timber on the taxpayer’s land.