

STATE OF MAINE
124TH LEGISLATURE
FIRST REGULAR SESSION



Summaries of bills, adopted amendments and laws enacted or finally passed during
the First Regular Session of the 124th Maine Legislature coming from the

JOINT STANDING COMMITTEE ON TAXATION

July 2009

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Joint Standing Committee on Taxation

LD 35 Resolve, Directing the State Tax Assessor To Work with Local Law Enforcement Agencies To Improve Tax Collection and Enforcement along the Border of the State

RESOLVE 27

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WHEELER BOWMAN	OTP-AM	H-73

This bill requires municipalities to enforce the excise tax laws against residents of the municipalities that register their motor vehicles, aircraft or watercraft outside of the State to avoid the State's excise tax.

Committee Amendment "A" (H-73)

This amendment directs the State Tax Assessor to work with municipal and county officials and law enforcement agencies close to the New Hampshire border to identify residents of the State who register vehicles, aircraft or watercraft in another state to avoid paying excise taxes in the State and otherwise avoid state income and sales tax and report activities pursuant to the resolve to the Joint Standing Committee of the Legislature having jurisdiction over taxation matters by January 15, 2011.

Enacted Law Summary

Resolve 2009, chapter 27 directs the State Tax Assessor to work with municipal and county officials and law enforcement agencies close to the New Hampshire border to identify residents of the State who register vehicles, aircraft or watercraft in another state to avoid paying excise taxes in the State and otherwise avoid state income and sales tax and report activities pursuant to the resolve to the Joint Standing Committee of the Legislature having jurisdiction over taxation matters by January 15, 2011.

LD 51 An Act To Allow Military Personnel Living in Maine To Benefit under the Maine Resident Homestead Property Tax Exemption

**PUBLIC 418
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MAZUREK RECTOR	OTP-AM MAJ ONTP MIN	H-6 S-342 DIAMOND

This bill allows a member of the United States Armed Forces who is permanently stationed in Maine but who is not a legal resident of Maine to apply for and obtain the \$13,000 homestead property tax exemption that is currently only available to a permanent resident of Maine.

Committee Amendment "A" (H-6)

This amendment requires a member of the Armed Forces who is permanently stationed in Maine to provide certification from the commander of the member's post, station or base that the member is permanently stationed at that location and provides that members of the National Guard or the Reserves of the United States Armed Forces are not eligible under this provision.

Senate Amendment "A" (S-342)

This amendment adds a mandate preamble to the bill.

Joint Standing Committee on Taxation

Enacted Law Summary

Public Law 2009, chapter 418 allows a member of the United States Armed Forces who is permanently stationed in Maine but who is not a legal resident of Maine to apply for and obtain the \$13,000 homestead property tax exemption that is currently only available to a permanent resident of Maine.

Public Law 2009, chapter 418 was enacted as an emergency measure effective June 17, 2009.

LD 57 An Act To Exempt Small Privately Owned Windmills from the Property Tax ONTP

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

This bill provides a property tax exemption for a windmill or wind turbine with a peak generating capacity of no more than 50 kilowatts that is 50 feet or less in height as long as the generated energy is used solely by the owner of the property on which the windmill or wind turbine is located. The exemption is limited to 10 years.

LD 71 An Act To Raise the Property Tax Exemption for Veterans Carried Over

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
NASS J NUTTING J		H-424

This bill increases the property tax exemption for post-World War I veterans and their eligible survivors from \$6,000 to \$7,000 to match the exemption given to veterans of World War I and earlier wars.

Committee Amendment "A" (H-424)

This amendment, which replaces the bill, provides for an annual 5% increase in the amount of the current \$6,000 property tax exemption for veterans.

This bill, as amended, was removed from the Special Appropriations Table, recommitted to the Joint Standing Committee on Taxation and carried over to any special or regular session of the 124th Legislature by joint order, H.P. 1053.

LD 72 An Act Regarding the Tax on Fuel Used for Commercial Agriculture, Fishing and Forestry ONTP

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

Joint Standing Committee on Taxation

This bill allows a person who purchases and uses internal combustion fuel for commercial fishing, forestry or agriculture purposes to apply for a refund of the excise tax paid, less 5¢ per gallon and exempts such fuel from the use tax.

**LD 86 An Act To Conform the Maine Tax Laws for 2008 to the United States
Internal Revenue Code**

INDEF PP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERRY J	OTP-AM	

This bill updates references to the United States Internal Revenue Code contained in the Maine Revised Statutes, Title 36 to the United States Internal Revenue Code as amended through December 31, 2008, for tax years beginning on or after January 1, 2008 and for any prior years as specifically provided by the United States Internal Revenue Code with the exception of the new additional federal standard deduction for property taxes paid by individual taxpayers who elect not to itemize deductions.

The substance of this bill, adjusted to reflect changes in the United States Internal Revenue Code due to the American Recovery and Reinvestment Act of 2009 is included in Part BBBB of the biennial budget, P.L. 2009, chapter 213.

**LD 87 An Act To Allow the Same Homestead and Veterans' Exemptions to a
Person Who Has a Life Lease as Are Allowed to Those Who Have a Life
Estate**

ONTP

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

This bill extends homestead and veterans' property tax exemptions to persons who occupy their property under a life lease.

**LD 90 Resolve, Authorizing the State Tax Assessor To Convey the Interest of
the State in Certain Real Estate in the Unorganized Territory**

RESOLVE 7

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERRY J	OTP-AM	S-4

This resolve authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory acquired for nonpayment of property taxes.

Committee Amendment "A" (S-4)

This amendment incorporates a fiscal note.

Joint Standing Committee on Taxation

Enacted Law Summary

Resolve 2009, chapter 7 authorizes the State Tax Assessor to convey the interest of the State in several parcels of real estate in the Unorganized Territory acquired for nonpayment of property taxes.

LD 109 An Act To Exempt Residential Electricity from Sales Tax ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DAVIS P TRAHAN	ONTP	

This bill exempts from sales tax the sale and delivery of all residential electricity exceeding the current exemption of 750 kilowatt-hours per month.

LD 166 An Act To Exempt Persons 65 Years of Age or Older with Income below the Poverty Line from Property Taxes on Their Homes ONTP

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

This bill provides a property tax exemption for the homestead of a person who is 65 years of age or older and whose annual income is below poverty thresholds as long as the person occupies that home at least 8 months each year. This bill requires the Department of Administrative and Financial Services, Bureau of Revenue Services to adopt major substantive rules to administer the program.

LD 167 An Act To Provide a Sales Tax Exemption for Used Goods Sold To Benefit Food Pantries ONTP

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

This bill provides a sales tax exemption for sales of used goods by a nonprofit organization when the profits from those sales benefit a food pantry.

LD 195 An Act To Base the Excise Tax on Vehicles on a Percentage of the Manufacturer's Suggested Retail Price Carried Over

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KNIGHT SMITH D		

Joint Standing Committee on Taxation

This bill requires the motor vehicle excise tax to be based on 90% of the manufacturer's suggested retail price for the motor vehicle, regardless of the amount actually paid for the motor vehicle.

This bill was carried over to any special or regular session of the 124th Legislature by joint order, H.P. 1053.

LD 196 An Act To Exempt Military Pensions from Income Tax

**DIED BETWEEN
HOUSES**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KNIGHT	ONTP MAJ OTP-AM MIN	

This bill exempts from the state income tax all military pension and survivors' benefits for military personnel received as a result of service in the active or reserve components of the Army, Navy, Air Force, Marines or Coast Guard.

**LD 197 An Act To Provide Tax Relief to Workers Who Lose Their Jobs Due to
Business Closure**

**DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KNIGHT PERRY J	OTP-AM	H-118

This bill exempts from income tax severance payments that are required under Maine law if those benefits are received from a commercial or industrial establishment located in the State that employs or has employed at any time in the preceding 12-month period 100 or more persons and terminates operations in the State.

Committee Amendment "A" (H-118)

This amendment clarifies that the proposed income tax deduction for severance pay applies to mandatory severance pay received under the labor laws beginning January 1, 2008 and limits the income tax deduction to 4 years. It is the intent of this amendment that its cost be covered by federal stimulus funds.

LD 197 was placed on the Special Appropriations Table and died on adjournment.

LD 198 An Act To Recouple Maine Estate Tax with the Federal Estate Tax

**ACCEPTED ONTP
REPORT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KNIGHT MCCORMICK	ONTP MAJ OTP-AM MIN	

This bill amends the Maine estate tax to conform to the federal estate tax for the estates of decedents dying on or after January 1, 2009.

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LD 212 Resolve, To Study and Develop a Tax Increment Financing Program To Fund the Washington County Development Authority **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERRY A RAYE	ONTP	

This resolve requires the Department of Administrative and Financial Services, Bureau of Revenue Services to conduct a study to develop a tax increment financing proposal that will support the Washington County Development Authority's economic development programs and to report its findings, along with proposed legislation, to the Legislature and the Joint Standing Committee on Taxation by February 1, 2010.

LD 218 An Act To Exempt the United States Flag from Sales Tax **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SHAW BRYANT B	ONTP	

This bill exempts the sale of the United States flag from sales tax.

LD 224 An Act To Exempt Certain Senior Residents from the Income Tax **ONTP**

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

This bill exempts from Maine income tax, including the alternative minimum tax, an individual who is a resident of Maine and at least 75 years of age and whose taxable income is less than \$30,000.

LD 237 An Act To Impose an Excise Tax on the Extraction of Water for Bottling **ONTP**

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

This bill creates an excise tax of one cent per gallon on the extraction of groundwater or surface water from springs or other underground sources by a bottled water operator who extracted more than 1,000,000 gallons in the previous calendar year if the water will be packaged for sale in containers of 5 gallons or less. The revenue from the tax is applied 25% to watershed and water quality protection, 50% to tax relief for Maine residents and 25% to the

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municipality where the water was extracted in recognition that persons extracting large amounts of groundwater in Maine for sale benefit from the state and local groundwater protection activities.

**LD 265 An Act To Provide a Sales Tax Exemption to Certain Organizations
That Provide Assistance to Members of the Military**

ONTP

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

This bill provides an exemption from Maine sales tax to incorporated, nonprofit organizations that provide assistance to members of the military and their families.

**LD 277 An Act To Clarify the Income-producing Requirement for Land in the
Farm and Open Space Tax Program**

PUBLIC 114

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GOOLEY	OTP-AM	S-89

This bill eliminates the farm income requirement for eligibility for current use valuation of land under the farm and open space tax law.

Committee Amendment "A" (S-89)

This amendment provides that farm income amounts used to demonstrate eligibility under the farm and open space tax laws must be from the sale of agricultural products as defined in the Maine Revised Statutes, Title 7, section 152.

Enacted Law Summary

Public Law 2009, chapter 114 provides that farm income amounts used to demonstrate eligibility under the farm and open space tax laws must be from the sale of agricultural products as defined in the Maine Revised Statutes, Title 7, section 152.

LD 313 An Act To Add a Fuel Oil Benefit to the Circuitbreaker Program

ONTP

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

This bill provides relief to homeowners and renters for the cost of petroleum-based heating fuel by adding 50% of those costs to the base used to calculate benefits under the Maine Residents Property Tax Program, also known as the Circuitbreaker Program. Under this bill benefits are made available to persons whose property taxes and heating costs exceed 4% of their income. Income eligibility levels and benefit maximums are not changed.

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LD 332 An Act To Amend the Penalty for Withdrawal of Land from the Maine Tree Growth Tax Law Program ONTP

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

This bill specifies that the penalty imposed on land that is withdrawn from taxation under the Maine Tree Growth Tax Law may not exceed the amount of actual taxes that would have been due on the land had it not been taxed under the Maine Tree Growth Tax Law, plus any applicable interest.

LD 342 An Act To Exempt Annuities from Taxation ONTP

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

This bill excludes annuity considerations from the tax imposed on insurance premiums beginning October 1, 2009.

LD 349 An Act To Authorize Arbitration of Property Tax Valuation Disputes ACCEPTED ONTP REPORT

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SMITH D	ONTP MAJ OTP-AM MIN	

This bill allows a property owner to submit the decision of a municipal board of assessment review to binding arbitration and specifies the procedure for selecting a neutral arbitrator and participating in binding arbitration. A decision to submit to binding arbitration stays a municipality's appeal to the Superior Court.

LD 360 An Act To Notify a Lienholder before Property Is Withdrawn from Assessment under the Maine Tree Growth Tax Law ONTP

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

This bill requires a municipal assessor to provide notice to a lienholder on land subject to classification under the Maine Tree Growth Tax Law before withdrawing the land from classification for failure to file a statement regarding a required forest management plan and allow the lienholder to file the statement if the owner does not.

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LD 380 An Act To Require Residents of the Unorganized Territories To Pay Excise Taxes To Agents and Not Directly to the Secretary of State ONTP

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

This bill repeals the provision of law that allows the State Tax Assessor to appoint the Secretary of State as an agent for the purpose of collecting excise tax for the unorganized territories.

LD 381 An Act To Base the Motor Vehicle Excise Tax on the Documented Actual Sale Price Rather than on the Maker's List Price ONTP

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

This bill requires that the excise tax for all motor vehicles and campers be based upon the purchase price of the vehicle rather than the maker's list price.

LD 404 An Act To Promote Property Tax Relief for Maine's Senior Citizens ONTP

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

This bill provides that income eligibility for benefits under the Circuitbreaker Program for households in which all members are 65 years of age or older must be determined using federal adjusted gross income rather than the current definition of income that will continue to apply to other households.

LD 406 An Act To Allow a Retailer To Offer To Pay Sales Tax on Items and Services Sold by That Retailer ONTP

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

This bill repeals the law that prohibits a retailer from advertising or offering to pay or refund to a consumer the tax imposed on the sale of goods and services.

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LD 450 An Act To Include Commercial Silvicultural Crop Production in the Sales Tax Exemption for Certain Products Used in Commercial Agricultural Crop Production Activities

PUBLIC 422

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAVIELLO GOOLEY	OTP-AM	H-74

This bill clarifies that the sales tax exemption for products used in commercial agricultural crop production applies to products used in commercial forestry.

Committee Amendment "A" (H-74)

This amendment changes the application of the sales tax exemption to include all commercial silvicultural crops.

Enacted Law Summary

Pulic Law chapter 422 clarifies that the sales tax exemption for products used in commercial agricultural crop production applies to products used in commercial silviculture.

LD 459 An Act To Provide Tax Relief for Maine Residents Deployed for Military Service

ONTP

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

This bill allows a municipality to exempt from the motor vehicle excise tax vehicles owned by residents of Maine who are deployed for military service, either in the National Guard, the Reserves or the Armed Forces of the United States, for a period of more than 30 days.

LD 471 An Act To Encourage Alternative Energy and Promote Maine Businesses

ONTP

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

This bill allows a person who purchases a wood pellet stove in Maine to apply for a refund of the Maine sales tax paid on that stove. The bill applies to purchases made on or after July 1, 2008. The Department of Administrative and Financial Services, Bureau of Revenue Services is required to administer the refund, including providing the refund in the form of a voucher that may be used only for the purchase of wood pellets from a person in Maine.

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LD 490 An Act To Amend the Laws Regarding Mandatory Electronic Filing of Certain Tax Returns

**P & S 12
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ROSEN R	OTP-AM	S-36

This bill is emergency legislation that suspends implementation by the Department of Administrative and Financial Services, Bureau of Revenue Services of any rule expanding electronic filing of certain tax returns beginning April 1, 2009.

Committee Amendment "A" (S-36)

This amendment replaces the bill and requires the Department of Administrative and Financial Services, Bureau of Revenue Services to continue leniency in the granting of waivers from new electronic filing requirements and to report on the status of electronic filing and waivers by January 15th annually. The reporting requirement ends January 15, 2015.

Enacted Law Summary

Private and Special Law 2009, chapter 12 requires the Department of Administrative and Financial Services, Bureau of Revenue Services to continue leniency in the granting of waivers from new electronic filing requirements and to report on the status of electronic filing and waivers by January 15th annually. The reporting requirement ends January 15, 2015.

Private and Special Law 2009, chapter 12 is enacted as an emergency measure effective April 21, 2009.

LD 493 An Act To Provide Sensible Options for Tax Increment Financing Proceeds in Small Towns

ONTP

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

This bill clarifies the procedure for municipalities to jointly participate in a tax increment financing district and permits municipalities with a population of fewer than 1,500 persons singly or jointly to include certain regional and municipal improvements in project costs.

LD 539 An Act To Amend the Laws Governing the Allowable Uses of Tax Increment Financing Funds

PUBLIC 85

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CLARK H JACKSON	OTP-AM	H-93

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This bill allows for tax increment financing proceeds reserved for use by municipalities to be used for expenses relating to recreational trails to enhance recreational opportunities to promote economic growth.

Committee Amendment "A" (H-93)

This amendment provides that the allowable uses of tax increment financing proceeds for recreational trails may be located outside the tax increment financing district as long as they are located within the municipality. The amendment also requires that allowable recreational trails must be determined by the Department of Economic and Community Development to have significant potential to promote economic development.

Enacted Law Summary

Public Law 2009, chapter 85 allows for tax increment financing proceeds reserved for use by municipalities to be used for expenses relating to recreational trails to enhance recreational opportunities to promote economic growth. Trails may be located outside the tax increment financing district as long as they are located within the municipality. Trails must be determined by the Department of Economic and Community Development to have significant potential to promote economic development.

LD 540 An Act To Promote Forest Certification and Long-term Forest Management

**DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATSON	OTP-AM	H-209

This bill changes the existing income tax credit for owners of forest land who have a management plan prepared by a professional forester from a maximum of \$200 every 10 years to \$400 in any 10-year period and adds forest certification and recertification costs as an allowed credit toward the \$400 cap.

Committee Amendment "A" (H-209)

This amendment reorganizes the language of the credit for clarity.

LD 540 was placed on the Special Appropriations Table and died on adjournment.

LD 545 An Act To Amend the Tax Exemption Regarding Leased Property

PUBLIC 425

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BLISS	OTP-AM MAJ ONTP MIN	S-142

This bill amends the tax exemption for the property of institutions and organizations to limit the tax exemption for leased property used by hospitals, health maintenance organizations or blood banks to personal property only.

Committee Amendment "A" (S-142)

This amendment delays until 2012 the implementation of the restriction of the property tax exemption for leased property used by a hospital, health maintenance organization or blood bank.

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Enacted Law Summary

Public Law 2009, chapter 425 amends the tax exemption for the property of institutions and organizations to limit the tax exemption for leased property used by hospitals, health maintenance organizations or blood banks to personal property only beginning in 2012.

**LD 553 An Act To Amend the Laws Governing Abatement of Property Taxes
Due to Infirmity or Poverty** **ONTP**

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

This bill amends the laws governing abatement of property taxes due to infirmity or poverty in 3 ways. The bill clarifies that a decision regarding an application for a poverty abatement may be deferred until the usual period to pay the property taxes has expired and the tax collector takes action to enforce the lien or is within 30 days of taking such action. The bill also clarifies that the value of real and personal property owned by the applicant may be considered as available to contribute to the public charges as long as use of that property for that purpose does not impair the ability of the applicant to remain in the applicant's residence and provide for the applicant's basic needs. The bill also authorizes the municipal officers or the State Tax Assessor to either grant an abatement to an applicant determined eligible for relief or waive the tax lien foreclosure according to the process generally available under law, except that under this type of waiver any subsequent enforcement of the tax lien is available only when the property is sold or transferred.

**LD 588 An Act To Amend the Excise Tax on Motor Vehicles To Reflect
Depreciation** **Carried Over**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PILON PERRY J		

This bill changes the formula for calculation of the motor vehicle excise tax and provides that the rate of the motor vehicle excise tax remains unchanged throughout the life of the vehicle but the base depreciates over the same 6-year period from 95% of the maker's list price to 15% of the maker's list price to reflect the depreciating actual value of the vehicle.

This bill was carried over to any special or regular session of the 124th Legislature by joint order, H.P. 1053.

LD 589 An Act To Encourage the Production of Liquid Biofuels **DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BUTTERFIELD	OTP-AM	H-119

Joint Standing Committee on Taxation

This bill increases the income tax credit for the production of biofuels from 5¢ per gallon to 15¢ per gallon, enacts an income tax credit equal to 25% of the capital costs of converting an existing wood mass production facility to a facility for the production of wood mass-derived biofuel and appropriates \$500,000 in fiscal year 2009-10 for the Maine Technology Institute to fund research into cost-effective technology to convert forest resources to biofuels.

Committee Amendment "A" (H-119)

This amendment removes from the bill an appropriation for research into cost-effective technology to convert forest resources to biofuels.

LD 589 was placed on the Special Appropriations Table and died on adjournment.

LD 590 An Act To Establish a Wellness Tax Credit

**ACCEPTED ONTP
REPORT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GILES MARRACHE	OTP-AM MAJ ONTP MIN	

This bill provides an income tax credit to employers of 20 or fewer employees for the expense of developing, instituting and maintaining wellness programs for their employees in the amount of \$100 per employee, up to a maximum of \$2,000. A wellness program includes programs for behavior modification, such as smoking cessation programs, equipping and maintaining an exercise facility and providing incentive awards to employees who exercise regularly. The tax credit is paid for with funds from the Fund for a Healthy Maine.

LD 618 An Act To Reduce Income Tax on Capital Gains

**ACCEPTED ONTP
REPORT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SMITH D	ONTP MAJ OTP-AM MIN	

This bill excludes from both the individual and corporate income tax one half of net long-term capital gains.

LD 647 An Act To Provide Tax Relief for Retired Veterans Operating Businesses in Maine

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CORNELL DU HOUX PERRY J	ONTP	

This bill provides an income tax deduction for 50% of military retirement benefits for a veteran who operates a business in the State with at least one employee who is not related to the veteran.

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LD 659 An Act To Remove the Sales Tax on Certain Watercraft

Carried Over

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PILON PERRY J		H-398

This bill amends the sales tax exemption for the sale of watercraft, the sale of materials for watercraft construction and the sale of materials for watercraft repair, alteration, refitting, reconstruction, overhaul and restoration if the sale is made to a nonresident and the watercraft is intended to be transported outside the State by extending the exemption to all persons and without regard to whether the watercraft will remain in the State.

Committee Amendment "A" (H-398)

This amendment changes the sales tax exemption for watercraft and related materials sold to nonresidents to eliminate the requirement that the watercraft be removed from the State immediately upon delivery by the seller.

This bill was placed on the Special Appropriations Table, recommitted to the Taxation Committee and carried over to any special or regular session of the 124th Legislature by joint order, H.P. 1053.

LD 662 An Act To Phase Out the Distribution of the Disproportionate Tax Burden Fund under the State-municipal Revenue Sharing Program over a 5-year Period

Carried Over

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SHAW DIAMOND		

This bill is a concept draft pursuant to Joint Rule 208.

This bill proposes to gradually restore over a 5-year period the system of distributing state-municipal revenue sharing to the system that was in place prior to 2000 by reestablishing the pre-2000 Local Government Fund system as the sole method of distributing state-municipal revenue sharing on and after fiscal year 2014-15.

This bill was carried over to any special or regular session of the 124th Legislature by joint order, H.P. 1053.

LD 666 An Act To Clarify When the Rental of a Car Is Exempt from Sales and Use Tax

DIED BETWEEN HOUSES

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERRY J	OTP-AM MAJ ONTP MIN	

This bill provides that the sales tax exemption for the use of a vehicle provided by a new vehicle dealer to a service customer on a short-term basis free of charge pursuant to a warranty applies when the vehicle is provided either by

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the dealer directly or through a 3rd-party rental agreement.

LD 670 An Act To Make Health Insurance More Affordable

ONTP

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

This bill provides an income tax deduction for health insurance premiums not otherwise deducted for individual taxpayers and their dependents.

LD 671 An Act To Exempt Clean Fuel Vehicles from Sales Tax

ONTP

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

This bill exempts from sales tax sales and leases of clean fuel motor vehicles.

**LD 740 An Act To Validate the Property Tax Commitments in the Towns That
are Members of Community School District No. 9**

**P & S 6
EMERGENCY**

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

This bill validates the property tax commitments executed by the 6 municipalities that make up Community School District No. 9 in 2008, all of which committed their 2008 taxes late for reasons of financial necessity because the budget of the district had yet to be approved by the voters.

Enacted Law Summary

Private and Special Law 2009, chapter 6 validates the property tax commitments executed by the 6 municipalities that make up Community School District No. 9 in 2008, all of which committed their 2008 taxes late for reasons of financial necessity because the budget of the district had yet to be approved by the voters.

Private and Special Law 2009, chapter 6 was enacted as an emergency measure effective April 16, 2009.

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LD 743 An Act To Exempt Fuel Used by Commercial Fishing Vessels from the Sales Tax

**DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RECTOR	OTP-AM	S-102

This bill restores a sales tax exemption for diesel engine fuel used by commercial groundfishing boats that expired in 2008 and also exempts diesel engine fuel used for the purpose of operating or propelling a commercial lobstering boat.

Committee Amendment "A" (S-102)

This amendment expands the application of the sales tax refund for depreciable machinery and equipment purchases to include fuel used in all commercial fishing vessels and provides that the refund applies only to the sales tax on the portion of the sales price that exceeds \$3 from July 1, 2009 to June 30, 2010 and \$3.50 thereafter. The amendment also requires the State Tax Assessor to report on the number of persons granted refunds and the amount paid and changes the effective date of the legislation to July 1, 2009.

LD 743 was placed on the Special Appropriations Table and died on adjournment.

LD 744 An Act To Allow a Tax Credit for Tuition Paid to Private Schools

ONTP

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

This bill provides an income tax credit of up to \$2,500 for tuition paid to a private school for a taxpayer or a dependent of the taxpayer.

LD 765 An Act To Allow Towns To Establish Their Own Homestead Exemption Programs

ONTP

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

This bill allows a municipality to adopt a local option homestead property tax exemption program that provides an exemption of up to 20% of the just value of the homestead. Eligibility criteria for the local option homestead property tax exemption must be the same as for the state homestead property tax exemption program. The benefit available under the local homestead exemption is in addition to the benefit available under the state homestead exemption.

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LD 769 An Act To Amend the Laws Governing Income Tax To Allow an Age-based Write-off of Capital Losses ONTP

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

This bill is a concept draft pursuant to Joint Rule 208 that proposes, for Maine income tax purposes, to increase the maximum deduction for capital losses based on the individual's age.

LD 787 An Act To Provide an Additional Source of Revenue for the Tax Relief Fund for Maine Residents ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHASE NASS R	ONTP	

This bill provides that, beginning in fiscal year 2011-12, 10% of growth in the sales and use tax and income tax would be transferred to the Tax Relief Fund for Maine Residents to be available for tax relief.

LD 788 An Act To Aid Municipalities and the Unorganized Territory in the Reduction of Property Taxes Carried Over

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHASE NASS R		

This bill provides that, beginning in fiscal year 2010-11, 10% of sales tax revenue growth, which is the increase in sales tax revenue for that fiscal year over the amount of revenue generated in fiscal year 2010-11, must be returned to the municipality or unorganized territory where the growth occurred. The municipality or unorganized territory must use the amount received to reduce property tax levies.

This bill was carried over to any special or regular session of the 124th Legislature by joint order, H.P. 1053.

LD 799 An Act To Encourage Clean Fuel Vehicle Economic and Infrastructure Development by Extending the Tax Credit DIED ON ADJOURNMENT

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BLISS	OTP-AM	S-143

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This bill extends through 2012 the income tax credit for clean fuel vehicle economic and infrastructure development, which expired January 1, 2009.

Committee Amendment "A" (S-143)

This amendment corrects timing references in the bill and extends the clean fuel vehicle economic and infrastructure development credit through 2014.

LD 799 was placed on the Special Appropriations Table and died on adjournment.

LD 808 An Act To Capitalize the Municipal Investment Trust Fund with Municipal Revenue-sharing Resources

**DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CRAVEN	OTP-AM	S-144

This bill abolishes the Fund for the Efficient Delivery of Local and Regional Services and redirects its funding to the Municipal Investment Trust Fund beginning October 1, 2009.

Committee Amendment "A" (S-144)

This amendment requires a transfer of all but \$500,000 in fiscal year 2009-10 and \$1,000,000 in fiscal year 2010-11 from the Municipal Investment Trust Fund to the General Fund. It also adds an appropriations and allocations section.

LD 808 was placed on the Special Appropriations Table and died on adjournment.

LD 839 An Act To Authorize an Alternative Calculation of the Property Growth Factor for Municipalities with Exempt Personal Property

Carried Over

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GILBERT BRYANT B		

This bill authorizes a municipality that has a significant amount of personal property in its tax base to include the value of newly introduced personal property in the calculation of the municipality's property growth factor under the property tax limitation system even though that newly introduced personal property may be business equipment that is exempt from property taxation.

This bill was carried over to any special or regular session of the 124th Legislature by joint order, H.P. 1053.

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**LD 840 RESOLUTION, Proposing an Amendment to the Constitution of Maine
To Control Property Tax Increases**

**ACCEPTED ONTP
REPORT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MCKANE NASS R	ONTP MAJ OTP-AM MIN	

This resolution proposes to amend the Constitution of Maine to limit increases in the valuation of property to the amount of inflation except that new property, improvements to property and property that changes ownership must be valued at just value in the first year of assessment.

LD 841 An Act Regarding the State Earned Income Tax Credit

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STUCKEY PERRY J	ONTP	

This bill increases the state earned income credit from 5% to 25% of the federal credit and provides that the state earned income credit is fully refundable. See also LD 1495.

**LD 842 An Act To Exclude Business and Capital Losses from Consideration as
Income under the Circuitbreaker Program**

ONTP

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

This bill amends the definition of "income" under the Circuitbreaker Program to remove the requirement that Maine adjusted gross income be modified by adding back any capital loss or loss from a trade or business.

LD 851 An Act To Exempt Certain Veterans from the Income Tax

ONTP

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

This bill exempts from Maine income tax, including the alternative minimum tax, income earned by an individual who is a resident of the State, a veteran and at least 75 years of age and whose income is less than \$30,000 a year.

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LD 855 Resolve, To Establish the Commission To Study the Reform of Taxes and Spending in Maine ONTP

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

This resolve establishes a study commission to review the Brookings Institution report, "Charting Maine's Future: An Action Plan for Promoting Sustainable Prosperity and Quality Places." The commission is directed to report with suggested legislation on tax and spending reform for the State, with a focus on efficiency.

LD 872 An Act To Provide a Tax Credit to Certain Heating Fuel Contract Consumers ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STEVENS MILLS P	ONTP	

This bill allows a person who enters into a contract for the supply of heating fuel at a locked-in price for at least 6 months but no more than 12 months to obtain an income tax credit for the excess cost of that heating fuel if the average actual price of that heating fuel decreases after the parties enter into the contract.

LD 884 An Act To Provide Income Tax Equity for Working Spouses ONTP

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

This bill permits spouses to file separate income tax returns as single individuals rather than being subject to the higher marginal tax rates that may apply if they filed jointly.

LD 906 An Act Relating to Sales Tax on Certain Trailers PUBLIC 207

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VALENTINO	OTP-AM	H-262

This bill removes that partial sales tax exemption for manufactured housing and corrects cross-references.

Committee Amendment "A" (H-262)

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This amendment removes the length restriction on camper trailers for which a sales tax trade-in credit is allowed.

Enacted Law Summary

Public Law 2009, chapter 207 removes the length restriction on camper trailers for which a sales tax trade-in credit is allowed.

LD 919 An Act To Prevent and Treat Cancer in Maine by Implementing Critical Portions of the Comprehensive Cancer Program **ACCEPTED ONTP REPORT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STRANG BURGESS MARRACHE	ONTP MAJ OTP-AM MIN	

This bill provides funding for a portion of the cancer prevention and control program plan enacted into law during the First Regular Session of the 123rd Legislature by providing an ongoing Other Special Revenue Funds allocation for a comprehensive cancer screening, detection and prevention program. This bill requires all tobacco products other than cigarettes to be taxed at the rate of \$1 per ounce to provide the funding and any future tax rate increase to be tied to increases in the cigarette tax.

LD 922 RESOLUTION, Proposing an Amendment to the Constitution of Maine To Require a Supermajority Approval of the Legislature for Tax Increases **ACCEPTED ONTP REPORT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RECTOR	ONTP MAJ OTP-AM MIN	

This resolution proposes to amend the Constitution of Maine to require a 2/3 vote of both Houses of the Legislature to approve an increase in state revenue or a reduction in a tax credit, exemption or refund.

LD 931 An Act To Expand the Economic Development Benefit of Tax Increment Financing in Counties That Include Unorganized Territories **Carried Over**

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

This bill allows a development program for a development district or tax increment financing district located within the unorganized territory of a county to fund the development activity for that county.

This bill was carried over to any special or regular session of the 124th Legislature by joint order, H.P. 1053.

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LD 950 Resolve, Related to the Maine Estate Tax

RESOLVE 101

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CLEARY NASS R	OTP-AM	H-334

This bill amends the Maine estate tax to require adjustment of the unified credit for inflation and to require discharge of personal liability of a personal representative or other filer within 3 months after the filing of an estate tax information return for lien discharge or one year after the filing of an estate tax return unless additional information is required. The maximum period before discharge of a filer is 6 months after the filing of an estate tax information return for lien discharge and 18 months after filing an estate tax return unless the State Tax Assessor is actively contesting the validity of the return filed.

Committee Amendment "A" (H-334)

This amendment replaces the bill with a resolve directing the Department of Administrative and Financial Services, Bureau of Revenue Services to make available forms and explanatory materials related to the discharge of personal liability of personal representatives under the estate tax and to submit a report to the Joint Standing Committee on Taxation related to federal discharge of liability requirements and procedures. The resolve also authorizes the committee to submit related legislation to the Second Regular Session of the 124th Legislature.

Enacted Law Summary

Resolve 2009, chapter 101 directs the Department of Administrative and Financial Services, Bureau of Revenue Services to make available forms and explanatory materials related to the discharge of personal liability of personal representatives under the estate tax and to submit a report to the Joint Standing Committee on Taxation related to federal discharge of liability requirements and procedures. The resolve also authorizes the committee to submit related legislation to the Second Regular Session of the 124th Legislature.

LD 974 An Act To Decrease the Automobile Excise Tax and Promote Energy Efficiency

ONTP

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

This bill is a citizen-initiated bill. The bill decreases the excise tax imposed on motor vehicles for the first year from 24 mills to 12 mills, for the 2nd year from 17 1/2 mills to 8 mills and for the 3rd year from 13 1/2 mills to 4 mills and imposes a 4 mills rate for the 4th and succeeding years. This bill also exempts from the excise tax imposed on motor vehicles the first 3 model years of a hybrid gasoline-electric vehicle, a fuel-cell-fueled or hydrogen-fueled vehicle or a highly energy efficient vehicle that has a highway fuel economy estimate of at least 40 miles to the gallon. After the first 3 years, the rate of excise tax is the same as on other motor vehicles of the same age. This bill also exempts from the sales tax 100% of the sale or lease price of a new hybrid gasoline-electric vehicle, a fuel-cell-fueled or hydrogen-fueled vehicle or a vehicle with a highway fuel economy estimate of at least 40 miles per gallon.

Pursuant to the Maine Constitution, this bill will be placed on the ballot in November 2009.

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LD 976 An Act To Provide Tax Relief

**ACCEPTED ONTP
REPORT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	ONTP MAJ OTP-AM MIN	

This bill is a citizen-initiated bill that imposes expenditure limitations on state and local government and requires voter approval of state tax increases.

The bill requires majority approval by the voters for the annual indexing for inflation of motor fuel taxes.

The bill requires counties and municipalities to use a cost center budget summary format developed by the Department of Audit and requires information in that format to be made available to local voters, filed annually with Maine Revenue Services and posted on any publicly accessible website maintained by the county or municipality as well as on the Maine Revenue Services website.

Pursuant to the Maine Constitution, this measure will be placed on the ballot in November 2009.

LD 993 An Act To Implement the Recommendations of the Commission To Study the Protection of Farms and Farmland Pertaining to Taxation

Carried Over

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

This bill provides that amounts used to demonstrate eligibility under the farm and open space tax laws must be from the sale of agricultural products as defined in the Maine Revised Statutes, Title 7, section 152. It also provides for towns to be reimbursed 90% of the revenue lost for farmland classified under the farm and open space tax laws.

It also provides a transferable income tax credit for voluntary contributions of farmland for conservation and for conservation easements of farmland that qualify as charitable donations under the federal income tax. The credit is equal to 15% of the value of the donation up to \$250,000 for corporate donors and \$100,000 for other donors. The credit is refundable up to 20% per year.

This bill was carried over to any special or regular session of the 124th Legislature by joint order, H.P. 1053.

LD 1013 An Act To Protect the Environment through Promoting the Use of Clean Fuel Vehicles

**ACCEPTED ONTP
REPORT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
COURTNEY	ONTP MAJ OTP-AM MIN	

This bill provides an income tax credit for the purchase of a clean fuel vehicle. It provides that the revenue loss from the credit will be reimbursed from the Energy and Carbon Savings Trust Fund.

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LD 1018 An Act To Make the Maine Music Educators Association Tax Exempt

ONTP

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

This bill enacts a sales tax exemption for incorporated nonprofit organizations whose primary purpose is to support and expand music education for elementary and secondary school students.

LD 1033 An Act To Provide a Tax Credit for the Purchase of Small Wind Power Generators

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHASE NASS R	ONTP	

This bill provides an income tax credit for the cost of purchasing and installing a small wind power generator intended to provide electricity to a household or small business. The credit is a one-time credit of up to \$1,500 and applies to small wind power generators purchased and installed on or after January 1, 2008; however, the credit may not be taken until tax years beginning on or after January 1, 2011.

LD 1045 An Act To Provide a Sales Tax Refund for Fuel Used in Commercial Agricultural Production

**DIED ON
ADJOURNMENT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CRAY SHERMAN	OTP-AM	H-247

This bill permits a purchaser of clear special fuel for off-road use to obtain an annual exemption certificate and pay a fee of 1¢ per gallon estimated to be purchased during the year.

Committee Amendment "A" (H-247)

This amendment removes fuel tax provisions from the bill and includes special fuel under the sales tax refund for certain products used in commercial agricultural production and provides that the refund applies only to the sales tax on the portion of the sale price that exceeds \$3 from July 1, 2009 to June 30, 2010 and \$3.50 thereafter. The amendment also permits a person with a certificate stating that the person is engaged in commercial agricultural production to purchase dyed fuel with the sales tax reduced. The amendment also requires the State Tax Assessor to report on the number of persons granted refunds and the amount of refunds paid during the previous calendar year.

LD 1045 was placed on the Special Appropriations Table and died on adjournment.

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LD 1046 An Act To Exempt Cleaning Products for Milking Machines from the Sales Tax **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CURTIS MILLS P	ONTP	

This bill extends the exemption from the sales and use tax for products used in animal agriculture to products used to clean milking machines.

LD 1060 RESOLUTION, Proposing an Amendment to the Constitution of Maine To Restrict Property Revaluations **ONTP**

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

This resolution proposes to amend the Constitution of Maine to:

1. Allow for the change in valuation of real property and the buildings on that real property only upon a change in ownership, a change in type of land use or the expansion of the land use to increase income;
2. Limit the change in valuation to the greater of the just value and the appraised just value of the taxable real property as may be required by the local tax assessor;
3. Require the equalized just value of a municipality to equal 100%; and
4. Require that the change in value be subject to the real estate transfer tax, which must be paid solely by the seller if there is a change in ownership, or by the owner if there is a change or expansion in land use, and require that the tax be paid to the municipality and used only for purpose of property tax relief.

LD 1082 An Act To Create an Income Tax Credit for Certain Renewable Energy Systems **ONTP**

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

This bill provides an income tax credit for installations of qualifying wind and solar energy systems. Installation must be certified by the Public Utilities Commission.

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**LD 1087 RESOLUTION, Proposing an Amendment to the Constitution of Maine
To Cap the Property Tax on the Primary Residence of a Person 65
Years of Age or Older**

ONTP

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

This resolution proposes to amend the Constitution of Maine to authorize the Legislature to require property taxes on property owned and occupied as a person's primary residence to be capped if that person is at least 65 years of age. The tax would be set at the amount assessed on the property on the date by which the person attained 65 years of age or purchased the property, whichever is later. Upon transfer of the property to someone other than a family member of the owner, the property would assume the just value at the time of transfer.

**LD 1088 An Act To Modernize the Tax Laws and Provide over \$50,000,000 to
Residents of the State in Tax Relief**

INDEF PP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PIOTTI PERRY J	OTP-AM MAJ ONTP MIN	H-530 H-537 WATSON

This bill reforms the State's tax structure and reduces the burden of taxes on residents of the State. The bill contains the following provisions.

Part A makes fundamental changes to simplify and reduce the burden of the State's income tax and create an income tax that is intended to be more beneficial to investment and economic growth in the State. The current structure of 4 tax brackets, personal exemptions and deductions is replaced by a flat rate of 6.5% on all taxable income. The progressivity of the current income tax is maintained through a household credit that alleviates the impact of the 6.5% rate on low-income and middle-income households. The alternative minimum tax on individuals is abolished.

Part B broadens the sales tax base by including certain services, including certain amusement, entertainment and recreation services; installation, repair and maintenance services; personal property services; transportation and courier services; and long distance telephone service. Part B also changes the point of imposition of sales tax related to leased property from the sale of that property to the leasing business to the lease payments by the consumer. Part B also increases the sales tax on prepared food and lodging to 8.5% and the sales tax on rentals of automobiles of less than one year to 15%.

Part C changes the real estate transfer tax by providing that residences with a value greater than \$500,000 will be taxed at 1% on the value of the residence that exceeds \$500,000 with the full increase accruing to the General Fund.

Committee Amendment "A" (H-530)

This amendment makes changes to Part A of the bill to add income tax credits for charitable contributions exceeding \$250,000 and an additional credit for persons who are 65 years of age or older. The amendment also adjusts the formulas for calculation of the household credit and indexing for inflation of that credit. The amendment also requires that the State Tax Assessor report to the joint standing committee of the Legislature having jurisdiction over taxation matters by November 1, 2011 regarding the impact of the changes in the tax laws contained in the bill and authorizes the committee to submit legislation to the Second Regular Session of the 125th Legislature.

This amendment makes changes to Part B of the bill to clarify the definitions of taxable services and candy. The

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amendment creates sales tax exemptions for meals served at certain retirement facilities, sales of certain taxable services delivered outside the State, sales to affiliates, sales of services by a person that has made less than \$5,000 in sales of such services during the previous year and certain sales to a business that makes snow for skiing, snowmobiling or similar activities. The amendment reduces the sales tax rate for short-term rental of automobiles to 12.5% and makes changes to the taxation of leases. The amendment establishes an airport transportation fee of \$1 for each person transported to a commercial airport by taxicab or limousine. The amendment also requires the State Tax Assessor to report to and consult with the joint standing committee of the Legislature having jurisdiction over taxation matters in the preparation of bulletins, taxpayer guidance materials and major substantive rules relating to the implementation of Part B.

This amendment makes changes in Part C to change the meaning of "residential property."

This amendment adds Part D, which makes the following changes to the Maine Residents Property Tax Program, or Circuitbreaker Program.

It simplifies the income calculation by excluding from household income the income of dependents and certain miscellaneous income.

It gradually changes the time for filing an application and making payments to coincide with income tax filing periods. For application periods beginning on or after August 1, 2010, the benefit will be calculated on the basis of tables provided by the State Tax Assessor utilizing the benefit formula in current law.

Beginning with the 2010 tax year, the Maine individual income tax booklets must contain the Circuitbreaker Program application and instructions.

This amendment adds a Part E to the bill to add an appropriations and allocations section.

This amendment provides a process, through the senior property tax deferral laws, that permits a person 70 years of age or older to defer property taxes on the person's homestead if the person's income does not exceed 300% of federal poverty guidelines and if the person has occupied the homestead as a primary residence for at least 10 years before applying. The State would reimburse municipalities for the deferred taxes and acquire a lien on the property to collect what is owed when the property is sold or otherwise transferred. Collections of deferred property taxes are used to fund the future operation of the program.

House Amendment "A" To Committee Amendment "A" (H-537)

This amendment retains the current sales tax treatment for leased property located at a manufacturing or fabrication facility.

LD 1088 was recalled from the Governor's desk and indefinitely postponed. See LD 1495.

LD 1093 An Act Concerning Technical Changes to the Tax Laws

PUBLIC 434

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATSON PERRY J	OTP-AM	H-476 S-315 PERRY J S-341 PERRY J

This bill makes the following changes to the laws governing taxation.

1. It corrects the source of funding for the Waste Motor Oil Revenue Fund to reflect changes enacted in the First Special Session of the 123rd Legislature.
2. It repeals provisions relating to educational attainment and recruitment tax credits as required by Public Law 2007, chapter 539, Parts RR and SS, which repealed those credits.
3. It repeals obsolete requirements relating to distributors of fuels and oils that have not been enforced for many years and references to those requirements.

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4. It clarifies that debts subject to collection by the State Tax Assessor pursuant to statutes outside of the Maine Revised Statutes, Title 36 are subject to the administrative provisions of Title 36. The proposed change reflects current administrative policy.
5. It requires the production of books and records pertinent to a criminal investigation of certain tax-related crimes. The proposed change reflects current administrative policy.
6. It adds administration of the bulk motor vehicle oil premium under Title 10, section 1020 to the list of additional duties assigned to the State Tax Assessor.
7. It amends the levy statutes to reflect changes enacted in the First Regular Session of the 123rd Legislature.
8. It corrects citations to federal law.
9. It repeals obsolete transitional provisions in the property tax law.
10. It corrects internal references and repeals superfluous effective dates.
11. It corrects spelling and grammatical errors.
12. It corrects a conflict created by Public Law 2007, chapters 541 and 693, which affected the same provision of law, by incorporating changes made by both laws.
13. It clarifies that repair parts used in the performance of repair services on telecommunications equipment pursuant to an extended service contract are not subject to sales tax. The proposed change reflects current administrative policy. It also corrects a conflict created by Public Law 2007, chapters 627 and 693, which affected the same provision of law, by incorporating changes made by both laws.
14. It replaces obsolete terminology.
15. It eliminates redundant language.
16. It repeals an unnecessary statute relating to renumbering of sales tax exemptions.
17. It clarifies a cross-reference.
18. It relocates an exemption in the service provider tax law from the definitions section to the exemptions section. It also corrects a conflict created by Public Law 2007, chapters 539 and 627, which affected the same provision of law, by incorporating the changes made by both laws.
19. It enacts a partial exemption in the service provider tax law for fabrication services for the production of fuel for use at a manufacturing facility. The proposed change reflects current administrative policy.
20. It clarifies the distinction between licensed distributors and registered distributors under the gasoline tax law and eliminates superfluous and archaic language in gasoline tax law definitions.
21. It clarifies that the gasoline inventory tax applies to importers and wholesalers. The proposed change reflects current administrative policy.
22. It restores language limiting the scope of the exemption for internal combustion engine fuel used in international flights that was inadvertently repealed by legislation enacted in the First Special Session of the 123rd Legislature.
23. It clarifies that gasoline wholesalers must obtain and display a certificate issued by the State Tax Assessor. The proposed change reflects current administrative policy.
24. It clarifies filing and tax payment requirements pertaining to licensed distributors and wholesalers of gasoline.
25. It clarifies that persons who become subject to the gasoline tax in special cases are not considered as distributors but are subject to tax on the same basis as licensed distributors.
26. It clarifies the distinction between licensed suppliers and registered suppliers under the special fuel tax law.
27. It clarifies that only licensed suppliers qualify for a shrinkage allowance under the special fuel tax law. The proposed change reflects current administrative policy.
28. It amends the statute imposing a special fuel inventory tax to reflect changes enacted in the First Special Session of the 123rd Legislature.
29. It clarifies that special fuel wholesalers must obtain and display a certificate issued by the State Tax Assessor. The proposed change reflects current administrative policy.
30. It clarifies filing and tax payment requirements pertaining to licensed suppliers and wholesalers of special fuel.
31. It clarifies that certain requirements relating to discontinuance of business apply to wholesalers of special fuel. The proposed change reflects current administrative policy.
32. It clarifies eligibility for a credit for tax paid on worthless accounts under the special fuel tax law. The proposed changes reflect current administrative policy.
33. It repeals a superfluous definition in the milk handling fee law.
34. It clarifies imprecise language regarding the tax imposed on nonresidents and repeals a superfluous effective

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date.

35. It repeals an obsolete statute that imposed an income tax surcharge for the 1991 and 1992 tax years.

36. It corrects a provision that deals with the annual inflation adjustment to the household income limits in the Maine Residents Property Tax Program to correct a cross-reference.

37. It adds an income tax modification to exclude municipal property tax assistance program benefits under Title 36, section 6232, subsection 1-A from taxable income. The proposed change reflects current administrative policy.

38. It clarifies the computation of Maine taxable income of a nonresident estate or trust.

Committee Amendment "A" (H-476)

This amendment removes from the bill a provision that requires producing books and records pertinent to a criminal investigation of certain tax-related crimes upon demand of the State Tax Assessor.

Senate Amendment "A" (S-315)

This amendment provides that the definition of "pet" for sales tax purposes has the same meaning as under the animal welfare laws and excludes equines. This amendment also clarifies the application of the Maine income tax to nonresidents.

Senate Amendment "B" (S-341)

This amendment clarifies the factors for determining a business customer for the exemption from the service provider tax on interstate or international telecommunications service.

Enacted Law Summary

Public Law 2009, chapter 434 makes technical changes to the tax laws.

LD 1120 Resolve, Relating To Review of Certain Changes in the Application of the Sales and Use Tax Law

RESOLVE 127

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHASE NASS R	OTP-AM	H-528

This bill requires the State Tax Assessor to report to the joint standing committee of the Legislature having jurisdiction over taxation matters before implementing any significant change in policy or practice of the Bureau of Revenue Services if that change will result in additional revenue. The joint standing committee is authorized to report out legislation reversing or modifying the change.

Committee Amendment "A" (H-528)

This amendment changes the bill to a resolve directing the Department of Administrative and Financial Services, Bureau of Revenue Services to consult with the Office of the Attorney General before implementing a significant change in policy, practice or interpretation of the sales and use tax law that would result in additional revenue to determine if the change represents a policy shift that ought to be reviewed by the appropriate legislative committee of oversight.

Enacted Law Summary

Resolve 2009, chapter 127 directs the Department of Administrative and Financial Services, Bureau of Revenue Services to consult with the Office of the Attorney General before implementing a significant change in policy, practice or interpretation of the sales and use tax law that would result in additional revenue to determine if the change represents a policy shift that ought to be reviewed by the appropriate legislative committee of oversight.

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LD 1121 An Act To Protect Elderly Residents from Losing Their Homes Due to Taxes or Foreclosure **Carried Over**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CHASE NASS R		

This bill provides a Senior Property Tax Deferral Program for persons 65 years of age or older.

This bill requires 0.5% of the real estate transfer tax paid to the State to be deposited in a fund to be used to fund the Senior Property Tax Deferral Program.

The bill also provides that a lien for unpaid property taxes may not be foreclosed against the homestead of a person who is at least 65 years of age and has lived in the homestead for at least 10 years until the property is transferred by deed or upon death.

This bill was carried over to any special or regular session of the 124th Legislature by joint order, H.P. 1053.

LD 1124 An Act To Provide Legislative Oversight of Changes to Policies and Practices of the Bureau of Revenue Services **ONTP**

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

This bill requires the State Tax Assessor, prior to implementing any significant change in policy or practice by the Bureau of Revenue Services or in interpretation of any law, rule or bulletin, to notify the joint standing committee of the Legislature having jurisdiction over taxation matters and to implement the change through major substantive rulemaking, which is subject to review and approval by the Legislature.

See LD 1120.

LD 1146 An Act To Authorize Municipalities To Impose Service Charges to Tax-exempt Property Owned by Certain Organizations Whose Primary Activities Are Not Charitable **ONTP**

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

This bill expands the authority of municipalities to impose service charges on certain property tax exempt properties including charitable and benevolent institutions, literary and scientific organizations, chambers of commerce, boards of trade and property leased by exempt hospitals that do not spend at least 50% of their revenues directly on charitable activities.

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See also LD 1290.

LD 1148 An Act To Provide a Sales Tax Holiday Pilot Project

**DIED BETWEEN
HOUSES**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STRANG BURGESS ROSEN R	ONTP MAJ OTP-AM MIN	H-400

This bill provides an exemption from the sales tax for items sold on Columbus Day weekend in October with certain exceptions. The bill requires the State Tax Assessor to determine the amount of sales tax unpaid, as well as revenue raised from personal and corporate income taxes and other sources as a result of the sales tax holiday weekend. The Bureau of Revenue Services and the Maine Merchants Association are required to consult and present recommendations to the Joint Standing Committee on Taxation for 2 sales tax holiday weekends for the year 2010 and beyond.

Committee Amendment "A" (H-400)

This amendment provides a one-time sales tax holiday over Columbus Day weekend 2009 as a pilot project. The amendment requires the State Tax Assessor to report to the Joint Standing Committee on Taxation regarding the impact of the sales tax holiday on sales over the Columbus Day weekend and the period from September 1, 2009 to November 30, 2009 compared to projections and to past actual sales over the same time periods. The committee is authorized to submit legislation to the Second Regular Session of the 124th Legislature.

**LD 1149 An Act To Amend the Veterans Homestead Exemption To Include
Certain Medal Winners**

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CORNELL DU HOUX PERRY J	ONTP	

This bill adds to the list of veterans eligible to receive the property tax exemption those soldiers who were awarded the Global War on Terrorism Expeditionary Medal and, the Iraq Campaign Medal, or the Afghanistan Campaign Medal and removes the requirement that a veteran attain the age of 62 before being eligible to receive the property tax exemption.

**LD 1154 Resolve, To Require a Study of Economic Development Incentives in the
Unorganized Territory**

RESOLVE 71

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
NASS R	OTP-AM	S-146

This resolve establishes the Commission To Review Tax Increment Financing in the Unorganized Territory. The commission will report its findings concerning tax increment financing in the unorganized territory to the Joint Standing Committee on Taxation, which is authorized to introduce a bill to the Second Regular Session of the 124th

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Legislature.

Committee Amendment "A" (S-146)

This amendment removes the emergency preamble and clause and changes the study from a legislative study to an agency study, expands the scope of the study to economic development incentives other than tax increment financing and requires a report to the Joint Standing Committee on Taxation by January 15, 2010.

Enacted Law Summary

Resolve 2009, chapter 71 requires the Department of Economic and Community Development and the State Tax Assessor to convene a study group to study the role of economic development incentives, including tax increment financing in the unorganized territory and report to the Joint Standing Committee on Taxation by January 15, 2009.

LD 1173 An Act To Exempt Sales of Heating Oil and Kerosene to Maine Businesses from Sales Tax ONTP

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

This bill expands the sales tax exemption for certain cooking and heating fuels to sales for use in nonresidential buildings.

LD 1213 An Act To Amend the Homestead Exemption for Certain Veterans To Include Certain Military Personnel Stationed at Guantanamo Bay ONTP

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

This bill adds to the list of veterans eligible to receive the property tax exemption those military personnel who were stationed at the military base at Guantanamo Bay, Cuba from January 4, 1961, the date Cuba and the United States formally broke off relations, and February 6, 1964, the date on which the military base became self-sufficient and ceased to rely on the Cuban government for water and supplies.

LD 1214 An Act To Amend the Laws Regarding the Taxation of Private and Public Pensions ONTP

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

This bill phases out over a 5-year period the reduction for social security and railroad benefits in calculating the income tax deduction for pension benefits.

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LD 1215 An Act To Correct Administrative Procedures Regarding the Dental Care Access Credit

**PUBLIC 141
EMERGENCY**

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

This bill makes changes to the administration of the dental care access income tax credit in order to permit timely implementation of the credit. It amends the definition of "oral health program" and gives the Department of Health and Human Services the authority to adopt rules pertaining to the dental care access credit. The bill also corrects a conflict that was created by 2 public laws enacting the same provision of law with substantively different content.

Enacted Law Summary

Public Law 2009, chapter 141 makes changes to the administration of the dental care access income tax credit in order to permit timely implementation of the credit.

Public Law 2009, chapter 141 was enacted as an emergency measure effective May 14, 2009.

LD 1217 An Act To Provide an Income Tax Credit for Property Tax Relief

ONTP

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

This bill provides a refundable income tax credit equal to 25% of property tax paid on a homestead during the tax year up to a maximum of \$500.

LD 1233 An Act To Provide Property Tax Relief to Senior Citizens

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WEAVER NASS R	ONTP	

This bill allows a municipality, by vote of its residents, to establish a municipal property tax deferral program. The program would allow a resident who is at least 65 years of age and whose annual income is not more than 300% of the poverty level to pay property taxes on that person's homestead at the rate that was in effect during the year the person attained at least 65 years of age, the date the person purchased the homestead or April 1, 2009, whichever is latest. The payment remains at that level until the residence is sold or transferred, the person elects to stop participating or the person is no longer eligible to participate in the program. At that time, all property taxes assessed on the property but deferred because of participation in the program must be paid to the municipality. Deferred taxes that are not paid within the required time accrue interest. In order to offset the temporary loss of revenue caused by persons participating in the program, the municipality may, upon approval of its voters, impose an additional assessment of up to 2% of the taxes deferred upon property in

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the municipality. The revenue from the additional assessment must be kept in a dedicated escrow account and used solely for the administrative costs of the program.

The bill requires the Department of Administrative and Financial Services, Bureau of Revenue Services to reimburse a municipality and the Unorganized Territory Education and Services Fund for any state-mandated costs.

LD 1235 An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2009-10 and To Make Other Changes Related to the Municipal Cost Components

**PUBLIC 303
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
	OTP-AM MAJ ONTP MIN	H-422 H-453 WATSON

This bill establishes municipal cost components for state and county services provided to the unorganized territory that would be paid for by a municipality. The municipal cost components form the basis for the property tax for the unorganized territory.

Committee Amendment "A" (H-422)

This amendment increases the municipal cost components for education and the Maine Land Use Regulation Commission - Operations to account for changes made in other legislation. The amendment also expresses the intent of the Legislature to extend the growth limitation for the state component of the municipal cost component by \$1,475,109 and to increase the growth limitation for the state component of the municipal cost component by the remainder required. In addition, this amendment strikes from the bill the notation regarding approved tax enhancement programs and eliminates the language in the statutes that requires such notations.

House Amendment "A" To Committee Amendment "A" (H-453)

This amendment corrects clerical errors.

Enacted Law Summary

Public Law 2009, chapter 303 establishes municipal cost components for state and county services provided to the unorganized territory that would be paid for by a municipality. The municipal cost components form the basis for the property tax for the unorganized territory.

Public Law 2009, chapter 303 was enacted as an emergency measure effective June 8, 2009.

LD 1251 An Act To Reduce the Cost of Permitting of Business Development

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
VAN WIE BOWMAN	ONTP	

This bill provides an income tax credit for certain studies, analyses and natural resource inventories required as part of certain major state environmental permitting laws. The credit is allowed only if the permit is granted and is based on the cost of the qualifying expenditures and the amount of new property value created. The results of studies must be available to the public.

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LD 1252 An Act To Create the Maine Fishery Infrastructure Tax Credit

ONTP

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

This bill provides an income tax credit for contributions to eligible public fishery infrastructure projects in the State. Eligible projects must be certified by the Department of Inland Fisheries and Wildlife, which is required to adopt rules for determination of eligibility. Tax certificates may be issued for up to \$5,000,000 per project. Credits must be taken in increments of 25% over 4 years and may not exceed 50% of the total tax imposed on the contributor for the applicable year. Unused credits may be carried forward for up to 15 years.

LD 1253 An Act To Establish a Local Option Sales Tax

Carried Over

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CROCKETT P JACKSON		

This bill allows a municipality to impose a local option sales tax of 3% or less by local referendum. Revenue from the local option sales tax is distributed as follows: 50% to the municipality, 25% to the county in which the municipality is located and 25% to the General Fund. The revenue received by the municipality and county must be used to reduce the property tax, either through specific programs, such as by funding a municipal property tax assistance program or funding the portion of the homestead property tax exemptions not funded by the State or generally stabilizing or lowering the projected property tax rate of the municipality or the county tax assessment.

This bill was carried over to any special or regular session of the 124th Legislature by joint order, H.P. 1053.

**LD 1272 An Act To Establish an Income Tax Credit for the Purchase of Certain
Wood-burning Boilers and Stoves**

**LEAVE TO
WITHDRAW**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SIROIS NUTTING J	LTW	

This bill extends the income tax credit for pollution-reducing boilers and furnace systems to include wood and pellet stoves and permits individuals as well as businesses to take the credit. It also repeals the provision that would have eliminated this credit on December 31, 2009.

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LD 1273 An Act To Simplify the Application for Benefits under the Circuitbreaker Program **Carried Over**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
STUCKEY PERRY J		

This bill amends the Maine Residents Property Tax Program, also known as the Circuitbreaker Program, by allowing an individual to apply for a benefit using the individual income tax form. The filing period for benefits under the Circuitbreaker Program is changed to January 1st to the following June 30th, beginning with benefit years beginning after 2009. This bill allows the individual to take the benefit directly or apply it as a credit against income taxes owed by that individual. See also LD 1495.

This bill was carried over to any special or regular session of the 124th Legislature by joint order, H.P. 1053.

LD 1279 An Act To Reduce Income Tax to 4.5% and Remove Low-income Families from Taxation **Carried Over**

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

This bill requires the transfer to the Tax Relief Fund for Maine Residents, beginning in fiscal year 2010-11, of any growth in revenues over the previous fiscal year adjusted by the growth limitation factor. Money in the fund is to be used to reduce the overall individual income tax burden by reducing the tax rates until the top rate is reduced to 4.5% and increasing to \$30,000 the income threshold below which families will not pay income tax.

This bill was carried over to any special or regular session of the 124th Legislature by joint order, H.P. 1053.

LD 1284 An Act To Create a Scholarship Granting Organization Tax Credit **ACCEPTED ONTP REPORT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SHERMAN	ONTP MAJ OTP-AM MIN	

This bill provides an income tax credit for contributions to a nonprofit organization that grants scholarships to students at public or private elementary and secondary schools. The school must grant at least as many scholarships to students whose family income is no more than the income eligibility guidelines for free lunch program as the county average of such students. The organization must demonstrate financial accountability and file annual reports with MRS. Scholarships may not be limited to students at a particular school. The credit may not exceed 50% of the taxes due.

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LD 1288 An Act To Reduce Income Tax Rates

**ACCEPTED ONTP
REPORT**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SMITH D	ONTP MAJ OTP-AM MIN	

This bill reduces by four percentage points over a 3-year period the income tax rates imposed on individuals and corporations and eliminates the state alternative minimum tax.

LD 1290 An Act To Amend the Law Authorizing the Application of Service Charges to the Owners of Certain Real Property Exempt from Property Taxation

ONTP

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

This bill amends the laws regarding the municipal assessment of service charges to certain tax-exempt institutions.

1. It narrows the list of the types of municipal services that may be considered in the application of service charges to include just fire protection services, police protection services and road-related services .
2. It sets out a methodology for calculating the appropriate service charge for each service.
3. It expands the list of tax-exempt institutions that may be subject to service charges to include those institutions that own property that has an assessed value of \$1,000,000 or more and institutions that generate gross annual revenues related to those institutions' activities within the municipality that exceed \$1,000,000.

See also LD 1146.

LD 1296 An Act To Strengthen the Job Creation Through Educational Opportunity Program

Carried Over

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATSON RAYE		

This bill amends provisions of the educational opportunity credit enacted in 2007 to improve administration. Participating students would enter the credit program by registering electronically for the “job credit through educational opportunity program” rather than signing an “opportunity contract.” The bill makes provisions for partial benefits for students transferring to an eligible Maine institution. The bill also clarifies or provides needed definitions, requires additional promotion of the program and requires institutions to report to the Department of Education in 2010 and 2011 on how the program is working.

This bill was carried over to any special or regular session of the 124th Legislature by joint order, H.P. 1053.

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LD 1314 An Act To Reform and Lower Maine Taxes

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
CROCKETT P ALFOND	ONTP	

Part A allows persons eligible for benefits under the Maine Residents Property Tax Program, also known as the Circuitbreaker Program, to file for a refundable credit using the individual income tax form.

Part B decreases the top individual income tax rate from 8.5% to 7.5%, conforms the personal exemption to the federal personal exemption and increases the earned income tax credit from 5% to 20% over a 5-year period and allows the credit to exceed the amount of income taxes actually paid.

Part C expands the ability of a municipality to impose service charges on tax-exempt properties located in that municipality by expanding the categories of property which may be charged, providing caps on the amount of charges, phasing in application of the charges and establishing a commission to develop additional criteria.

Part D expands the definition of "taxable service" for purposes of the imposition of sales tax to include amusement, recreational and personal services and consumer purchases of transportation services and professional, club or fraternal memberships. Part D eliminates all the current statutory sales tax exemptions except those that are required by the Constitution of the United States, federal law or the Constitution of Maine and sales to the State or the Federal Government and any political subdivisions of the State or the United States, and increases the sales tax on "lodging" from 7% to 10%.

**LD 1321 Resolve, To Facilitate Disclosure of Information to Taxpayer
Representatives**

RESOLVE 126

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
RAYE	OTP-AM	S-297

This bill authorizes the disclosure of taxpayer information to an authorized representative of the taxpayer under a power of attorney, federally authorized release form under the Privacy Act of 1974, 5 United States Code, Section 552a, notarized statement or other verifiable statement of authority.

Committee Amendment "A" (S-297)

This amendment changes the bill to a resolve directing the State Tax Assessor to develop a simplified form to authorize the disclosure of taxpayer information to a designated representative of the taxpayer and to submit the form to the Joint Standing Committee on Taxation by January 15, 2010.

Enacted Law Summary

Resolve 2009, chapter 126 directs the State Tax Assessor to develop a simplified form to authorize the disclosure of taxpayer information to a designated representative of the taxpayer and to submit the form to the Joint Standing Committee on Taxation by January 15, 2010.

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LD 1335 An Act To Exempt from the Sales Tax Meals Provided at Retirement Facilities

Carried Over

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
PERRY J		S-150

This bill exempts from the sales tax meals provided to residents of full-service retirement facilities. This bill also allows a retirement facility that has been audited to claim a credit against future sales tax payments for sales tax, including any interest or penalties on that sales tax, paid by that facility back to January 1, 2007 on meals that will now be exempt from the sales and use tax pursuant to this bill. The credit must be provided in equal installments over a 10-year period.

Committee Amendment "A" (S-150)

This amendment clarifies the definition of "retirement facility," removes the retroactive credit proposed in the bill and applies the exemption retroactively to transactions for which an assessment was not made before April 1, 2009. See also LD 1495.

This bill was carried over to any special or regular session of the 124th Legislature by joint order, H.P. 1053.

LD 1347 An Act To Deter Initiation of Tobacco Use by Increasing the Tax on Tobacco Products

ONTP

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

This bill:

1. Increases the cigarette tax from \$2.00 to \$3.00 per pack;
2. Reclassifies certain little cigars that are, in content, design, size and shape, substantially similar to traditional cigarettes and taxes them as cigarettes;
3. Adjusts the tax on roll-your-own tobacco; and
4. Increases the tax on smokeless tobacco to 132% from 78% of the wholesale sales price or a minimum tax per container of \$2.67, whichever is greater, and increases the tax on cigars, pipe tobacco and other tobacco intended for smoking to 30% from 20% of the wholesale sales price.

LD 1352 An Act To Exempt from Taxation Biodiesel Fuel Produced for Personal Use

PUBLIC 288

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BARTLETT	OTP-AM	S-224

This bill exempts from the tax imposed on special fuels biodiesel fuel produced and used by the same individual or a member of that individual's immediate family.

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Committee Amendment "A" (S-224)

This amendment removes the emergency provisions from the bill and provides that the bill applies to sales made on or after October 1, 2009.

Enacted Law Summary

Public Law 2009, chapter 288 exempts from the tax imposed on special fuels biodiesel fuel produced and used by the same individual or a member of that individual's immediate family.

LD 1367 **An Act To Increase the Homestead Property Tax Exemption** **ONTP**

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

This bill allows a municipality to approve a higher exemption amount of \$25,000 under the Maine resident homestead property tax exemption program.

LD 1368 **An Act To Broaden and Increase the Sales Tax, Increase the Earned Income Tax Credit and Amend the Application Process for the Circuitbreaker Program.** **ONTP**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATSON PERRY J	ONTP	

Part A broadens the sales tax base by adding amusement, entertainment and recreation services and including foods, such as candy, potato chips and bakery products within the definition of prepared foods. This bill also increases the general sales tax rate from 5% to 6% and the sales tax on prepared food and lodging from 7% to 8%.

Part B increases the state earned income credit from 5% to 25% of the federal credit and provides that the state earned income credit is fully refundable.

Part C amends the Maine Residents Property Tax Program, also known as "the Circuitbreaker Program," by allowing an individual to apply for a benefit using the individual income tax form.

LD 1381 **An Act To Allow Counties To Provide Property Tax Relief by Enacting a County Option Meals and Lodging Tax** **ONTP**

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

This bill allows a county to impose a county option meals and lodging tax of 2% or less by approval at local referendum. Seventy-five percent of the revenue from the county option meals and lodging tax would be retained by the county and used to reduce the annual tax assessments on municipalities located in that county. The balance of

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the revenue, 25%, would be deposited in the General Fund.

LD 1385 An Act To Create an Energy Conservation Measures Tax Credit

ONTP

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

This bill provides an income tax credit of up to \$250 annually, for tax years beginning on or after January 1, 2009 but before January 1, 2011, to a person who pays out-of-pocket costs to purchase and install energy conservation measures for a residence occupied by that person, such as insulation and caulking, energy-conserving windows and doors and automatic energy control systems.

LD 1390 Resolve, Directing the State Tax Assessor To Adjust the State Valuation for the Town of Topsham

**RESOLVE 116
EMERGENCY**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GOODALL	OTP-AM	S-188

This resolve directs the State Tax Assessor to adjust the 2009 state valuation for the Town of Topsham to correct an error that resulted in the valuation being lower than it should be.

Committee Amendment "A" (S-188)

This amendment incorporates a fiscal note.

Enacted Law Summary

Resolve 2009, chapter 116 directs the State Tax Assessor to adjust the 2009 state valuation for the Town of Topsham to correct an error that resulted in the valuation being lower than it should be.

Resolve 2009, chapter 116 was enacted as an emergency measure effective June 9, 2009.

LD 1392 An Act To Promote Economic Development and Reduce Reliance on Automobiles through Transit-oriented Tax Increment Financing Districts

PUBLIC 314

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BLISS	OTP-AM MAJ OTP-AM MIN	S-295

This bill establishes authority for creation of transit-oriented development districts under the tax increment financing laws to define the parameters for transit districts and the permissible transit-oriented uses of TIF funds.

Committee Amendment "A" (S-295)

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This amendment makes changes to clarify and simplify the provisions of the bill.

Enacted Law Summary

Public Law 2009, chapter 314 establishes authority for creation of transit-oriented development districts under the tax increment financing laws to define the parameters for transit districts and the permissible transit-oriented uses of TIF funds.

LD 1401 An Act To Make Minor Substantive Changes to the Tax Laws

PUBLIC 361

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATSON PERRY J	OTP-AM	H-482

This bill makes the following changes to the laws governing taxation.

It changes procedures for certification of eligibility for the income tax credit for rehabilitation of historic properties including moving language regarding the responsibility of the Maine State Housing Authority to the Maine Revised Statutes, Title 30-A, chapter 201, which establishes and controls the Maine State Housing Authority.

It authorizes the State Tax Assessor to enter into agreements with other states or the Federal Government to set off tax refunds payable by each state or the Federal Government against tax debts owed to the other state or the Federal Government, and clarifies that restitution payable to the Department of Administrative and Financial Services, Bureau of Revenue Services as part of a sentence imposed for a criminal or tax law violation is a tax debt for purposes of such a setoff or a setoff against a federal tax refund.

It establishes a consistent method for treating certain tax law violations as a prior conviction when determining a sentence for a subsequent tax law violation.

It clarifies that amounts payable by the State to a person may be assigned to the State Tax Assessor and applied to restitution payable to the Bureau of Revenue Services as part of a sentence imposed for a criminal or tax law violation.

It provides authority for the State Tax Assessor to disclose to duly authorized officers of the Federal Government and of other state governments information necessary to administer a set-off agreement with those governments. It also corrects a numbering problem created by Public Law 2007, chapters 539, 693 and 694, which enacted 4 substantively different provisions with the same paragraph letter.

It enacts an exemption from the service provider tax for sales to an incorporated nonprofit medical clinic, for consistency with a change to the sales and use tax law enacted in the First Regular Session of the 123rd Legislature. It designates the document filed by a distributor when obtaining cigarette stamps as a tax return, allows a licensed distributor to sell unstamped cigarettes to another licensed distributor with appropriate documentation and establishes a consistent rule for treating certain tax law violations as a prior conviction when determining a sentence for a subsequent tax law violation.

It clarifies the types of business entities that qualify for an exemption from real estate transfer tax on deeds made pursuant to a merger or consolidation.

It allows a dealer owing no more than \$1,000 per year for the tax on mahogany quahogs to file annual returns.

It clarifies the procedures for calculating and certifying the income tax credit for rehabilitation of historic properties.

It clarifies that income tax refunds may be set off and applied to restitution payable to the Bureau of Revenue Services as part of a sentence imposed for a tax law violation.

It repeals a requirement for annual reporting of the projected costs of benefits for the current biennium and ensuing 2 biennia under the business equipment tax reimbursement program.

It simplifies and clarifies the State's procedures for payment of employment tax increment financing reimbursements.

It simplifies and clarifies the State's procedures for payment of media production reimbursements.

It corrects a cross-reference and authorizes Internet publication by the State Tax Assessor of certain information

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obtained from real estate transfer tax declarations of value.

It adds a provision to the service provider tax ensuring that the tax is paid when a taxable service is purchased for resale but is then used by the purchaser rather than being resold.

It waives the requirement to file a Maine income tax return for individuals who filed a federal income tax return solely in order to claim a federal earned income credit. It authorizes the State Tax Assessor to identify by rule other exceptions to that requirement to file a Maine income tax return.

It provides that an extension of time to file a Maine income tax return does not extend the period for filing a claim for credit or refund of an overpayment of Maine income tax.

Committee Amendment "A" (H-482)

This amendment restores the exemption to its application by Maine Revenue Services prior to the recent Maine Law Court decision, *John T. Cyr & Sons, Inc. v. State Tax Assessor*, 2009 ME 52, by codifying Maine Revenue Services Rule 318(3) and clarifying that the exemption is not limited only to situations when the Commerce Clause requires an exemption from the sales or use tax.

The amendment modifies the sales tax exemption for watercraft sold to nonresidents to provide that the exemption applies as long as the watercraft is removed from the State within 30 days of sale.

The amendment removes changes to the income tax credit for rehabilitation of historic properties that applies the maximum credit limitation to certified historic structures rather than to a certified historic project.

The amendment removes a section that provides that an extension of time to file a Maine income tax return does not extend the period for filing a claim for an income tax credit or refund.

Enacted Law Summary

Public Law 2009, chapter 361 makes minor substantive changes to the tax laws.

LD 1426	An Act To Allow Municipalities To Impose a Local Option Lodging or Meals Tax	ONTP
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
FLEMINGS PERRY J	ONTP	

This bill allows a municipality to impose a local option lodging tax or a local option meals tax, or both, of 4% or less by local referendum. Revenue from the local option tax is distributed as follows: 75% to the municipality and 25% to the county in which the municipality is located.

LD 1427	An Act To Compensate Maine Residents for the Impacts of High-voltage Transmission Lines	ONTP
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<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MARTIN J L SHERMAN	ONTP	

This bill imposes a state excise tax on certain high-voltage electric transmission property at the rate of 10 mills multiplied by the just value of that property. This bill also creates the Maine Transmission Mitigation Trust, which manages the Maine Transmission Mitigation Trust Fund, also created in this bill. The revenue from the excise tax is deposited in the Maine Transmission Mitigation Trust Fund. Annual distributions from the fund of 20% of the trust fund, up to \$10,000,000 annually, are made to municipalities that submit winning bids for electricity infrastructure

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projects placing transmission lines underground. The remainder of the Maine Transmission Mitigation Trust Fund must be paid to Maine electricity ratepayers in proportion to each customer's purchases of electricity transmitted over the State's transmission and distribution utilities.

LD 1449 An Act To Expand Tax Incentives for Visual Media Productions

Carried Over

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
WATSON RECTOR		H-554

This bill makes changes to the State's tax incentives for attracting visual media productions. The existing income tax credit and reimbursement for certain production wages are replaced with a refundable income tax credit that is a percentage of direct production expenditures in the State. Eligible productions must be certified by the Department of Economic and Community Development. Productions with expenditures of more than \$50,000 but less than \$750,000 are eligible for an income tax credit of 10% of expenditures or 15% if the production company has been incorporated in the State for at least 2 years. A production company with eligible expenses of \$750,000 or more is eligible for a base credit of 20% of eligible expenditures with incremental increases if the company hires at least 15% of its cast and crew in the State, spends at least 25% of the project time in certain counties or participates in an internship program overseen by the Department of Economic and Community Development, Office of Tourism, Maine State Film Office. The Finance Authority of Maine is directed to establish a low-interest loan program for visual media production companies with visual media production expenses of \$750,000 or greater that receive a visual media production certificate.

Committee Amendment "A" (H-554)

This amendment changes the line between the Level 1 credit and the Level 2 credit from \$750,000 to \$500,000, changes the conditions for increases in the amount of credit and changes the annual limit on credit certificates from \$5,000,000 to \$3,000,000. The amendment also clarifies the audit authority of the State Tax Assessor and requires an annual report by the Department of Economic and Community Development, Office of Tourism, Maine State Film Office to the joint standing committee of the Legislature having jurisdiction over taxation matters regarding implementation and administration of the credit.

This bill was removed from the Special Appropriations Table, recommitted to the Taxation Committee and carried over to any special or regular session of the 124th Legislature by joint order, H.P. 1053.

LD 1463 An Act To Provide Equitable Property Tax Relief To Maintain Traditional Communities

ONTP

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

This bill provides property tax relief for the purpose of maintaining the State's traditional communities through 2 methods.

The first method allows municipalities to enter into arrangements with natural resources support businesses through which the business grants a time-limited easement to the municipality to limit the use of property to natural resources business support in exchange for payments from the municipality to alleviate a portion of the property tax burden.

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The 2nd method provides a system for municipalities to adopt an ordinance to permit persons 65 years of age or older to choose to defer property taxes on homesteads until the property is transferred in order to enable traditional families to remain in their homes despite increasing property values and taxes. Eligibility may be income-limited. The bill also extends Pine Tree Development Zone benefits to natural resources support businesses located in a Pine Tree Development Zone.

LD 1495 An Act To Implement Tax Relief and Tax Reform

PUBLIC 382

Sponsor(s)

Committee Report

Amendments Adopted

This bill is a Governor's bill replacing Legislative Document 1088, "An Act To Modernize the Tax Laws and Provide over \$50,000,000 to Residents of the State in Tax Relief," as amended by Committee Amendment "A" and House Amendment "A" to Committee Amendment "A." This bill reforms the State's tax structure and reduces the burden of taxes on residents of the State. The bill contains the following provisions.

Part A makes fundamental changes to simplify and reduce the burden of the State's income tax and create an income tax that is intended to be more beneficial to investment and economic growth in the State. The current structure of 4 tax brackets, personal exemptions and standard and itemized deductions is replaced by a flat rate of 6.5% on all taxable income. The progressivity of the current income tax is maintained through a household credit and an elderly credit that alleviate the impact of the 6.5% rate on low-income and middle-income households. The alternative minimum tax on individuals is abolished. A surcharge of 0.35% is applied to taxable income exceeding \$250,000. The earned income tax credit is made partially refundable beginning in 2010.

Part B broadens the sales tax base by including certain amusement, entertainment and recreation services; installation, repair and maintenance services; personal property services; and transportation and courier services. Part B also changes the point of imposition of sales tax related to leased property from the sale of that property to the leasing business to the lease payments by the consumer. Part B also increases the sales tax on prepared food and lodging to 8.5% and the sales tax on rentals of automobiles of less than one year to 12.5%. The service provider tax is extended to interstate and international telecommunications service. This Part establishes an airport transportation fee of \$1 for each person transported to a commercial airport by taxicab or limousine. Part B also increases funding for tourism promotion.

Part C simplifies the income calculation under the Maine Residents Property Tax Program, also known as the "Circuitbreaker Program" by excluding from household income the income of dependents and certain miscellaneous income. It gradually changes the time for filing an application and making payments to coincide with income tax filing periods. For application periods beginning on or after August 1, 2010, the benefit will be calculated on the basis of tables provided by the State Tax Assessor utilizing the benefit formula in current law. Beginning with the 2010 tax year, the Maine individual income tax booklets must contain the Circuitbreaker Program application and instructions.

See also LD 1088.

Enacted Law Summary

Public Law 2009, chapter 382 reforms the State's tax structure and reduces the burden of taxes on residents of the State. The bill contains the following provisions.

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Part A makes fundamental changes to simplify and reduce the burden of the State's income tax and create an income tax that is intended to be more beneficial to investment and economic growth in the State. The current structure of 4 tax brackets, personal exemptions and standard and itemized deductions is replaced by a flat rate of 6.5% on all taxable income. The progressivity of the current income tax is maintained through a household credit and an elderly credit that alleviate the impact of the 6.5% rate on low-income and middle-income households. The alternative minimum tax on individuals is abolished. A surcharge of 0.35% is applied to taxable income exceeding \$250,000. The earned income tax credit is made partially refundable beginning in 2010.

Part B broadens the sales tax base by including certain amusement, entertainment and recreation services; installation, repair and maintenance services; personal property services; and transportation and courier services. Part B also changes the point of imposition of sales tax related to leased property from the sale of that property to the leasing business to the lease payments by the consumer. Part B also increases the sales tax on prepared food and lodging to 8.5% and the sales tax on rentals of automobiles of less than one year to 12.5%. The service provider tax is extended to interstate and international telecommunications service. This Part establishes an airport transportation fee of \$1 for each person transported to a commercial airport by taxicab or limousine. Part B also increases funding for tourism promotion.

Part C simplifies the income calculation under the Maine Residents Property Tax Program, also known as the "Circuitbreaker Program" by excluding from household income the income of dependents and certain miscellaneous income. It gradually changes the time for filing an application and making payments to coincide with income tax filing periods. For application periods beginning on or after August 1, 2010, the benefit will be calculated on the basis of tables provided by the State Tax Assessor utilizing the benefit formula in current law. Beginning with the 2010 tax year, the Maine individual income tax booklets must contain the Circuitbreaker Program application and instructions.

See also LD 1088.

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SUBJECT INDEX

Administration of Tax Laws

Enacted

LD 490	An Act To Amend the Laws Regarding Mandatory Electronic Filing of Certain Tax Returns	P & S 12 EMERGENCY
LD 1093	An Act Concerning Technical Changes to the Tax Laws	PUBLIC 434
LD 1120	Resolve, Relating To Review of Certain Changes in the Application of the Sales and Use Tax Law	RESOLVE 127
LD 1321	Resolve, To Facilitate Disclosure of Information to Taxpayer Representatives	RESOLVE 126
LD 1401	An Act To Make Minor Substantive Changes to the Tax Laws	PUBLIC 361

Not Enacted

LD 1124	An Act To Provide Legislative Oversight of Changes to Policies and Practices of the Bureau of Revenue Services	ONTP
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Income Tax - General

Enacted

LD 1215	An Act To Correct Administrative Procedures Regarding the Dental Care Access Credit	PUBLIC 141 EMERGENCY
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Not Enacted

LD 86	An Act To Conform the Maine Tax Laws for 2008 to the United States Internal Revenue Code	INDEF PP
LD 196	An Act To Exempt Military Pensions from Income Tax	DIED BETWEEN HOUSES
LD 197	An Act To Provide Tax Relief to Workers Who Lose Their Jobs Due to Business Closure	DIED ON ADJOURNMENT
LD 224	An Act To Exempt Certain Senior Residents from the Income Tax	ONTP
LD 540	An Act To Promote Forest Certification and Long-term Forest Management	DIED ON ADJOURNMENT

LD 589	An Act To Encourage the Production of Liquid Biofuels	DIED ON ADJOURNMENT
LD 590	An Act To Establish a Wellness Tax Credit	ACCEPTED ONTP REPORT
LD 618	An Act To Reduce Income Tax on Capital Gains	ACCEPTED ONTP REPORT
LD 647	An Act To Provide Tax Relief for Retired Veterans Operating Businesses in Maine	ONTP
LD 670	An Act To Make Health Insurance More Affordable	ONTP
LD 744	An Act To Allow a Tax Credit for Tuition Paid to Private Schools	ONTP
LD 769	An Act To Amend the Laws Governing Income Tax To Allow an Age-based Write-off of Capital Losses	ONTP
LD 799	An Act To Encourage Clean Fuel Vehicle Economic and Infrastructure Development by Extending the Tax Credit	DIED ON ADJOURNMENT
LD 841	An Act Regarding the State Earned Income Tax Credit	ONTP
LD 851	An Act To Exempt Certain Veterans from the Income Tax	ONTP
LD 872	An Act To Provide a Tax Credit to Certain Heating Fuel Contract Consumers	ONTP
LD 884	An Act To Provide Income Tax Equity for Working Spouses	ONTP
LD 1013	An Act To Protect the Environment through Promoting the Use of Clean Fuel Vehicles	ACCEPTED ONTP REPORT
LD 1033	An Act To Provide a Tax Credit for the Purchase of Small Wind Power Generators	ONTP
LD 1082	An Act To Create an Income Tax Credit for Certain Renewable Energy Systems	ONTP
LD 1214	An Act To Amend the Laws Regarding the Taxation of Private and Public Pensions	ONTP
LD 1217	An Act To Provide an Income Tax Credit for Property Tax Relief	ONTP
LD 1251	An Act To Reduce the Cost of Permitting of Business Development	ONTP
LD 1252	An Act To Create the Maine Fishery Infrastructure Tax Credit	ONTP

LD 1272	An Act To Establish an Income Tax Credit for the Purchase of Certain Wood-burning Boilers and Stoves	LEAVE TO WITHDRAW
LD 1279	An Act To Reduce Income Tax to 4.5% and Remove Low-income Families from Taxation	
LD 1284	An Act To Create a Scholarship Granting Organization Tax Credit	ACCEPTED ONTP REPORT
LD 1288	An Act To Reduce Income Tax Rates	ACCEPTED ONTP REPORT
LD 1296	An Act To Strengthen the Job Creation Through Educational Opportunity Program	
LD 1385	An Act To Create an Energy Conservation Measures Tax Credit	ONTP
LD 1449	An Act To Expand Tax Incentives for Visual Media Productions	

Miscellaneous Taxes

Enacted

LD 35	Resolve, Directing the State Tax Assessor To Work with Local Law Enforcement Agencies To Improve Tax Collection and Enforcement along the Border of the State	RESOLVE 27
LD 950	Resolve, Related to the Maine Estate Tax	RESOLVE 101
LD 1352	An Act To Exempt from Taxation Biodiesel Fuel Produced for Personal Use	PUBLIC 288

Not Enacted

LD 72	An Act Regarding the Tax on Fuel Used for Commercial Agriculture, Fishing and Forestry	ONTP
LD 195	An Act To Base the Excise Tax on Vehicles on a Percentage of the Manufacturer's Suggested Retail Price	
LD 198	An Act To Recouple Maine Estate Tax with the Federal Estate Tax	ACCEPTED ONTP REPORT
LD 237	An Act To Impose an Excise Tax on the Extraction of Water for Bottling	ONTP
LD 342	An Act To Exempt Annuities from Taxation	ONTP
LD 380	An Act To Require Residents of the Unorganized Territories To Pay Excise Taxes To Agents and Not Directly to the Secretary of State	ONTP

LD 381	An Act To Base the Motor Vehicle Excise Tax on the Documented Actual Sale Price Rather than on the Maker's List Price	ONTP
LD 459	An Act To Provide Tax Relief for Maine Residents Deployed for Military Service	ONTP
LD 588	An Act To Amend the Excise Tax on Motor Vehicles To Reflect Depreciation	
LD 662	An Act To Phase Out the Distribution of the Disproportionate Tax Burden Fund under the State-municipal Revenue Sharing Program over a 5-year Period	
LD 808	An Act To Capitalize the Municipal Investment Trust Fund with Municipal Revenue-sharing Resources	DIED ON ADJOURNMENT
LD 919	An Act To Prevent and Treat Cancer in Maine by Implementing Critical Portions of the Comprehensive Cancer Program	ACCEPTED ONTP REPORT
LD 974	An Act To Decrease the Automobile Excise Tax and Promote Energy Efficiency	ONTP
LD 993	An Act To Implement the Recommendations of the Commission To Study the Protection of Farms and Farmland Pertaining to Taxation	
LD 1045	An Act To Provide a Sales Tax Refund for Fuel Used in Commercial Agricultural Production	DIED ON ADJOURNMENT
LD 1347	An Act To Deter Initiation of Tobacco Use by Increasing the Tax on Tobacco Products	ONTP
LD 1427	An Act To Compensate Maine Residents for the Impacts of High-voltage Transmission Lines	ONTP

Property Tax - Current Use

Enacted

LD 277	An Act To Clarify the Income-producing Requirement for Land in the Farm and Open Space Tax Program	PUBLIC 114
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Not Enacted

LD 332	An Act To Amend the Penalty for Withdrawal of Land from the Maine Tree Growth Tax Law Program	ONTP
LD 360	An Act To Notify a Lienholder before Property Is Withdrawn from Assessment under the Maine Tree Growth Tax Law	ONTP

Property Tax - Exemptions

Enacted

LD 51	An Act To Allow Military Personnel Living in Maine To Benefit under the Maine Resident Homestead Property Tax Exemption	PUBLIC 418 EMERGENCY
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LD 545 **An Act To Amend the Tax Exemption Regarding Leased Property** PUBLIC 425

Not Enacted

LD 57 **An Act To Exempt Small Privately Owned Windmills from the Property Tax** ONTP

LD 71 **An Act To Raise the Property Tax Exemption for Veterans**

LD 87 **An Act To Allow the Same Homestead and Veterans' Exemptions to a Person Who Has a Life Lease as Are Allowed to Those Who Have a Life Estate** ONTP

LD 166 **An Act To Exempt Persons 65 Years of Age or Older with Income below the Poverty Line from Property Taxes on Their Homes** ONTP

LD 765 **An Act To Allow Towns To Establish Their Own Homestead Exemption Programs** ONTP

LD 1146 **An Act To Authorize Municipalities To Impose Service Charges to Tax-exempt Property Owned by Certain Organizations Whose Primary Activities Are Not Charitable** ONTP

LD 1149 **An Act To Amend the Veterans Homestead Exemption To Include Certain Medal Winners** ONTP

LD 1213 **An Act To Amend the Homestead Exemption for Certain Veterans To Include Certain Military Personnel Stationed at Guantanamo Bay** ONTP

LD 1290 **An Act To Amend the Law Authorizing the Application of Service Charges to the Owners of Certain Real Property Exempt from Property Taxation** ONTP

LD 1367 **An Act To Increase the Homestead Property Tax Exemption** ONTP

Property Tax - General

Enacted

LD 90 **Resolve, Authorizing the State Tax Assessor To Convey the Interest of the State in Certain Real Estate in the Unorganized Territory** RESOLVE 7

LD 740 **An Act To Validate the Property Tax Commitments in the Towns That are Members of Community School District No. 9** P & S 6
EMERGENCY

LD 1235 **An Act To Establish Municipal Cost Components for Unorganized Territory Services To Be Rendered in Fiscal Year 2009-10 and To Make Other Changes Related to the Municipal Cost Components** PUBLIC 303
EMERGENCY

Not Enacted

LD 349 **An Act To Authorize Arbitration of Property Tax Valuation Disputes** **ACCEPTED ONTP REPORT**

LD 553 **An Act To Amend the Laws Governing Abatement of Property Taxes Due to Infirmary or Poverty** **ONTP**

LD 839 **An Act To Authorize an Alternative Calculation of the Property Growth Factor for Municipalities with Exempt Personal Property**

Property Tax - Valuation

Enacted

LD 1390 **Resolve, Directing the State Tax Assessor To Adjust the State Valuation for the Town of Topsham** **RESOLVE 116 EMERGENCY**

Not Enacted

LD 840 **RESOLUTION, Proposing an Amendment to the Constitution of Maine To Control Property Tax Increases** **ACCEPTED ONTP REPORT**

LD 1060 **RESOLUTION, Proposing an Amendment to the Constitution of Maine To Restrict Property Revaluations** **ONTP**

Property Tax Relief Programs

Not Enacted

LD 313 **An Act To Add a Fuel Oil Benefit to the Circuitbreaker Program** **ONTP**

LD 404 **An Act To Promote Property Tax Relief for Maine's Senior Citizens** **ONTP**

LD 842 **An Act To Exclude Business and Capital Losses from Consideration as Income under the Circuitbreaker Program** **ONTP**

LD 1087 **RESOLUTION, Proposing an Amendment to the Constitution of Maine To Cap the Property Tax on the Primary Residence of a Person 65 Years of Age or Older** **ONTP**

LD 1121 **An Act To Protect Elderly Residents from Losing Their Homes Due to Taxes or Foreclosure**

LD 1233 **An Act To Provide Property Tax Relief to Senior Citizens** **ONTP**

LD 1273 **An Act To Simplify the Application for Benefits under the Circuitbreaker Program**

LD 1463 **An Act To Provide Equitable Property Tax Relief To Maintain Traditional Communities** **ONTP**

Sales Tax

Enacted

LD 450	An Act To Include Commercial Silvicultural Crop Production in the Sales Tax Exemption for Certain Products Used in Commercial Agricultural Crop Production Activities	PUBLIC 422
LD 906	An Act Relating to Sales Tax on Certain Trailers	PUBLIC 207
<u>Not Enacted</u>		
LD 109	An Act To Exempt Residential Electricity from Sales Tax	ONTP
LD 167	An Act To Provide a Sales Tax Exemption for Used Goods Sold To Benefit Food Pantries	ONTP
LD 218	An Act To Exempt the United States Flag from Sales Tax	ONTP
LD 265	An Act To Provide a Sales Tax Exemption to Certain Organizations That Provide Assistance to Members of the Military	ONTP
LD 406	An Act To Allow a Retailer To Offer To Pay Sales Tax on Items and Services Sold by That Retailer	ONTP
LD 471	An Act To Encourage Alternative Energy and Promote Maine Businesses	ONTP
LD 659	An Act To Remove the Sales Tax on Certain Watercraft	
LD 666	An Act To Clarify When the Rental of a Car Is Exempt from Sales and Use Tax	DIED BETWEEN HOUSES
LD 671	An Act To Exempt Clean Fuel Vehicles from Sales Tax	ONTP
LD 743	An Act To Exempt Fuel Used by Commercial Fishing Vessels from the Sales Tax	DIED ON ADJOURNMENT
LD 788	An Act To Aid Municipalities and the Unorganized Territory in the Reduction of Property Taxes	
LD 1018	An Act To Make the Maine Music Educators Association Tax Exempt	ONTP
LD 1046	An Act To Exempt Cleaning Products for Milking Machines from the Sales Tax	ONTP
LD 1148	An Act To Provide a Sales Tax Holiday Pilot Project	DIED BETWEEN HOUSES
LD 1173	An Act To Exempt Sales of Heating Oil and Kerosene to Maine Businesses from Sales Tax	ONTP
LD 1253	An Act To Establish a Local Option Sales Tax	

LD 1335	An Act To Exempt from the Sales Tax Meals Provided at Retirement Facilities	
LD 1381	An Act To Allow Counties To Provide Property Tax Relief by Enacting a County Option Meals and Lodging Tax	ONTP
LD 1426	An Act To Allow Municipalities To Impose a Local Option Lodging or Meals Tax	ONTP

Tax Increment Financing

Enacted

LD 539	An Act To Amend the Laws Governing the Allowable Uses of Tax Increment Financing Funds	PUBLIC 85
LD 1154	Resolve, To Require a Study of Economic Development Incentives in the Unorganized Territory	RESOLVE 71
LD 1392	An Act To Promote Economic Development and Reduce Reliance on Automobiles through Transit-oriented Tax Increment Financing Districts	PUBLIC 314

Not Enacted

LD 212	Resolve, To Study and Develop a Tax Increment Financing Program To Fund the Washington County Development Authority	ONTP
LD 493	An Act To Provide Sensible Options for Tax Increment Financing Proceeds in Small Towns	ONTP
LD 931	An Act To Expand the Economic Development Benefit of Tax Increment Financing in Counties That Include Unorganized Territories	

Tax Reform - Restructuring

Enacted

LD 1495	An Act To Implement Tax Relief and Tax Reform	PUBLIC 382
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Not Enacted

LD 1088	An Act To Modernize the Tax Laws and Provide over \$50,000,000 to Residents of the State in Tax Relief	INDEF PP
LD 1314	An Act To Reform and Lower Maine Taxes	ONTP
LD 1368	An Act To Broaden and Increase the Sales Tax, Increase the Earned Income Tax Credit and Amend the Application Process for the Circuitbreaker Program.	ONTP

Tax Reform - Tax and Spending Limits

Not Enacted

LD 787	An Act To Provide an Additional Source of Revenue for the Tax Relief Fund for Maine Residents	ONTP
LD 855	Resolve, To Establish the Commission To Study the Reform of Taxes and Spending in Maine	ONTP
LD 922	RESOLUTION, Proposing an Amendment to the Constitution of Maine To Require a Supermajority Approval of the Legislature for Tax Increases	ACCEPTED ONTP REPORT
LD 976	An Act To Provide Tax Relief	ACCEPTED ONTP REPORT

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