

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1476

H. P. 1252

House of Representatives, April 7, 1977

Referred to Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Torrey of Poland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT to Establish a Pipeline Privilege Tax.

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

36 MRSA c. 367 is enacted to read:

CHAPTER 367

PIPELINE PRIVILEGE TAX

§ 2751. Definitions

As used in this chapter, unless the context otherwise indicates, the following words and phrases shall have the following meanings.

1. Tax period. "Tax period" means the period from January 1st to December 31st of any year.
2. Taxpayer. "Taxpayer" means any corporation, association or person subject to taxation under this chapter.

§ 2752. Pipeline privilege tax

Every person, partnership or corporation engaged within this State in the business of operating a pipeline over 10 miles in length for the purpose of transporting oil for compensation is subject to a tax on the privilege of carrying on or operating such a business.

§ 2753. Tax; how determined

The tax shall be determined by applying an apportionment factor to the amount of oil, measured in barrels, entering the pipeline during the tax period

and then applying to the apportioned amount of oil a rate of 2¢ per barrel of oil.

§ 2754. Apportionment factor

The main apportionment factor shall be the fraction, the numerator of which is the sum of the property factor and the operating costs factor and the denominator of which is 2.

§ 2755. Property factor

The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property, owned or rented, and located in this State during the tax period, and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented during the tax period.

1. Regulation, apportionment, situs, valuation and averaging of property. The State Tax Assessor shall issue regulations regarding apportionment, situs, valuation and averaging of property.

§ 2756. Operating costs factor

The operating costs factor is a fraction, the numerator of which is the sum of the amounts expended by the taxpayer in this State during the tax period for payroll, utilities, materials and other services, and the denominator of which is the sum of all amounts expended by the taxpayer during the tax period for payroll, utilities, materials and other services.

1. Regulations and allocations, apportionment and expenditures included as operating costs. The State Tax Assessor shall issue regulations concerning allocation and apportionment of expenditures and concerning which expenditures are to be included as operating costs.

§ 2757. Taxpayer returns

All taxpayers, on forms to be provided by the State Tax Assessor, shall return to the State Tax Assessor prior to April 1st following the end of the tax period:

1. Signed statement. A statement, signed by its president, treasurer or chief accounting officer, of:

A. The amount of oil measured in barrels which entered the taxpayer's pipeline during the tax period;

B. The average value of the taxpayer's real and tangible property, owned or rented and located in this State during the tax period, and the average value of all the taxpayer's real and tangible personal property owned or rented during the tax period; and

C. The amounts expended by the taxpayer in this State during the tax period for payroll, utilities, materials and other services, and all amounts expended by the taxpayer during the tax period for payroll, utilities, materials and other services; and

2. Tax payment. The payment of its tax computed pursuant to section 2753.

§ 2758. Access to books

The State Tax Assessor shall have access to the books and records of any taxpayer, to ascertain if the required returns are correct.

§ 2759. Sanctions

Any taxpayer who refuses, neglects or fails either to make the required returns or to permit access to its books or records, or who makes returns which the president, treasurer or chief accounting officer knows to be false shall forfeit not less than \$5,000, nor more than \$25,000, to be recovered by civil action.

§ 2760. Incorrect returns

If the State Tax Assessor determines that a taxpayer's returns are incorrect, he shall either assess an additional tax or refund the amount of any overpayment.

§ 2761. Assessment by State Tax Assessor

If any taxpayer fails to make the returns required by section 2757, the State Tax Assessor shall make an assessment of tax upon such taxpayer.

§ 2762. Abatement

Any taxpayer may apply for an abatement of its tax within 30 days after the tax is due or within 30 days after the State Tax Assessor has taken action pursuant to sections 2760 and 2761.

§ 2763. Penalty and interest

Taxes shall become delinquent if unpaid after the date on which payment is due. Interest of 9% per year shall be charged on delinquent payments beginning on the date on which the payment becomes delinquent. A penalty of 25% per year shall be charged on delinquent payments beginning 30 days after the payment becomes delinquent.

§ 2764. Lien

The Bureau of Taxation shall have a tax lien on all real and tangible personal property owned by a taxpayer in this State to secure payment of all sums due. Any lien shall be discharged upon payment of all delinquent taxes, interest and penalties.

STATEMENT OF FACT

The intent of this bill is to impose a tax on every person, partnership or corporation within the State engaged in the business of operating a pipeline over 10 miles in length, which is used for the purpose of transporting oil for compensation for the privilege of carrying on or operating such a business.