

MAINE STATE LEGISLATURE

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M
R.S.

L.D. 1803

DATE: *March 13, 1998*

(Filing No. S- 513)

TAXATION

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**STATE OF MAINE
SENATE
118TH LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 606, L.D. 1803, Bill, "An Act to Encourage the Payment of Delinquent Taxes"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

'Sec. 1. 36 MRSA §187-B, sub-§1, ¶B, as enacted by PL 1991, c. 873, §5 and affected by §§8 and 9, is amended to read:

B. If the return is filed later than 30 days after the taxpayer receives from the State Tax Assessor a formal demand that the return be filed, the penalty is 100% of the tax due for liabilities incurred before January 1, 1999 and 50% of the tax due for liabilities incurred on or after January 1, 1999.'

Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

The reduction in the penalties for failure to file a tax return will reduce future General Fund, Highway Fund and Local Government Fund revenue beginning in fiscal year 1999-2000. The reduction to General Fund revenue is estimated to be \$139,849 in fiscal year 1999-2000 and \$225,625 in fiscal year 2000-01. The corresponding decreases in dedicated revenue to the Local Government Fund for state-municipal revenue sharing will be \$7,386 and \$11,926 respectively. Highway Fund revenues are expected to decrease by \$2,684 in fiscal year 1999-2000 and \$3,116 in fiscal year 2000-01.

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2 The Bureau of Revenue Services will incur some minor
4 additional costs to modify forms and instruction booklets and for
6 some additional computer programming. These costs can be
absorbed within the bureau's existing budgeted resources.'

8 **SUMMARY**

10 This amendment replaces the original bill. The amendment
12 reduces from 100% to 50% of the tax due the penalty for failure
14 to file a tax return following a formal demand from the State Tax
Assessor. The reduction in penalty applies to formal demands
that are made on or after January 1, 1999.