

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 659

S. P. 224

In Senate, February 7, 1973

Referred to the Committee on Judiciary. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Tanous of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT Relating to Nonpayment of Corporate Franchise Taxes.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., T. 36, § 2403, amended. The first sentence of section 2403 of Title 36 of the Revised Statutes is repealed as follows:

~~The tax assessed under section 2402 shall be a debt due from such corporation to the State, for which a civil action may be maintained after the same shall have been in arrears for the period of one month~~

Sec. 2. R. S., T. 36, § 2404, amended. Section 2404 of Title 36 of the Revised Statutes is amended to read as follows:

§ 2404. Neglect or refusal to pay

If any corporation liable to taxation under section 2401 shall for one ~~year~~ **month** neglect or refuse to pay to the State any tax or penalty assessed against it, its charter shall be liable to ~~forfeiture~~ **suspension**.

Sec. 3. R. S., T. 36, § 2405, repealed. Section 2405 of Title 36 of the Revised Statutes is repealed.

Sec. 4. R. S., T. 36, § 2406, amended. Section 2406 of Title 36 of the Revised Statutes, as amended by section 24 of chapter 565 of the public laws of 1971, is further amended to read as follows:

§ 2406. Preparation and publication of annual list

The State Tax Assessor shall annually prepare a list of all corporations that have failed to pay their annual franchise tax for the ~~preceding~~ **current**

year, giving the corporate name, the name of the clerk last filed in the office of the Secretary of State and the amount of the tax due from each corporation, except those from which by reason of having been duly excused as provided by statute, or dissolved by decree of court, or by filing articles of dissolution with the Secretary of State, no franchise tax is due for such year, which list shall be published once in the month of ~~August~~ **November** in ~~4~~ **places within the State, namely, Lewiston, Bangor, Portland and Augusta, in such newspapers in each place as the State Tax Assessor may select the state paper.** If any corporation so advertised shall fail to pay all franchise taxes due the State for such year, and \$3 for the expenses of advertising the same, on or before the ~~first~~ **31st** day of December following, the State Tax Assessor shall so certify to the Secretary of State who shall suspend its charter, and such corporation shall have no right to use the same.

Sec. 5. Effective date and transition. This Act shall become effective January 1, 1974. Unpaid 1973 franchise taxes shall be advertised in November 1974 with the 1974 unpaid franchise taxes; corporations not having paid 1973 or 1974 franchise taxes together with expenses of advertising shall be suspended on December 31, 1974.

STATEMENT OF FACT

This bill allows the suspension of corporations not paying the annual franchise tax in the same year the tax is not paid. Presently such a corporation is suspended in the 2nd year of nonpayment.