

MAINE STATE LEGISLATURE

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117th MAINE LEGISLATURE

SECOND REGULAR SESSION-1996

Legislative Document

No. 1711

H.P. 1249

House of Representatives, January 16, 1996

An Act to Ensure Proper Withholding of State Income Tax.

(AFTER DEADLINE)

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 black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative DORE of Auburn.
Cosponsored by Representatives: DESMOND of Mapleton, GWADOSKY of Fairfield,
THOMPSON of Naples, TUTTLE of Sanford, WATSON of Farmingdale, Senator: CAREY
of Kennebec.

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

2
4 **Sec. 1. 36 MRSA §5250, sub-§2**, as amended by PL 1989, c. 495,
§4 and affected by c. 596, Pt. J, §7, is further amended to read:

6 **2. Withholding exemptions.** For purposes of this section:

8 A. An employee ~~shall be~~ is entitled to the same number of
10 withholding exemptions as the number of withholding
12 exemptions to which he ~~the employee~~ is entitled for federal
14 income tax withholding purposes. An employer ~~may~~ shall rely
upon the number of federal withholding exemptions claimed by
the employee, ~~except where the employee claims a different~~
~~number of withholding exemptions in this State~~ as specified
in paragraph C;

16 B. The amount of each exemption in this State ~~shall~~ must be
18 the same as that determined in section 5126 whether ~~the~~
individual is a resident or a nonresident; and

20 C. If the employee claims a number of withholding
22 exemptions in this State that is greater than the number of
24 exemptions claimed for federal income tax withholding
26 purposes, the employee shall provide the employer with a
28 withholding exemption variance certificate as specified in
30 subsection 4. If the employee fails to provide the variance
32 certificate, the employer shall deduct and withhold from the
34 employee's wages an amount equal to the number of claimed
36 federal withholding exemptions.

38 **Sec. 2. 36 MRSA §5250, sub-§4** is enacted to read:

40 **4. Withholding exemption variance certificate.** An employee
42 who claims a number of state withholding exemptions greater than
44 that claimed for federal income tax withholding purposes shall
46 obtain from the State Tax Assessor a withholding exemption
48 variance certificate. The employee must certify to the State Tax
Assessor, in a form prescribed by and containing information
required by the State Tax Assessor, including, but not limited
to, the following:

50 A. That the employee has not incurred any liability for
52 income tax imposed under this Title; and

54 B. That the employee does not anticipate incurring any
56 liability for income tax imposed under this Title for the
58 current tax year.

2 The State Tax Assessor shall issue a withholding exemption
3 variance certificate to an employee who meets the requirements of
4 this subsection.

6

STATEMENT OF FACT

8 This bill amends current law to require an employee who
9 claims a greater number of Maine withholding exemptions than
10 federal withholding exemptions to apply for and obtain from the
11 State Tax Assessor a withholding exemption variance certificate
12 by certifying that the employee is not liable for any current or
13 future Maine income tax. Unless the employee provides the
14 variance certificate to the employer, the employer is required to
withhold at the claimed federal withholding exemption rate.