

# MAINE STATE LEGISLATURE

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



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

**JOINT STANDING COMMITTEE ON TAXATION**

August 2017

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\*Committee member for a portion of the session

# STATE OF MAINE

128<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 128<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 128<sup>th</sup> Legislature is Wednesday, November 1, 2017. 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, submitted by the Department of Administrative and Financial Services, makes the following changes to the sales and use tax laws.

Part A moves the point of taxation with respect to leases of tangible personal property from a use tax on the lessor to a sales tax on each lease payment, in order to simplify the law and provide consistency with the tax treatment of leases in other states that impose a sales tax. It updates the Maine Revised Statutes, Title 36, Part 3 to include leases, rentals and lessors in many existing provisions regarding sales and sellers and to add new provisions regarding leases, rentals and lessors that correspond to existing provisions regarding sales and sellers. It also updates sales tax exemptions that currently exempt sales to certain entities to also exempt leases and rentals to those entities. It sources the first lease or rental payment to this State for taxation when the property is received in this State. Subsequent payments are sourced to this State as long as the primary property location for the period covered by the payment is in this State. It applies to sales occurring, and lease or rental agreements executed, on or after January 1, 2018.

Part B clarifies when owners of property that has been used outside of Maine are liable for a use tax when the property is brought into Maine. It updates several provisions, enacting a clear 90-day standard for use in Maine to give rise to a use tax liability. It applies to sales occurring, and lease or rental agreements executed, on or after January 1, 2018.

Part C terminates, as of December 31, 2017, the ability to claim a motor vehicle excise tax reimbursement for rental vehicles.

**LD 1597**

### **An Act To Exempt from Sales Tax the Fee Associated with the Paint Stewardship Program**

**CARRIED OVER**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BREEN C TUCKER R	OTP-AM ONTP	S-183

This bill exempts from the sales and use tax the fee imposed to fund the paint stewardship program, regardless of whether the fee is paid by a retailer or distributor or passed on to the consumer.

#### **Committee Amendment "A" (S-183)**

This amendment provides for proper administration of the exclusion from sales tax of the paint stewardship assessment by providing that the assessment is excluded from the sale price to which the sales tax applies. The amendment includes an effective date and application provision.

This bill was reported out of committee and then carried over to the next special or regular session of the 128th Legislature on the Special Appropriations Table by joint order, S.P. 601.

**LD 1599**

### **An Act To Improve the Maine Tree Growth Tax Law**

**CARRIED OVER**

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

This bill, which is a Governor's bill, makes the following changes to the Maine Tree Growth Tax Law.

1. It includes harvesting as an expressly stated purpose for land in the Maine Tree Growth Tax Law program.