

MAINE STATE LEGISLATURE

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(Governor's Bill)
SECOND REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 1867

H. P. 1751

House of Representatives, January 24, 1980

On Motion of Mrs. Post of Owl's Head, referred to the Committee on Taxation.
Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk of the House

Presented by Mr. Cox of Brewer.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY

**AN ACT Providing for Administrative Changes in the Maine Revised Statutes
Relating to Taxation.**

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

Sec. 1. 36 MRSA § 4373, 7th sentence is amended to read:

All cigarettes declared forfeited to the State, or title to which has been transferred to the State in lieu of forfeiture proceedings, shall be sold by the ~~Treasurer of State at the approximate wholesale price thereof~~ **State Purchasing Agent**, and the funds derived from such sales shall be paid into the State Treasury.

Sec. 2. 36 MRSA § 5102, sub-§ 11, first sentence, as repealed and replaced by PL 1975, c. 765, § 25, is amended to read:

Any "~~term~~" **term** used in this Part has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes, unless a different meaning is clearly required.

Sec. 3. 36 MRSA § 5102, sub-§ 11, last 2 sentences, as last amended by PL 1979, c. 520, § 7, are further amended to read:

Any reference in this Part to the laws of the United States shall mean the provisions of the Internal Revenue Code of 1954, and amendments thereto and

other provisions of the laws of the United States relating to federal income taxes as of December 31, ~~1978~~ 1979. This subsection shall be effective as to items of income, deductions, loss or gain accruing in taxable years ending on or after January 1, ~~1978~~ 1979 but only to the extent such items have been earned, received, incurred or accrued on or after such effective date.

Sec. 4. 36 MRSA § 5126, first sentence, as amended by PL 1977, c. 686, § 10, is further amended to read:

A resident individual shall be allowed an exemption of \$1,000 for each exemption to which he is entitled for the taxable year for federal income tax purposes, except that for a taxable year ending ~~during 1978 on or after December 31, 1978 and on or before November 30, 1979~~ the exemption shall be \$1,200 for each federal exemption.

Sec. 5. 36 MRSA § 5203, sub-§ 1, as enacted by PL 1977, c. 424, § 3, is amended to read:

1. Tax imposed. In addition to any other tax imposed by this Part, there is hereby imposed on every taxpayer for each taxable year, a tax equal to 15% of the federal minimum tax which is imposed on the taxpayer for the taxable year by the Internal Revenue Code of 1954, section 56, as amended **and a tax equal to 15% of the federal alternative minimum tax which may be imposed on the taxpayer for the taxable year by the Internal Revenue Code of 1954, section 55, as amended.**

Sec. 6. 36 MRSA § 5228, sub-§ 1, as repealed and replaced by PL 1975, c. 454, § 1, is amended by adding after the first paragraph a new paragraph to read:

Notwithstanding this subsection, no declaration is required of an individual if the estimated tax as defined in subsection 2 can reasonably be expected to be less than the amount of the estimated tax for which no declaration of estimated tax is required to be filed under the Internal Revenue Code of 1954, section 6015, as amended.

Sec. 7. 36 MRSA § 5229, sub-§ 3, as last amended by PL 1977, c. 517, § 3, is repealed.

Sec. 8. 36 MRSA § 5279, sub-§ 1, first sentence, as amended by PL 1979, c. 541, Pt A, § 246, is further amended to read:

Under ~~regulations~~ **rules** prescribed by the assessor, interest shall be allowed and paid at the rate of ~~1/2%~~ **3/4%** per month upon any overpayment in respect of the tax imposed by this Part.

Sec. 9. PL 1979, c. 561, § 3 is amended to read:

Sec. 3. Effective date. This Act shall become effective with regard to ~~tax years~~ **claims** filed beginning on or after January 1, 1980.

STATEMENT OF FACT

This bill is intended to remove logical inconsistencies or to modify existing provisions of the tax laws for the purpose of assisting in the proper administration of the tax laws (Title 36).

The purposes of this bill are:

Sec. 1. To transfer the responsibility from the Treasurer of State to the State Purchasing Agent for the sale of cigarettes that have been forfeited or for which the State has obtained title in lieu of forfeiture;

Sec. 2. To eliminate superfluous quotation marks;

Sec. 3. To update the utilization of the Internal Revenue Code provision in Maine Income Tax Law to the status of the provisions on December 31, 1979;

Sec. 4. To correct the taxable year for which a resident individual is entitled to a \$1,200 state income tax exemption for each federal income tax exemption;

Sec. 5. To extend the state minimum tax to include a tax equal to 15% of the federal alternative minimum tax;

Sec. 6. To provide that no declaration of estimated tax is required of an individual under the State Income Tax Law when no declaration of estimated tax is required under the Internal Revenue Code;

Sec. 7. To eliminate the requirement that declarations of estimated tax of \$40 or less may be filed on or before January 15th of the succeeding taxable year when prescribed by the State Tax Assessor;

Sec. 8. To change the interest paid on income tax overpayments from 1/2 to 3/4% per month; and

Sec. 9. To correct the effective date on "AN ACT to Remove Restrictions on Eligibility under the Elderly Householders Tax and Rent Refund Act based on Marital Status."