

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 161

H.P. 120

House of Representatives, January 26, 1993

An Act Concerning the Overpayment of Taxes.

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative NICKERSON of Turner.

Cosponsored by Senator BERUBE of Androscoggin, Representatives AIKMAN of Poland, CLARK of Millinocket, LORD of Waterboro, STEVENS of Sabattus.

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

Sec. 1. 36 MRSA §506-A, as enacted by PL 1985, c. 333, §§2 and 3, is amended to read:

§506-A. Overpayment of taxes

Except as provided in section 506, a taxpayer who pays an amount in excess of that finally assessed shall must be repaid the amount of the overpayment plus interest from the date of overpayment ~~at a rate to be established by the municipality. The rate of interest may not exceed the interest rate established by the municipality for delinquent taxes reduced by 4% but may not be less than 8% nor greater than 12%. If a municipality fails to set a rate, it shall pay interest at the rate of 12%. Unless the municipality sets the rate of interest at a higher rate, the rate of interest is the amount set by the Treasurer of State as the maximum amount of interest that may be charged for uncollected taxes during the calendar year, reduced by 4%.~~

STATEMENT OF FACT

Under current law, a municipality must annually vote to set the interest rate for overpayment of taxes at a level lower than 12%, the maximum rate allowed by current law. The existing law also sets forth a minimum interest rate of 8%.

This bill removes the maximum rate and establishes the interest rate at the maximum amount of interest that may be charged for uncollected taxes during the calendar year, reduced by 4%. The bill permits a municipality to set a higher interest rate.