

MAINE STATE LEGISLATURE

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L.D. 1023

STATE OF MAINE
HOUSE OF REPRESENTATIVES (Filing No. H-153)
110TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 860, L.D. 1023, Bill,
"AN ACT to Provide for Payment of Interest to the Taxpayer on
the Amounts Over-collected by Taxes.

Amend the Bill by striking out everything after the
enacting clause and inserting in its place the following:

'Sec. 1. 36 MRSA §186, as enacted by PL 1977, c. 679,
§1, is amended by adding after the 2nd sentence a new sentence
to read:

The interest rate so determined shall also be the interest
rate for the State's payment of interest on overpayments.

Sec. 2. 36 MRSA §2011, first sentence, is repealed and
the following enacted in its place:

If the State Tax Assessor determines, upon written
application by a taxpayer or during the course of an audit,
that any tax has been paid more than once or has been
erroneously or illegally collected or computed, he shall certify
to the State Controller the amount collected in excess of that
legally due, from whom it was collected or by whom paid, and
that amount shall be credited by the State Tax Assessor on any
taxes then due from the taxpayer and the balance refunded to
the taxpayer or his successor, administrators, executors or
assigns, but no such credit or refund may be allowed unless
a written petition therefor, stating the grounds upon which
refund is claimed, is filed with the State Tax Assessor or
the overpayment is discovered on audit within 3 years of the
date of overpayment.

Sec. 3. 36 MRSA §2011, as last amended by PL 1979, c. 378, §17, is further amended by adding after the first sentence, 2 new sentences to read:

Interest, at the rate determined pursuant to section 186, shall be paid from the date of overpayment on any balance refunded pursuant to this chapter, except that no interest may be paid with respect to the refunds provided by section 2013. At the election of the State Tax Assessor, unless the taxpayer specifically requests a cash refund, the refund may be credited to the taxpayer's sales and use tax account, but, in the case of a credit, no further interest may accrue from the date of that election.

Sec. 4. 36 MRSA §5279, sub-§1, first sentence, as amended by PL 1979, c. 615, §8, is repealed and the following enacted in its place:

Interest, at the rate determined pursuant to section 186, shall be paid upon any overpayment in respect of the tax imposed by this Part.'

Statement of Fact

This amendment provides for the payment of interest on overpayments discovered upon audit as well as upon applications by taxpayers for refunds, but would not allow interest on refunds made with respect to purchases of agricultural or fishing machinery and equipment under section 2013. The

amendment also extends the period for refund from 2 to 3 years to conform with the new assessment period and clarifies the language of the refund provision. Finally, the amendment conforms the interest provision of the income tax law to the recently enacted method of determining the interest rate.

This bill does not require a fiscal note because the fiscal impact of its provisions was included in the fiscal impact of L.D. 77, as amended.

Reported by the Committee on Taxation.
Reproduced and distributed under the direction of the Clerk of the House.

3/31/81

(Filing No. H-153)