



116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 99

H.P. 69

House of Representatives, January 21, 1993

Reference to the Committee on Taxation suggested and ordered printed.

JOSEPH W. MAYO, Clerk

Presented by Representative KETTERER of Madison.

Cosponsored by Representative TARDY of Palmyra, Representative VIGUE of Winslow and Representative QUINT of Paris.

STATE OF MAINE

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

An Act to Amend the Laws Governing Real Estate Transactions.

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

Sec. 1. 36 MRSA §4641-D, first \P , as amended by PL 1991, c. 591, Pt. Y, §1 and affected by §3, is further amended to read:

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Any deed, except as provided in this section, must, when offered for recording, be accompanied by a statement or declaration prepared in duplicate and signed, subject to the penalties of perjury, by the parties to the transaction or their authorized representatives, declaring the consideration for the property transferred and indicating the taxpayer identification numbers of the grantor and grantee. The statement or declaration must include evidence-of-compliance-with-section-5250-A-and reference to the appropriate tax map and parcel number unless no tax map exists that includes that property, in which event the declaration must indicate that no appropriate tax map exists. The exceptions to the foregoing are the following:

Sec. 2. 36 MRSA §5250-A, as amended by PL 1991, c. 621, §§1 to 4, is repealed.

STATEMENT OF FACT

The law currently requires that buyers of Maine real estate, in certain circumstances, must withhold 2 1/2% of the price paid for the real estate to be held in escrow for purposes of covering income taxes on any gain from the sale of the property. The amount withheld is applied to the seller's income tax liability from the sale of the property. No tax is withheld if the seller is a Maine resident.

This bill repeals the withholding requirement and a cross-reference to the requirement.