

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1692

S.P. 647

In Senate, April 25, 1991

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

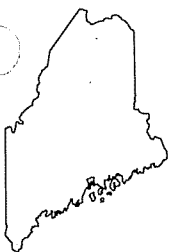
JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator CONLEY of Cumberland
Cosponsored by Representative CASHMAN of Old Town.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

An Act to Set Priorities in the Tax Setoff Program.



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

2
36 MRSA §5276-A, sub-§§2, 3 and 7, as enacted by PL 1981, c.
4 504, §4, are amended to read:

6 2. **Notice and hearing.** Before a setoff is made, the State
7 Tax Assessor shall provide notice to the individual or corporate
8 taxpayer of the intended setoff or setoffs and of the taxpayer's
9 right to request, within 15 days of the taxpayer's receipt of
10 that notice, a hearing before the creditor agency or agencies.
11 The hearing ~~shall be~~ or hearings are held pursuant to the Maine
12 Administrative Procedure Act, Title 5, chapter 375, but ~~shall be~~
13 are limited to the issues of whether the debt or debts became
14 liquidated and whether any postliquidation events have affected
15 the liability.

16 3. **Finalization of setoff.** If, within 90 days of the notice
17 to the taxpayer of the intended setoff or setoffs, the agency or
18 agencies requesting setoff ~~certifies~~ certify to the State Tax
19 Assessor either that the taxpayer did not make a timely request
20 for hearing or that a hearing was held and a liquidated debt was
21 determined after hearing to be due to that agency, the State Tax
22 Assessor shall set off the liquidated debt against the refund due
23 to the taxpayer. Otherwise, the State Tax Assessor shall release
24 the entire refund to the taxpayer.

26 7. **Priority.** In the event that claims from more than one
27 agency are received by the State Tax Assessor with respect to one
28 taxpayer, the ~~claims shall be set off in the order of their~~
29 ~~receipt by the State Tax Assessor~~ shall set off against the
30 refund due the taxpayer as many claims of the agencies as is
31 possible in the following order of priority:

34 A. Liquidated child support debts owed to the Department of
35 Human Services; and

36 B. Fines owed to any of the courts.

38
40 **STATEMENT OF FACT**

42 This bill clarifies that a setoff may be made for more than
43 one agency's claim. The bill also establishes an order of
44 priority for setoffs.