

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

New Draft of: H. P. 15, L. D. 15

ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1337

H. P. 1144

House of Representatives, March 12, 1973

Reported by Mr. Finemore from the Committee on Taxation. Printed under
Joint Rules No. 18.

E. LOUISE LINCOLN, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT Relating to Due Date for Payment of Inheritance Taxes.

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

Sec. 1. R. S., T. 36, § 3681, amended. Section 3681 of Title 36 of the Revised Statutes is amended as follows:

§ 3681. Due date

Except as otherwise provided in sections 3524 and 3636, the tax imposed by chapters 551 to 567 shall be payable at the expiration of ~~7~~ 9 months from the date of death of the decedent. The State Tax Assessor may for cause extend the time of payment.

Sec. 2. Appropriation. There is appropriated from the General Fund to the Department of Finance and Administration, Inheritance Tax Division, Bureau of Taxation, the sum of \$29,630 to carry out the purposes of this Act. The breakdown shall be as follows:

	1973-74	1974-75
FINANCE AND ADMINISTRATION, DEPARTMENT OF		
Bureau of Taxation		
Inheritance Tax Division		
Personal Services	(2) \$10,000	(2) \$10,500
All Other	7,580	580
Capital Expenditures	970	—
	<hr/>	<hr/>
	\$18,550	\$11,080

FISCAL NOTE

The bill would result in an increase in General Fund revenue from the inheritance tax of \$3,250,000 for the year 1974-75.

STATEMENT OF FACT

The effect of the bill would be to require payment of inheritance and estate taxes within 9 months of the date of death, rather than 15 months as at present. This change would apply to the estates of persons dying on and after the effective date of the Act.

This would result in a doubling of the estates to be processed during a portion of the biennium, with an estimated increase in General Fund Revenue in the second year of the biennium amounting to \$3,250,000. This would be a one-time increase due to the fact that for a period both estates subject to the present 15-month due date, and those subject to the 9-month due date, would fall due at the same time.

This would also require additional assistance in the Inheritance Tax Division of the Bureau of Taxation to audit estates and determine tax liability. Due to the nature of the work, it would be necessary to train new employees for this purpose prior to the impact of the new due date. The constantly increasing work load in the Division is such that estates could not otherwise be handled currently.

There are presently 9 employees in the Inheritance Tax Division. There has been no increase in the number since 1967. While the total number of estates has remained fairly constant over the years, the proportion of taxable estates (which require processing) has increased from 40% of all estates in 1969 to 50% in 1972, representing a 25% increase in work load.