

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)



115th MAINE LEGISLATURE

SECOND REGULAR SESSION-1992

Legislative Document

No. 2231

H.P. 1581

House of Representatives, January 28, 1992

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 27.
Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Speaker MARTIN of Eagle Lake.
Cosponsored by Senator COLLINS of Aroostook.

STATE OF MAINE

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

An Act to Exempt Certain Municipalities from Interest Imposed by the
State.

(AFTER DEADLINE)



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

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32
34
36
38
40
42
44
46

Sec. 1. 36 MRSA §186, first ¶, as amended by PL 1989, c. 502, Pt. A, §§164 and 165, is further amended to read:

Any person who fails to pay any tax imposed under this Title, except taxes imposed pursuant to chapter 105, on or before the last date prescribed for payment shall ~~be~~ is liable for interest on the tax, calculated from that date. The State Tax Assessor shall establish annually, by rule, the rate of interest ~~which shall~~ that may not exceed the highest conventional rate of interest charged for commercial unsecured loans by Maine banking institutions on the first business day of October preceding the calendar year. For purposes of this section, the last date prescribed for payment of tax shall ~~must~~ must be determined without regard to any extension of time permitted for filing a return. A tax ~~which that~~ that is upheld on administrative or judicial review shall ~~bear~~ bears interest from the date on which payment would have been due in the absence of review. Any tax, interest or penalty imposed by this Title ~~which that~~ that has been erroneously refunded and ~~which that~~ that is recoverable by the State Tax Assessor shall ~~bear~~ bears interest at the above rate from the date of payment of the refund. Interest shall ~~accrue~~ accrues automatically, without being assessed by the State Tax Assessor, and shall ~~be~~ is recoverable by the State Tax Assessor in the same manner as if it were a tax assessed under this Title. If the failure to pay a tax when required is explained to the satisfaction of the State Tax Assessor, the State Tax Assessor may abate or waive the payment of all or any part of that interest. A municipality authorized to collect taxes from an unorganized territory is exempt from any interest that accrues due to the late remittance of those taxes to the State.

Sec. 2. Interest reimbursement. The State Tax Assessor shall, by November 1, 1992, submit a report to the Joint Standing Committee on Taxation identifying any municipality that has paid interest for failure to remit collected taxes from an unorganized territory when required by the State.

The Joint Standing Committee on Taxation shall develop legislation to reimburse those municipalities identified by the State Tax Assessor that paid an interest payment because of its failure to remit collected taxes from an unorganized territory when required by the State.

STATEMENT OF FACT

2

4

This bill exempts municipalities authorized to collect taxes from an unorganized territory from interest imposed for the late remittance of those taxes to the State. The bill also requires the Joint Standing Committee on Taxation to develop legislation for reimbursement of any interest payment to those municipalities that have been subject to an interest charge.

6

8

10