

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 857

S. P. 260

In Senate, March 4, 1975
Referred to Committee on Business Legislation. Sent down for concurrence
and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Merrill of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT to Clarify the Estimated Premium Tax Law.

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

36 MRSA § 2521-A, first 3 ¶¶, as enacted by PL 1973, c. 727, § 11, are repealed and the following enacted in place thereof: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 file with the State Tax Assessor, on a form prescribed by said State Tax Assessor and affirmed by authorized company official, on or before the last day of April, July and October in each year a return based upon premium receipts of the preceding calendar quarter. These returns and payments 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, provided that the following penalty for underpayment shall be assessed if the taxpayer elects to base installment payments upon an estimate of tax for the current year. If the tax obligation for the year-to-date at any installment date is underpaid by more than 20%, there shall become due on demand by the State Tax Assessor a penalty of 25% of the total amount of the underpaid portion of the tax obligation. A final return shall be filed on or before March 15th covering the prior calendar year.

The State Tax Assessor shall pay over all receipts promptly to the Treasurer of the 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 per day for each day in arrears or 1/2 of 1% of tax liability, whichever is greater, together with interest at the rate of 1/2% 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 this penalty for cause.

STATEMENT OF FACT

The purpose of this bill is to clarify the procedure for paying estimated premium taxes. It does not affect the amount of revenue collected.