

MAINE STATE LEGISLATURE

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S.
D O E R.

STATE OF MAINE
SENATE
107TH LEGISLATURE

COMMITTEE AMENDMENT "A" to S.P. 260, L.D. 857, Bill, "AN ACT to Clarify the Estimated Premium Tax Law."

Amend said Bill by striking everything after the enacting clause and inserting in place thereof the following:

'36 MRSA §2521-A, first 3 ¶¶, as enacted by PL 1973, c. 727, §11, are repealed and the following enacted in place thereof:

Every insurance company, association or attorney-in-fact of a reciprocal insurer subject to tax as imposed by this chapter shall on or before the last day of each April, July and October file with the State Tax Assessor on forms prescribed by said State Tax Assessor a return for the quarter ending the last day of the preceding month. These returns may be on an estimated basis, provided that each installment equals at least → 25% of the total tax paid for the preceding calendar year or → 25% of the total tax to be paid for the current calendar year. An authorized company official shall affirm which elective is selected. Such elective cannot be changed during the current calendar year. The final return shall be filed on or before March 15, covering the prior calendar year.

At the time of filing such returns each insurance company, association or attorney-in-fact of a reciprocal insurer shall pay to the State Tax Assessor the amount of tax shown due and the State Tax Assessor shall pay over all receipts daily to the Treasurer of State. Any insurance company, association or attorney-in-fact of a reciprocal insurer who neglects to make returns or pay the amount of tax shown due shall be liable to a penalty of \$5 a day for each day in arrears or 1/2 of 1% of tax liability, whichever is greater, together with interest at the rate of 1% per month or fraction thereof due on demand by the State Tax Assessor, and recoverable in a civil action. The State Tax Assessor may waive penalty for cause.

Any insurance company, association or attorney-in-fact of a reciprocal insurer which elects to pay estimated tax on the preceding year's liability but fails to pay such amount for the quarter shall be liable to a penalty of 25% of the understated amount. Any insurance company, association or attorney-in-fact of a reciprocal insurer which elects to pay tax on the current year basis who at the time of filing the final return understated reported liability by more than 20% shall be liable to a penalty of 25% of such understated liability. The foregoing penalties shall be due on demand by the State Tax Assessor, who may waive penalty for cause, and such penalties shall be recoverable in a civil action.

D. OF R.

STATEMENT OF FACT

The purpose of the amendment is to clarify the wording of the bill.

Reported by the Committee on Business Legislation.

Reproduced and distributed pursuant to Senate Rule 11-A.

May 19, 1975. (Filing No. S-165).