

MAINE STATE LEGISLATURE

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L.D. 2089

(Filing No. H-712)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
113TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1535, L.D. 2089,
Bill, "AN ACT Providing for Administrative Changes in
the Tax Laws."

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

'Sec. 1. 30 MRSA §4863, sub-§1, ¶C, as amended
by PL 1987, c. 534, Pt. B, §§21 and 23, is repealed
and the following enacted in its place:

C. The designation of captured assessed value of
property within a tax increment financing district
shall be subject to the following limitations.

(1) The Commissioner of Economic and
Community Development shall promulgate any
rules necessary to allocate or apportion the
designation of captured assessed value of
property within tax increment financing
districts in accordance with these
limitations.

(2) Fifteen percent of the project costs for
the development program must be incurred
within 9 months of the designation by the
Commissioner of Economic and Community
Development of the tax increment financing

1 district. The development program must be
2 completed within 5 years of the designation
3 by the Commissioner of Economic and Community
4 Development of the tax increment financing
5 district.

6 Sec. 2. 30 MRSA §4864, sub-§1, as amended by PL
7 1985, c. 650, §5, is further amended to read:

8 1. Captured assessed value. The municipality may
9 retain all or part of the tax increment of a
10 development tax increment financing district for the
11 purpose of financing the development program, for
12 purposes of calculating state aid for education under
13 Title 20-A, effective for districts designated after
14 December 31, 1986, only 75% of the captured assessed
15 value within the tax increment financing district is
16 excepted from the equalized just valuation of a
17 municipality as defined in Title 36, section 305,
18 subsection 1. The amount of tax increment to be
19 retained shall be determined by designating the amount
20 of captured assessed value to be retained. At the
21 time of adoption of a development program for a tax
22 increment financing district, the governing body shall
23 adopt a statement of the percentage of captured
24 assessed value to be retained in accordance with the
25 development program. Once adopted, the percentage may
26 only be decreased in subsequent years, unless a new
27 development program is adopted, or the present plan is
28 amended or altered under section 4863. The municipal
29 assessor shall certify the amount of the captured
30 assessed value to the municipality each year.

31 Sec. 3. 36 MRSA §176, sub-§1, ¶E, as enacted by
32 PL 1985, c. 691, §5, is amended to read:

33 E. "Tax" means a sales, use or, income or
34 illegal drugs tax imposed under this Title,
35 together with interest and penalties.

36 Sec. 4. 36 MRSA §177, sub-§2, as enacted by PL
37 1985, c. 691, §5, is amended to read:

38 2. Responsible individual. Each person required
39 to collect taxes which are designated by subsection 1
40 as trust funds shall inform the State Tax Assessor, at

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1 the time an audit of that person's trust fund
2 obligation is performed by the State Tax Assessor, of
3 the name and position of the individual who generally
4 is responsible for the control or management of that
5 person's funds or finances and, if different, the
6 individual who is specifically responsible for the
7 collection and paying over of those trust funds.
8 Any deficiency assessments of taxes which are
9 designated by subsection 1 as trust funds shall be
10 made jointly in the names of the person required to
11 collect the taxes and of the designated responsible
12 individual.

13 Sec. 5. 36 MRSA §177, sub-§5 is enacted to read:

14 5. Stay of running of period of limitation. The
15 running of the period of limitations for assessment or
16 collection of trust fund taxes against a responsible
17 officer, director, member, agent or employee of a
18 person who has collected those taxes shall be stayed
19 for the period of time, plus 120 days, during which an
20 assessment against that person is subject to
21 administrative or judicial review or remains
22 outstanding because that person is the subject of
23 bankruptcy proceedings under the United States Code,
24 Title 11.

25 Sec. 6. 36 MRSA §183 is enacted to read:

26 §183. Criminal offenses; statute of limitations

27 Notwithstanding Title 17-A, section 8, prosecution
28 of any crime defined in this Title must be commenced
29 within 6 years after it has been committed.

30 Sec. 7. 36 MRSA §186, as amended by PL 1985, c.
31 333, §1 and 3, is further amended to read:

32 §186. Interest

33 Any person who fails to pay any tax imposed under
34 this Title, except taxes imposed pursuant to chapter
35 105, on or before the last date prescribed for payment
36 shall be liable for interest on the tax, calculated
37 from that date. The State Tax Assessor shall
38 establish annually, by regulation rule,
39 establish the rate of interest which shall not

1 exceed the highest conventional rate of interest
2 charged for commercial unsecured loans by Maine
3 banking institutions on the first business day of
4 October preceding the calendar year as determined by
5 the Treasurer of State under section 505, subsection
6 4. For purposes of this section, the last date
7 prescribed for payment of tax shall be determined
8 without regard to any extension of time permitted for
9 filing a return. A tax which is upheld on
10 administrative or judicial review shall bear interest
11 from the date on which payment would have been due in
12 the absence of review. Any tax, interest or penalty
13 imposed by this Title which has been erroneously
14 refunded and which is recoverable by the State Tax
15 Assessor shall bear interest at the above rate from
16 the date of payment of the refund. Interest shall
17 accrue automatically, without being assessed by the
18 State Tax Assessor, and shall be recoverable by the
19 State Tax Assessor in the same manner as if it were a
20 tax assessed under this Title. If the failure to pay
21 a tax when required is explained to the satisfaction
22 of the State Tax Assessor, he may abate or waive the
23 payment of all or any part of that interest.

24 Except as otherwise provided in this Title, and
25 except for taxes imposed pursuant to chapter 105,
26 interest, at the rate determined by the State Tax
27 Assessor for underpayments pursuant to this section,
28 shall be paid from the date of overpayment upon any
29 overpayment of tax, interest or penalty on
30 overpayments of tax from the date the return listing
31 the overpayment was filed, or the payment was made,
32 whichever is later.

33 Sec. 8. 36 MRSA 187-A is enacted to read:

34 §187-A. Preparer penalty

35 If any part of any understatement of liability
36 with respect to any return or claim for refund is due
37 to a willful attempt in any manner to understate the
38 liability for a tax by a person who prepares those
39 returns or claims for compensation, or whose employees
40 do so, that person shall pay a penalty of \$500 with
41 respect to each return or claim.

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1 Sec. 9. 36 MRSA §383, as repealed and replaced
2 by PL 1973, c. 695, §7, is amended to read:

3 §383. Assessors' annual return to State Tax Assessor

4 The municipal assessors and the assessors of
5 primary assessing areas shall, ~~at such times as the~~
6 State Tax Assessor may require, make and return on
7 blank lists which shall be seasonably furnished by
8 the ~~said~~ State Tax Assessor for that purpose, all
9 such information as to the assessment of property and
10 collection of taxes as may be needed in the work of
11 the State Tax Assessor, including annually, the land
12 value, exclusive of buildings and all other
13 improvements, and the valuation of each and every
14 class of property assessed in their respective
15 jurisdiction, with the total valuation and percentage
16 of taxation, together with a statement to the best of
17 their knowledge and belief of the ratio, or percentage
18 of current just value, upon which the assessment is
19 based, and itemized lists of property upon which the
20 town has voted to affix a value for taxation
21 purposes. These completed lists shall be returned to
22 the State Tax Assessor no later than November 1st,
23 annually, or 30 days after commitment, whichever is
24 later.

25 Sec. 10. 36 MRSA §581-A, as amended by PL 1987,
26 c. 497, §11, is further amended to read:

27 §581-A. Sale of portion of parcel of forest land

28 Sale of a portion of a parcel of forest land
29 subject to taxation under this subchapter shall not
30 affect the taxation under this subchapter of the
31 resulting parcels, unless any is less than 10 forested
32 acres in area. Each resulting parcel shall be taxed
33 to the owners under this subchapter until ~~such~~ the
34 parcel is withdrawn from taxation under this
35 subchapter, in which case the penalties provided for
36 in sections 579 and 581 shall apply only to the owner
37 of ~~such that~~ parcel. If a parcel resulting from
38 ~~such that~~ sale is less than 10 forested acres in
39 area, ~~such the~~ parcel shall be considered as
40 withdrawn from taxation under this subchapter as a
41 result of ~~such the~~ sale and the penalty assessed
42 against the owner of the resulting parcel of less than
43 10 forested acres.

1 Sec. 11. 36 MRSA §581-C, as enacted by PL 1981,
2 c. 711, §5, is repealed.

3 Sec. 12. 36 MRSA §581-D, as enacted by PL 1983,
4 c. 776, §1, is amended to read:

5 §581-D. Mineral lands subject to an excise tax

6 Any statutory or constitutional penalty imposed as
7 a result of withdrawal or a change of use, whether
8 imposed before or after January 1, 1984, shall be
9 determined without regard to the presence of minerals,
10 provided that when payment of the penalty is made or
11 demanded, whichever occurs first, there is in effect a
12 state excise tax which applies or would apply to the
13 mining of those minerals.

14 Sec. 13. 36 MRSA §611, 3rd ¶, is amended to
15 read:

16 The assessors shall assess a tax upon any such
17 property and such tax shall be due and payable 30
18 days from the date of assessment in accordance with
19 other property assessed for the same tax year, except
20 that, if the tax is paid within 2 months of
21 assessment, interest from the due date of taxes for
22 the tax year involved does not apply.

23 Sec. 14. 36 MRSA §654, sub-§1, ¶E, as amended
24 by PL 1983, c. 777, §2, is repealed and the following
25 enacted in its place:

26 E. The residential real estate up to the just
27 value of \$4,000 of inhabitants of Maine who are
28 legally blind as determined by the Department of
29 Human Services; and

30 Sec. 15. 36 MRSA §841, sub-§2, as amended by PL
31 1987, c. 70, is repealed and the following enacted in
32 its place:

33 2. Infirmity or poverty. The municipal officers
34 or the State Tax Assessor for the unorganized
35 territory, within 3 years from commitment, may, on
36 their own knowledge or on written application

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1 therefor, make such abatements as they believe
2 reasonable on the real and personal taxes on all
3 persons who, by reason of infirmity or poverty, are in
4 their judgment unable to contribute to the public
5 charges. The municipal officers or the State Tax
6 Assessor for the unorganized territory may extend the
7 3-year period within which they may make abatements
8 under this subsection.

9 Municipal officers or the State Tax Assessor for the
10 unorganized territory shall:

11 A. Provide that any person indicating an
12 inability to pay all or part of taxes that have
13 been assessed because of poverty or infirmity
14 shall be informed of the right to make application
15 under this subsection;

16 B. Assist individuals in making application for
17 abatement;

18 C. Make available application forms for
19 requesting an abatement based on poverty or
20 infirmity and provide that those forms contain
21 notice that a written decision shall be made
22 within 30 days of the date of application;

23 D. Provide that persons are given the opportunity
24 to apply for an abatement during normal business
25 hours;

26 E. Provide that all applications, information
27 submitted in support of the application, files and
28 communications relating to an application for
29 abatement and the determination on the application
30 for abatement shall be confidential. Hearings and
31 proceedings held pursuant to this subsection shall
32 be in executive session;

33 F. Provide to any person applying for abatement
34 under this subsection, notice in writing of their
35 decision within 30 days of application; and

36 G. Provide that any decision made under this
37 subsection shall include the specific reason or
38 reasons for the decision and shall inform the

1 applicant of the right to appeal and the procedure
2 for requesting an appeal.

3 Sec. 16. 36 MRSA §841, sub-§5, as repealed and
4 replaced by PL 1979, c. 73, is repealed and the
5 following enacted in its place:

6 5. Certification; record. Whenever an abatement
7 is made, other than by the State Tax Assessor, the
8 abating authority shall certify it in writing to the
9 collector, and that certificate shall discharge the
10 collector from further obligation to collect the tax
11 so abated. When the abatement is made, other than an
12 abatement made under subsection 2, a record setting
13 forth the name of the party or parties benefited, the
14 amount of the abatement and the reasons for the
15 abatement shall, within 30 days, be made and kept in
16 suitable book form open to the public at reasonable
17 times. A report of the abatement shall be made to the
18 municipality at its annual meeting or to the mayor and
19 aldermen of cities by the first Monday in each March.

20 Sec. 17. 36 MRSA §842, as amended by PL 1985,
21 c. 764, §16, is further amended to read:

22 §842. Notice of decision

23 The assessors, municipal officers, chief assessor
24 or the State Tax Assessor, in the case of the
25 unorganized territory, shall give to any person
26 applying to them for an abatement of taxes notice in
27 writing of their decision upon the application within
28 10 days after they take final action thereon. If the
29 assessors, municipal officers, chief assessor or State
30 Tax Assessor, before whom an application in writing
31 for the abatement of a tax is pending, fails to give
32 written notice of their decision within 60 days from
33 the date of filing of the application, the application
34 shall be deemed to have been denied, and the applicant
35 may appeal as provided, unless the applicant shall in
36 writing have consented to further delay. This section
37 shall not apply to applications for abatement made
38 under section 841, subsection 2.

39 Sec. 18. 36 MRSA §1112-A, as enacted by PL
40 1981, c. 711, §9, is repealed.

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1 Sec. 19. 36 MRSA §1112-B, as enacted by PL
2 1983, c. 776, §3, is amended to read:

3 §1112-B. Mineral lands subject to an excise tax

4 Any statutory or constitutional penalty imposed as
5 a result of withdrawal or a change of use, whether
6 imposed before or after January 1, 1984, shall be
7 determined without regard to the presence of minerals,
8 provided that when payment of the penalty is made or
9 demanded, whichever occurs first, there is in effect a
10 state excise tax which applies or would apply to the
11 mining of those minerals.

12 Sec. 20. 36 MRSA §1331, as amended by PL 1981,
13 c. 706, §17, is further amended by adding at the end a
14 new paragraph to read:

15 Interest shall accrue on supplemental assessments
16 from October 1st of the year to which the property tax
17 applies, except that the taxpayer has a 2-month period
18 from the assessment of the supplemental tax during
19 which all interest will be automatically waived if the
20 tax is paid.

21 Sec. 21. 36 MRSA §1760, sub-§25, as amended by
22 PL 1987, c. 497, §36, is repealed and the following
23 enacted in its place:

24 25. Boats sold to nonresidents. Sales in this
25 State to nonresidents of yachts and other pleasure
26 boats and commercial vessels and boats actually
27 registered for numbering, enrolled or documented under
28 federal or foreign law in the appropriate customhouses
29 or registry offices for location thereof or home ports
30 outside the State, when such craft are either
31 delivered outside the State or delivered in the State
32 to be sailed or transported outside the State
33 immediately upon delivery by the seller; and any sales
34 to nonresidents, under contracts for the construction
35 of any such craft to be so delivered, of materials to
36 be incorporated; and any sales to nonresidents for the
37 repair, alteration, refitting, reconstruction,
38 overhaul or restoration of any such craft to be so
39 delivered, of materials to be incorporated. Unless

1 the craft is present in the State for more than 30
2 days during the 12-month period following its date of
3 purchase or is registered in Maine without also being
4 registered in another state or documented with a home
5 port in Maine, within 12 months of the date of
6 purchase, the purchaser shall be exempt from the use
7 tax.

8 **Sec. 22. 36 MRSA §1760, sub-§45, as repealed**
9 **and replaced by PL 1985, c. 419, is repealed and the**
10 **following enacted in its place:**

11 45. Certain property purchased outside the
12 State. Sales of property purchased and used by the
13 present owner outside the State:

14 A. If the property is an automobile, as defined
15 in Title 29, section 1, and if the owner was, at
16 the time of purchase, a resident of the other
17 state and either employed or registered to vote
18 there;

19 A-1. If the property is a watercraft, as defined
20 in chapter 112, which is registered outside the
21 State by an owner who at the time of purchase was
22 a resident of another state and the watercraft is
23 present in the State not more than 30 days during
24 the 12 months following its purchase; or

25 B. For more than 12 months in all other cases.

26 For purposes of this subsection, "use" does not
27 include storage, but means actual utilization of the
28 property for a purpose consistent with its design.
29 Property, other than automobiles and watercraft, which
30 is required to be registered for use in this State
31 does not qualify for exemption unless it was
32 registered by its present owner outside this State
33 more than 12 months prior to its registration in this
34 State.

35 **Sec. 23. 36 MRSA §1814, sub-§3, as enacted by**
36 **PL 1977, c. 316, §1, is amended to read:**

37 3. Refund. Any such amount which has been paid
38 by or collected from a retailer shall be refunded by

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1 the State Tax Assessor to the retailer in accordance
2 with section 2011 only upon submission of proof to the
3 satisfaction of the State Tax Assessor that the amount
4 has been returned or credited to the person or persons
5 from whom it was originally collected. In such cases,
6 interest shall be paid by the State Tax Assessor only
7 upon proof that interest was included in the repayment
8 by the retailer to that person or persons.

9 **Sec. 24.** 36 MRSa §1862, as amended by PL 1985,
10 c. 783, §8, is further amended to read:

11 §1862. Taxes paid in other jurisdictions

12 The use tax provisions of chapters 211 to 225
13 shall not apply in with respect to the use, storage
14 or consumption in this State of purchases at retail
15 sale outside the State where the purchaser has paid a
16 sales or use tax equal to or greater than the amount
17 imposed by chapters 211 to 225 in another taxing
18 jurisdiction, the proof of payment of the tax to be
19 according to rules made by the State Tax Assessor. If
20 the amount of tax paid in another taxing jurisdiction
21 is not equal to or greater than the amount of tax
22 imposed by chapters 211 to 225, then the purchaser
23 shall pay to the State Tax Assessor an amount
24 sufficient to make the tax paid in the other taxing
25 jurisdiction and in this State equal to the amount
26 imposed by chapters 211 to 225.

27 **Sec. 25.** 36 MRSa §2011, first ¶, as amended by
28 PL 1985, c. 691, §24, is further amended to read:

29 If the State Tax Assessor determines, upon written
30 application by a taxpayer or during the course of an
31 audit, that any tax has been paid more than once or
32 has been erroneously or illegally collected or
33 computed, he shall certify to the State Controller the
34 amount collected in excess of that legally due, from
35 whom it was collected or by whom paid, and that amount
36 shall be credited by the State Tax Assessor on any
37 taxes then due from the taxpayer and the balance
38 refunded to the taxpayer or his successor,
39 administrators, executors or assigns, but no such
40 credit or refund may be allowed unless a written

1 petition therefor, stating the grounds upon which
2 refund is claimed, is filed with the State Tax
3 Assessor or the overpayment is discovered on audit
4 within 3 years of the date of overpayment. Interest,
5 at the rate determined pursuant to section 186, shall
6 be paid from the date of overpayment on any balance
7 refunded pursuant to this chapter, except that no
8 interest may be paid with respect to the refunds
9 provided by section 2013 the return listing the
10 overpayment was filed, or the payment was made,
11 whichever is later, on any balance refunded pursuant
12 to this chapter, except that no interest may be paid
13 with respect to the refunds provided by section 2013
14 and, in cases of excessive or erroneous collections
15 specified in section 1814, interest shall be paid in
16 accordance with section 1814, subsection 3. At the
17 election of the State Tax Assessor, unless the
18 taxpayer specifically requests a cash refund, the
19 refund may be credited to the taxpayer's sales and use
20 tax account, but, in the case of a credit, no further
21 interest may accrue from the date of that election.
22 Nothing shall may authorize the taxpayer, or anyone
23 acting in his behalf, to apply for a refund of any
24 amount assessed when administrative and judicial
25 review under section 151 has been completed.

26 Sec. 26. 36 MRSA §2858, sub-§4, as enacted by
27 PL 1981, c. 711, §10, is repealed.

28 Sec. 27. 36 MRSA §2864, as enacted by PL 1981,
29 c. 711, §10, is repealed.

30 Sec. 28. 36 MRSA §2903-B, as enacted by PL
31 1973, c. 613, §22, is amended to read:

32 §2903-B. Finding of fact

33 The Legislature hereby makes a finding of fact
34 that the percentage relationship of "gasoline tax"
35 paid by that segment of the nonhighway gasoline user,
36 the snowmobile user, is not less than .5% of the total
37 "gasoline tax" revenue, but certainly is more than the
38 .5% referred to. Based on this legislative "finding
39 of fact" there is set aside .5% of the total excise
40 tax on internal combustion engine fuel sold or used
41 within the State, but not including internal

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1 combustion fuel sold for use in the propulsion of
2 aircraft ~~from~~. From this .5% allocation, 10% shall
3 be paid to the Treasurer of State to be made available
4 to the Department of Inland Fisheries and Game
5 Wildlife; this money to be expended for the purpose
6 set forth in Title 12, section ~~1972~~ 7824. The
7 remaining 90% of the .5% shall be credited to the
8 Snowmobile Trail Fund of the Bureau of Parks and
9 Recreation, established under Title 12, ~~chapter~~
10 ~~304~~, section ~~1972~~ 7824. The State Tax Assessor
11 shall certify to the State Controller ~~on or before~~
12 by the 15th day of each month the amounts to be
13 credited under this section as of the close of the
14 State Controller's records for the previous month.

15 Sec. 29. 36 MRSA §2904, as amended by PL 1973,
16 c. 585, §11, is further amended to read:

17 §2904. Distributors' certificates

18 Every distributor of internal combustion engine
19 fuel in the State, except distributors described in
20 section 2907, shall file an application for a
21 certificate with the State Tax Assessor on forms
22 prescribed and furnished by him, which shall contain
23 the name under which such the distributor is
24 transacting business within the State, the place or
25 places of business, and location of distributing
26 stations, and agencies of the distributor, the names
27 and addresses of the several persons constituting the
28 firm or partnership, and, if a corporation, its
29 corporate name and the names and addresses of its
30 principal officers and agents within the State. No
31 such distributor ~~shall~~ may sell or distribute any
32 such internal combustion engine fuel until such the
33 certificate is furnished by the State Tax Assessor and
34 displayed as required by this section. One copy of
35 each such certificate, certified by the State Tax
36 Assessor, shall be displayed in each place of business
37 of such the distributor. The State Tax Assessor,
38 having reasonable cause to believe that the
39 distributor has ceased to do business or that he has
40 violated any of the provisions of this chapter or of
41 the rules and regulations made ~~thereunder~~ under
42 this chapter, may on reasonable notice to the
43 distributor suspend the distributor's certificate

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1 until satisfied to the contrary. In such a case, the
2 distributor shall not act as a distributor until his
3 certificate is restored by the State Tax Assessor
4 either of his own initiative or at the request of the
5 distributor and upon the State Tax Assessor being
6 satisfied that cause for suspension no longer exists
7 or upon order of court. In case of such a suspension,
8 all certificates shall at once be surrendered to the
9 State Tax Assessor upon his request. Notices shall be
10 sufficient if sent by mail, addressed to the
11 distributor at the address designated in the
12 certificate and appeals may be taken in the same
13 manner as provided in Title 32, section 753, for
14 appeals from decisions of the Bank Superintendent
15 section 151. This section shall apply to importers
16 and to exporters.

17 Sec. 30. 36 MRSA §3217, as amended by PL 1985,
18 c. 127, §1, is further amended to read:

19 §3217. Additional violations

20 Any user, or any agent or employee of any user,
21 who shall consume any fuel in a registered motor
22 vehicle within the State, when that user is not the
23 holder of an uncanceled license as required by this
24 chapter, or when that user has failed to file any
25 report or pay tax, penalty or interest as required by
26 this chapter and chapter 7, commits a Class E crime.
27 Each day or part thereof during which any person shall
28 consume any fuel in a registered motor vehicle within
29 the State, when that user is not the holder of an
30 uncanceled license as required by this chapter, or
31 when that user has failed to file any report or pay
32 tax, interest or penalty as required by this chapter
33 and chapter 7, shall constitute a separate violation
34 within the meaning of this section. ~~The state~~
35 ~~police officer assigned to the Bureau of Taxation~~
36 ~~pursuant to section 2972 shall also assist in the~~
37 ~~enforcement-of-this-chapter.~~

38 Sec. 31. 36 MRSA §3223 is enacted to read:

39 §3223. Enforcement

40 There shall be assigned to the Bureau of Taxation

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1 an officer of the State to assist in the enforcement
2 of this chapter.

3 Sec. 32. 36 MRSA §3404, first ¶, as amended by
4 PL 1979, c. 540, §45, is further amended to read:

5 Property subject to taxes as aforesaid, in
6 whatever form of investment it may happen to be, shall
7 be charged with a lien for all taxes and interest
8 thereon which are or may become due on such that
9 property; but said the lien shall not attach to
10 any real or personal property after the same has
11 been sold or disposed of for value by the personal
12 representative or trustee. The lien charged by
13 chapters 551 to 567 upon any real estate or separate
14 parcel thereof of real estate may be discharged by
15 the payment of all taxes and interest due and to
16 become due upon said the real estate or separate
17 parcel and the cost of recording the certificate
18 mentioned. Upon payment thereof, the State Tax
19 Assessor shall cause a certificate showing such
20 that payment to be recorded in the registry of deeds
21 in each county where said the real estate is
22 located.

23 Sec. 33. 36 MRSA §4072, as enacted by PL 1981,
24 c. 451, §7, is amended to read:

25 §4072. Lien for taxes

26 All property subject to taxes under this chapter,
27 in whatever form of investment it may happen to be, is
28 charged with a lien for all taxes, interest and
29 penalties which are or may become due on that
30 property. The lien does not attach to any real or
31 personal property after the property has been sold or
32 disposed of for value by the personal representative
33 or trustee. Upon payment of those taxes, interest and
34 penalties due under this chapter, or upon
35 determination that no tax is due, the State Tax
36 Assessor shall upon request execute a discharge of the
37 tax lien for recording in the appropriate registry or
38 registries of deeds.

39 Sec. 34. 36 MRSA §§4421 to 4432, as enacted by
40 PL 1987, c. 343, §9, are repealed.

1 Sec. 35. 36 MRSA §§4433 to 4438 are enacted to
2 read:

3 §4433. Definitions

4 As used in this chapter, unless the context
5 otherwise indicates, the following terms have the
6 following meanings.

7 1. Dealer. "Dealer" means a person who, in
8 violation of state law, trafficks in scheduled drugs
9 weighing more than 7 grams or amounting to 10 or more
10 dosage units, or a person who trafficks in or
11 furnishes more than 42 1/2 grams of marijuana.

12 2. Dosage unit. "Dosage unit" has the same
13 meaning as that provided in Title 17-A, chapter 45.

14 3. Furnish. "Furnish" has the same meaning as
15 that provided in Title 17-A, chapter 45.

16 4. Marijuana. "Marijuana" has the same meaning
17 as that provided in Title 17-A, chapter 45.

18 5. Scheduled drug. "Scheduled drug" has the same
19 meaning as that provided in Title 17-A, chapter 45.

20 6. Traffick. "Traffick" has the same meaning as
21 that provided in Title 17-A, chapter 45.

22 §4434. Tax

23 An excise tax is imposed by this chapter on any
24 convicted dealer based on the amount of marijuana or
25 scheduled drug identified in the conviction. A tax
26 shall be imposed at the following rates by the State
27 Tax Assessor:

28 1. Marijuana by weight. On each gram or portion
29 of a gram of marijuana, \$3.50;

30 2. Scheduled drugs by weight. On each gram of
31 scheduled drug or portion of a gram, \$200; or

32 3. Scheduled drugs by dosage. On each 50 dosage

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1 units of a scheduled drug that is not sold by weight
2 or portion of those dosage units, \$2,000.

3 The tax imposed by this chapter is due and payable
4 30 days after assessment by the State Tax Assessor.

5 §4435. Report of conviction

6 Any district attorney's office which prosecutes a
7 dealer for trafficking in or furnishing marijuana or
8 scheduled drugs, with respect to all or part of those
9 scheduled drugs or marijuana referred to in subsection
10 1, shall report, upon conviction of the dealer, the
11 conviction to the State Tax Assessor within 30 days of
12 the conviction. The report shall contain such
13 information as may be required by the State Tax
14 Assessor.

15 §4436. Burden of proof

16 The tax and penalties assessed by the State Tax
17 Assessor are presumed to be valid and correctly
18 determined and assessed. The burden is upon the
19 taxpayer to show their incorrectness or invalidity.

20 Sec. 36. 36 MRSA §5122, sub-§2, ¶C, as repealed
21 and replaced by PL 1985, c. 506, Pt. A, §78, is
22 amended to read:

23 C. Social security benefits and tier 1
24 railroad retirement benefits paid by the United
25 States, to the extent included in federal adjusted
26 gross income; and

27 Sec. 37. 36 MRSA §5126, last ¶, as enacted by
28 PL 1987, c. 504, §12, is amended to read:

29 For tax years beginning in 1987, or thereafter
30 thereafter, an additional personal exemption is
31 allowable to each individual who, pursuant to the
32 United States Internal Revenue Code, Section 63(f),
33 would, if claiming a standard deduction for the tax
34 year, be entitled to the additional amount provided in
35 either the first paragraph or the higher amount
36 provided in 2nd the 3rd paragraph. An additional
37 personal exemption is also allowable to each

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1 individual who, pursuant to the United States
2 Internal Revenue Code, Section 63(f), would, if
3 claiming a standard deduction for the tax year, be
4 entitled to the additional amount provided in either
5 the 2nd paragraph or the higher amount provided in the
6 3rd paragraph. For a tax year in which the taxpayer
7 does not make a joint return with his spouse and if
8 the spouse for the calendar year in which the taxable
9 year of the taxpayer begins has no gross income and is
10 not the dependent of another taxpayer, the taxpayer is
11 entitled to claim any additional personal exemptions
12 allowable to the spouse as provided by this section.

13 Sec. 38. 36 MRSA §5204, as amended by PL 1987,
14 c. 504, §27, is further amended to read:

15 §5204. Lump-sum retirement plan distributions

16 In addition to any other tax imposed by this Part,
17 a tax is hereby imposed for each taxable year on every
18 taxpayer who, in accordance with the Code, Section
19 402(e)(F) (1), elects to compute a separate federal
20 tax on a lump-sum distribution from a retirement plan
21 at the rate of 15% of the separate federal tax imposed
22 on such the distribution.

23 Sec. 39. 36 MRSA §5215, sub-§2, 1A, as repealed
24 and replaced by PL 1987, c. 504, §31, is amended to
25 read:

26 A. "Qualified federal credit" means, with respect
27 to any taxable year, that portion of the credit
28 allowed by the Code of 1954, as of December 31,
29 1985, Section 38 (b)(1), which is directly and
30 solely attributable to qualified investment with a
31 situs in this State.

32 Sec. 40. 36 MRSA §5218, as enacted by PL 1987,
33 c. 504, §32, is amended to read:

34 §5218. Income tax credit for child care expenses

35 A resident individual shall be allowed a credit
36 against the tax otherwise due under this Part in the
37 amount of 16% of the federal tax credit allowable
38 for child care expenses in tax year 1986; 20% of the
39 federal tax credit allowable for child and dependent

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1 care expenses in tax year 1987; and 25% of the federal
2 tax credit allowable for child and dependent care
3 expenses thereafter. In no case may this credit
4 reduce the Maine income tax to less than zero.

5 Sec. 41. 36 MRSA §5243, as amended by PL 1979,
6 c. 541, Pt. A, §242, is further amended to read:

7 §5243. Report of change in federal taxable income

8 If the amount of a taxpayer's federal taxable
9 income reported on his federal income tax return for
10 any taxable year is changed or corrected by the United
11 States Internal Revenue Service or other competent
12 authority, or as the result of a renegotiation of a
13 contract or subcontract with the United States, the
14 taxpayer shall report such a change or correction in
15 federal taxable income within 90 days after the final
16 determination of such the change, correction or
17 renegotiation, or as otherwise required by the
18 assessor, and shall concede the accuracy of such
19 that determination or state wherein it is erroneous
20 and shall file an amended Maine return reflecting the
21 adjustments affecting Maine taxable income. Any
22 taxpayer filing an amended federal income tax return
23 shall also file within 90 days thereafter an amended
24 return under this Part, and shall give such
25 information as the assessor may require. The assessor
26 may by regulation rule prescribe such exceptions to
27 the requirements of this section as he deems
28 appropriate.

29 Sec. 42. 36 MRSA §5278, sub-§4, as enacted by
30 P&SL 1969, c. 154, §F, is repealed and the following
31 enacted in its place:

32 4. Notice of change or correction of federal
33 income. If a taxpayer is required by section 5243 to
34 file an amended Maine return, a claim for credit or
35 refund of any resulting overpayment of the tax shall
36 be filed by the taxpayer within 2 years from the time
37 the amended return was required to be filed. The
38 amount of the credit or refund shall not exceed the
39 amount of the reduction in tax attributable to the
40 federal amendment. This subsection shall not affect
41 the time within which or the amount for which a claim

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1 for credit or refund may be filed apart from this
2 subsection.

3 Sec. 43. 36 MRSA §6162-A, sub-§1, as enacted by
4 PL 1987, c. 528, §2, is amended to read:

5 1. Age. For fiscal year 1987-88, individuals
6 Individuals qualify under this program if they meet
7 the age requirements for an elderly household under
8 chapter 901 and its successors.

9 FISCAL NOTE

10 The changes in this amendment result in a
11 negligible increase in revenue in some instances
12 which is offset by a slight increase in administrative
13 costs and a decrease in revenue in other instances,
14 thereby leaving the entire bill with no net fiscal
15 impact.'

16 STATEMENT OF FACT

17 This amendment makes a number of technical
18 corrections and administrative changes to the tax
19 laws. Specifically:

20 Sections 1 and 2 remove a statutory cap on the tax
21 increment financing program;

22 Section 3 adds "illegal drugs" to the definition
23 of types of tax that enable the Bureau of Taxation to
24 attach wages, salary and property of an individual who
25 owes illegal drugs tax;

26 Sections 4, 5 and 6 amend the provisions for
27 collecting trust fund taxes;

28 Sections 7, 23 and 25 amend the process used to
29 establish interest rates established by the State Tax
30 Assessor and how those interest rates are used;

31 Section 8 creates a tax preparer penalty for
32 intentional understatement of tax liability;

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- 1 Sections 9 to 12 clarify provisions of the Maine
2 Tree Growth Tax Law;
- 3 Sections 13 and 20 create a statutory basis for
4 calculating interest on supplemental assessments in
5 the unorganized territory;
- 6 Section 14 amends a real estate tax exemption for
7 blind persons;
- 8 Section 15 to 17 amend the property tax abatement
9 procedure;
- 10 Section 18 and 19 amend provisions of the farm and
11 open space law;
- 12 Sections 21 and 22 clarify the application of a
13 sales and use tax to boats;
- 14 Section 24 clarifies a use tax provision;
- 15 Sections 26 and 27 amend the mining excise tax law;
- 16 Sections 28 and 29 correct statutory references;
- 17 Sections 30 and 31 amend the enforcement
18 provisions affecting the Bureau of Taxation;
- 19 Section 32 and 33 amend the process used to
20 collect death taxes;
- 21 Section 34 and 35 repeal and replace the tax on
22 illegal drugs procedures;
- 23 Section 36 clarifies that tier 1 and tier 2
24 railroad retirement benefits are exempt from taxation;
- 25 Section 37 and 38 make technical corrections;
- 26 Section 39 preserves the Maine Job Credit Program;
- 27 Section 40 implements the intent of Public Law

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1 1987, chapter 343, section 10;

2 Sections 41 and 42 clarify the process used to
3 file amended state tax returns following a federal
4 audit; and

5 Section 43 makes a technical correction.

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5552041388

Reported by the Committee on Taxation
Reproduced and distributed under the direction of the Clerk of the
House
4/14/88 (Filing No. H-712)