

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

1 FIRST REGULAR SESSION  
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE  
4

5 Legislative Document

No. 700

6  
7 H.P. 497

House of Representatives, February 26, 1985

8 Reference to the Committee on Taxation is suggested and ordered  
9 printed.

10 EDWIN H. PERT, Clerk

Presented by Representative Higgins of Portland.

11 Cosponsored by Representative Mayo of Thomaston, Representative  
Swazey of Bucksport and Representative Zirkilton of Mount Desert.

12 STATE OF MAINE  
13

14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-FIVE  
16

17 AN ACT Pertaining to Interest on Abated  
18 Property Taxes.  
19

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

22 Sec. 1. 36 MRSA §186, as amended by PL 1981, c.  
23 706, §§3 and 4, is further amended to read:

24 §186. Interest

25 Any person who fails to pay any tax imposed under  
26 this Title, except taxes imposed pursuant to chapter  
27 105, on or before the last date prescribed for pay-  
28 ment shall be liable for interest on the tax, calcu-  
29 lated from that date. The State Tax Assessor shall,  
30 by regulation, establish the rate of interest which  
31 shall not exceed the highest conventional rate of in-  
32 terest charged for commercial unsecured loans by  
33 Maine banking institutions on the first business day  
34 of the calendar year as determined by the Treasurer  
35 of State under section 505, subsection 4. For pur-

1 poses of this section, the last date prescribed for  
2 payment of tax shall be determined without regard to  
3 any extension of time permitted for filing a return.  
4 A tax which is upheld on administrative or judicial  
5 review shall bear interest from the date on which  
6 payment would have been due in the absence of review.  
7 Any tax, interest or penalty imposed by this Title  
8 which has been erroneously refunded and which is re-  
9 coverable by the State Tax Assessor shall bear inter-  
10 est at the above rate from the date of payment of the  
11 refund. Interest shall accrue automatically, without  
12 being assessed by the State Tax Assessor, and shall  
13 be recoverable by the State Tax Assessor in the same  
14 manner as if it were a tax assessed under this Title.  
15 If the failure to pay a tax when required is ex-  
16 plained to the satisfaction of the State Tax Asses-  
17 sor, he may abate or waive the payment of all or any  
18 part of that interest.

19 Except as otherwise provided in this Title, and  
20 except for taxes imposed pursuant to chapter 105, in-  
21 terest, at the rate determined by the State Tax As-  
22 essor for underpayments pursuant to this section,  
23 shall be paid from the date of overpayment upon any  
24 overpayment of tax, interest or penalty.

25 Sec. 2. 36 MRSA §506-A is enacted to read:

26 §506-A. Overpayment of taxes

27 All taxpayers who pay an amount in excess of that  
28 finally assessed shall be repaid the amount of the  
29 overpayment plus interest thereon at the rate of 8%.  
30 If overpayment is the result of the grant of an  
31 abatement, interest shall be paid only from the date  
32 of the grant of the abatement.

1

STATEMENT OF FACT

2           The purpose of this bill is to more precisely im-  
3           plement the original intent of the Legislature that  
4           the section relating to overpayment of state taxes  
5           does not apply to municipal taxes.

6           This bill enacts a new section to deal with over-  
7           payment of municipal property taxes.

8

0838020985