

# MAINE STATE LEGISLATURE

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# 120th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2002

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Legislative Document

No. 1873

S.P. 669

In Senate, December 14, 2001

**An Act to Amend the Tax Laws.**

(EMERGENCY)

---

Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 204.

Received by the Secretary of the Senate on December 14, 2001. Referred to the Committee on Taxation and ordered printed pursuant to Joint Rule 308.2

A handwritten signature in cursive script that reads "Pamela L. Cahill".

PAMELA L. CAHILL  
Secretary of the Senate

Presented by Senator GAGNON of Kennebec.  
Cosponsored by Representative: GREEN of Monmouth.

2           **Emergency preamble.** Whereas, Acts of the Legislature do not  
become effective until 90 days after adjournment unless enacted  
as emergencies; and

4           Whereas, a delay in making changes to the tax laws would  
6 interfere with administration of those laws; and

8           Whereas, legislative action is immediately necessary in  
order to ensure continued and efficient administration of the tax  
10 laws; and

12           Whereas, in the judgment of the Legislature, these facts  
create an emergency within the meaning of the Constitution of  
14 Maine and require the following legislation as immediately  
necessary for the preservation of the public peace, health and  
16 safety; now, therefore,

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

20           **Sec. 1. 36 MRSA §151**, as amended by PL 1999, c. 414, §7, is  
further amended to read:

22           **§151. Review of decisions of State Tax Assessor**

24           Any person who is subject to an assessment by the State Tax  
26 Assessor or entitled by law to receive notice of a determination  
of the ~~State--Tax--Assessor~~ assessor and who is aggrieved as a  
28 result of that action may request in writing, within 30 days  
after receipt of notice of the assessment or the determination,  
30 reconsideration by the ~~State--Tax--Assessor~~ assessor of the  
assessment or the determination. If a person receives notice of  
32 an assessment and does not file a request for reconsideration  
within the specified time period, the assessor may not reconsider  
34 the assessment pursuant to this section and no review is  
available in Superior Court regardless of whether the taxpayer  
36 subsequently makes payment and requests a refund.

38           If a request for reconsideration is filed within the  
specified time period, the ~~State--Tax--Assessor~~ assessor shall  
40 reconsider the assessment or the determination. If the  
petitioner has so requested in the petition, the ~~State--Tax~~  
42 ~~Assessor~~ assessor shall hold an informal conference with the  
petitioner to receive additional information and to hear  
44 arguments regarding the protested assessment or determination.  
The ~~State--Tax--Assessor~~ assessor shall give the petitioner 10  
46 working days' notice of the time and place of the conference.  
The conference may be held with less than 10 working days' notice  
48 if a mutually convenient time and place can be arranged between  
~~the petitioner and the State Tax Assessor~~. The reconsideration,  
50 with or without an informal conference, is not an "adjudicatory

proceeding" within the meaning of that term in the Maine Administrative Procedure Act. If the requested reconsideration involves a denial or deemed denial of a refund claim, a refund claim with respect to which a conference has been requested under section 5280 or an assessment that is paid in full or part and the ~~State-Tax-Assessor~~ assessor fails to mail to the taxpayer a decision on the reconsideration within 9 months after the reconsideration request was filed, the taxpayer may elect but is not obligated to deem the request for reconsideration denied. The taxpayer elects to deem the reconsideration denied by filing in Superior Court a petition for review of the deemed denial. The deemed denial constitutes final agency action and is subject to court review as otherwise provided in this section. The taxpayer may not make the deemed denial election after either the ~~State-Tax-Assessor's~~ assessor's reconsideration decision has been received by the taxpayer or the expiration of 9 years following the filing of the reconsideration request, whichever occurs first. Notwithstanding any other provision of law, any claim for credit or refund of any tax imposed under this Title is deemed denied 10 years after it was filed if the claim has not previously been allowed or denied as final agency action. A deemed denial constitutes final agency action.

The ~~State---Tax---Assessor's~~ assessor's decision on reconsideration must be mailed to the taxpayer or the taxpayer's designated representative by certified or registered mail and the decision must set forth briefly the assessor's findings of fact and the basis of decision in each case decided in whole or in part adversely to the taxpayer. The assessor's decision on reconsideration constitutes final agency action that is subject to review by the Superior Court in accordance with the Maine Administrative Procedure Act, except that Title 5, sections 11006 and 11007 do not apply. The Superior Court shall conduct a de novo hearing and make a de novo determination of the merits of the case. It shall make its own determination as to all questions of fact or law. The Superior Court shall enter such orders and decrees as the case may require. The burden of proof is on the taxpayer.

**Sec. 2. 36 MRSA §153, sub-§1**, as amended by PL 1991, c. 846, §1, is further amended to read:

**§153. Time of filing or paying**

**1. Mail.** If any document or payment required or permitted by this Title to be filed or paid is transmitted by the United States Postal Service to the person with whom or to whom the filing or payment is to be made, the date of the United States Postal Service postmark stamped on the envelope is deemed to be the date of filing or payment if that document or payment was

2 deposited in the mail, postage prepaid and properly addressed to  
the person with whom or to whom the filing or payment is to be  
4 made. If the document or payment is not received by that person  
or if the postmark date is illegible, omitted or claimed to be  
6 erroneous, the document or payment is deemed to have been filed  
or paid on the mailing date if the sender establishes by  
8 competent evidence that the document or payment was deposited  
with the United States Postal Service, postage prepaid and  
properly addressed, and, in the case of nonreceipt, files a  
10 duplicate document or makes payment, as the case may be, within  
15 days after receipt of written notification by the addressee of  
12 the addressee's nonreceipt of the document or payment. A record  
authenticated by the United States Postal Service of mailing by  
14 registered mail, certified mail or certificate of mailing  
constitutes competent evidence of ~~deposit with the United States~~  
16 ~~Postal--Service~~ such mailing. The--State--Tax--Assessor--may--by  
~~rule--extend--the--application--of--this--subsection--to--the--postmarks~~  
18 ~~of--agencies--other--than--the--United--States--Postal--Service.~~ Any  
reference in this section to the United States Postal Service is  
20 deemed to include a reference to any delivery service designated  
by the United States Secretary of the Treasury pursuant to  
22 section 7502(f)(2) of the Code, and any reference in this section  
to a postmark of the United States Postal Service is deemed to  
24 include a reference to any date recorded or marked as described  
in section 7502(f)(2)(C) of the Code by any such designated  
26 delivery service.

28 **Sec. 3. 36 MRSA §171**, as amended by PL 1997, c. 668, §12, is  
further amended to read:

30 **§171. Demand letter**

32 **1. Taxes imposed by this Title.** If any tax imposed by this  
34 Title is not paid on or before its due date and no further  
administrative or judicial review of the assessment is available  
36 under section 151, the assessor, within 3 years after  
administrative and judicial review have been exhausted, may give  
38 the taxpayer notice of the amount to be paid, specifically  
designating the tax, interest and penalty due, and demand payment  
40 of that amount within 10 days of that taxpayer's receipt of  
notice. The notice must include a warning that, upon failure of  
42 that taxpayer to pay as demanded, the assessor may proceed to  
collect the amount due by any collection method authorized by  
44 this Title. The notice must describe the procedures applicable  
to the levy and sale of property under section 176-A, the  
46 alternatives available to the taxpayer that could forestall levy  
on property, including installment agreements, and the provisions  
48 of this Title relating to redemption of property and the release  
of the lien on property created by virtue of the levy. If the  
50 taxpayer has filed a petition for relief under the United States

2 Bankruptcy Code, the running of the 3-year period of limitation  
imposed by this section is stayed until the bankruptcy case is  
4 closed or a discharge is granted, whichever occurs first.

6 **2. Other debts owed to State.** In the case of a fee, fine,  
penalty or other obligation first owed to the State on or after  
8 January 1, 1988 and authorized to be collected by the bureau, the  
assessor, within 3 years after the obligation is first placed  
10 with the bureau for collection, may give the taxpayer notice of  
the amount to be paid, including any interest and penalties  
12 provided by law, and demand payment of that amount within 10 days  
of that taxpayer's receipt of notice. The notice must include a  
14 warning that, upon failure of that taxpayer to pay as demanded,  
the assessor may proceed to collect the amount due by any  
16 collection method authorized by section 175-A or 176-A. The  
notice must describe the procedures applicable to the levy and  
18 sale of property under section 176-A, the alternatives available  
to the taxpayer that could forestall levy on property, including  
installment agreements, and the provisions of this Title relating  
20 to redemption of property and the release of the lien on property  
created by virtue of the levy.

22 **Sec. 4. 36 MRSA §174, sub-§1,** as amended by PL 1995, c. 639,  
24 §2, is further amended to read:

26 **1. Generally.** If a taxpayer fails to pay a tax imposed by  
this Title on or before the due date of that tax, the State Tax  
28 Assessor, through the Attorney General, may commence a civil  
action within 6 years ~~of the issuance~~ after receipt by the  
30 taxpayer of the demand notice required by section 171 in a court  
of competent jurisdiction in this State in the name of the State  
32 for the recovery of that tax. In this action, the certificate of  
the assessor showing the amount of the delinquency is prima facie  
34 evidence of the levy of the tax, of the delinquency and of the  
compliance by the assessor with this Title in relation to the  
36 assessment of the tax.

38 **Sec. 5. 36 MRSA §176-A, sub-§2,** as amended by PL 2001, c. 396,  
40 §6, is further amended to read:

42 **2. Levy upon property for payment of delinquent tax.** The  
procedure for the levy upon property for payment of delinquent  
44 tax is as follows.

46 ~~A. Upon determining that any taxpayer is delinquent, the  
assessor may cause notice and a demand letter, complying in  
all respects with section 171, to be served on the  
48 taxpayer. The demand letter must expressly warn the  
taxpayer that no further administrative or judicial review  
50 of the tax delinquency is available pursuant to section 151~~

2 or any other provision of law and that the assessor may levy  
upon the taxpayer's property in accordance with the  
4 provisions of this section unless full payment of the  
delinquent amount is received within 10 days after the  
taxpayer receives the demand letter.

6  
8 The notice must set forth the procedures applicable to the  
levy and sale of property under this section, the  
10 administrative appeals available to the taxpayer with  
respect to the levy and sale and the procedures relating to  
12 appeals, the alternatives available to taxpayers that could  
prevent levy on the property under this Title, including  
14 installment agreements, the provisions of this Title  
relating to redemption of property and release of liens on  
16 property and the procedures applicable to the redemption of  
the property and the release of the lien on property under  
this Title.

18  
20 B. If any person liable to pay any delinquent tax neglects  
or refuses to pay that tax within 10 days after demand  
22 receipt of the notice described in section 171, it is lawful  
for the assessor to the State Tax Assessor may collect the  
24 tax and such further sum as is sufficient to cover the  
expenses of the levy, by levy upon all property belonging to  
26 that person liable to levy. If the assessor makes a finding  
that the collection of the tax is in jeopardy, notice and  
28 demand for immediate payment of the tax may be made by the  
assessor and, upon failure or refusal to pay that tax,  
30 collection of the assessor may collect the tax by levy is  
lawful without regard to the 10-day period provided in this  
section.

32  
34 C. If any property upon which levy has been made is not  
sufficient to satisfy the claim of the State, the assessor  
36 may, thereafter and as often as necessary, proceed to levy  
upon any other property of the person against whom the claim  
38 exists liable to levy until the amount due together with all  
expenses are is fully paid.

40 D. ~~With respect to a levy described in this subsection, the~~  
42 The assessor shall promptly release the a levy made pursuant  
to this section when the liability ~~from which giving rise to~~  
44 the levy ~~arise~~ is satisfied or becomes unenforceable due to  
lapse of time and shall then promptly notify the person upon  
whom the levy is made that the levy has been released.

46  
48 E. The effect of a levy on salary or wages payable to or  
received by a taxpayer is continuous from the date the levy  
is first made until the liability ~~out of which giving rise~~  
50 to the levy ~~arise~~ is satisfied. Except as otherwise

2 provided by this paragraph, a levy on any other intangible  
3 personal property or rights to intangible personal property  
4 remains in effect until one year after the date that notice  
5 of levy and demand under subsection 3, paragraph A, is  
6 served on the person in possession of or liable to the  
7 taxpayer with respect to intangible personal property,  
8 including property that is first possessed or liabilities  
9 that arise after the date of service of the notice of levy  
10 and demand; ~~except that.~~ In the case of a levy upon  
11 property held by a financial institution described in  
12 subsection 3, paragraph A, the levy only extends to accounts  
13 in existence on the date the notice of levy and demand is  
14 served on the financial institution, but includes deposits  
15 made or collected in those accounts after the notice is  
16 served. A levy on intangible personal property or rights to  
17 intangible personal property, ownership of which is disputed  
18 at the time the levy is issued served, remains in effect  
19 until one year after the dispute is resolved by competent  
20 authority.

21 **Sec. 6. 36 MRSA §176-A, sub-§3, ¶C**, as enacted by PL 1989, c.  
22 880, Pt. E, §3, is amended to read:

23 C. Any person who fails or refuses to surrender any  
24 property or rights to property, subject to levy, upon demand  
25 by the assessor:

26  
27 (1) Is liable in person and estate to the State in a  
28 sum equal to the value of the property not so  
29 surrendered, but not exceeding the amount of taxes for  
30 the collection of which the levy has been made,  
31 together with costs and interests on the sum from the  
32 date of the levy. Any amount, other than costs,  
33 recovered under this paragraph must be credited against  
34 the tax liability for the collection of which the levy  
35 was made; and

36  
37 (2) Without reasonable cause, is liable for a penalty  
38 equal to 50% of the amount recoverable under  
39 subparagraph (1). A part of the penalty may not be  
40 credited against the tax liability for the collection  
41 of which the levy was made. ~~It is lawful for the~~  
42 ~~assessor to collect the liability as determined by this~~  
43 ~~paragraph by levy upon the person's property in~~  
44 ~~accordance with the provisions of this section.~~

45 It is lawful for the assessor to collect the liability as  
46 determined by this paragraph by levy upon the person's  
47 property in accordance with the provisions of this section.



2           **Sec. 7. 36 MRSA §177, sub-§6**, as amended by PL 1999, c. 414,  
3 §8, is further amended to read:

4  
5           **6. Sale or cessation of business; purchaser liable for**  
6 **tax.** If a person liable for any trust fund taxes incurred in the  
7 course of operating a business sells the business or stock of  
8 goods or quits the business, the person shall make a final return  
9 and payment within 15 days after the date of selling or quitting  
10 the business. The successor, successors or assignees, if any,  
11 shall withhold a sufficient amount of the purchase money to cover  
12 the amount of those taxes, along with applicable interest and  
13 penalties, until such time as the former owner produces a receipt  
14 from the State Tax Assessor showing that the taxes have been  
15 paid, or a certificate from the assessor stating that no trust  
16 fund taxes, interest or penalties are due. The liability of a  
17 purchaser is limited to the amount of the purchase price. A  
18 purchaser who fails to withhold a sufficient amount of the  
19 purchase money price is personally jointly and severally liable  
20 for the payment of the taxes, penalties and interest accrued and  
21 unpaid on account of the operation of the business by the former  
22 owner, owners or assignors and the assessor may make an  
23 assessment against the purchaser at any time within 6 years from  
24 the date of the sale, transfer or assignment.

25           **Sec. 8. 36 MRSA §182** is enacted to read:

26  
27           **§182. Injunctions**

28  
29           **1. Generally.** The State Tax Assessor may, through the  
30 Attorney General, file an action in Superior Court applying for  
31 an order to enjoin from doing business any person who has:

32  
33           A. Failed to register with the bureau when the person is  
34 required to register by any provision of Part 3 or Part 5 or  
35 by any rule adopted pursuant to this Title, provided that  
36 the assessor has provided written notice and the person  
37 continues to fail to register 15 days after receiving notice  
38 from the assessor of such failure;

39  
40           B. Failed to file with the assessor any overdue return  
41 required by Part 3 or Part 5 within 15 days after receiving  
42 notice from the assessor of such failure;

43  
44           C. Failed to pay any tax required by Part 3 or Part 5 when  
45 the tax is shown to be due on a return filed by that person,  
46 or that is otherwise conceded by that person to be due, or  
47 has been determined by the assessor to be due and that  
48 determination has become final;

49  
50

2           D. Knowingly filed a false return required by Part 3 or  
3           Part 5; or

4           E. Failed to deduct and withhold, or truthfully account for  
5           or pay over or make returns of, income taxes in violation of  
6           the provisions of chapter 827.

8           2. Payroll processors. The assessor may, through the  
9           Attorney General, file an action in Superior Court applying for  
10           an order to enjoin from doing business any payroll processor, as  
11           defined in Title 10, section 1495, that is responsible for  
12           truthfully accounting for, or paying over or making returns of,  
13           the tax imposed by Part 8 and fails to do so.

14           3. Venue; form and content of complaint. The complaint may  
15           be filed in the Superior Court in any county where the defendant  
16           has a regular place of business or in Kennebec County if the  
17           defendant has no regular place of business. The complaint must  
18           set forth the name and the address of the defendant as stated in  
19           the defendant's last return filed with the assessor or, if no  
20           such return was filed, the defendant's last known address; the  
21           breach of the law or rule committed by the defendant; and the  
22           assessor's prayer for relief. The complaint need not be verified.  
23

24           4. Procedure. The Superior Court shall fix a time and  
25           place for hearing and cause notice of the time and place of the  
26           hearing to be given to the defendant. The defendant shall serve  
27           upon the assessor a copy of any answer to the complaint at least  
28           3 days before the day of the hearing. The Superior Court may  
29           enter and change such orders and decrees from time to time as the  
30           nature of the case may require and, if necessary, may appoint a  
31           receiver.

32           5. Other remedies no defense. The existence of other civil  
33           or criminal remedies is not a defense to a proceeding brought  
34           pursuant to this section.

35           Sec. 9. 36 MRSA §186, as amended by PL 1999, c. 414, §9, is  
36           further amended to read:

37           **§186. Interest**

38           Any person who fails to pay any tax, other than a tax  
39           imposed pursuant to chapter 105, on or before the last date  
40           prescribed for payment is liable for interest on the tax,  
41           calculated from that date and compounded monthly. ~~The State Tax~~  
42           ~~Assessor shall establish annually, by rule, the rate of interest,~~  
43           ~~which may not exceed the highest conventional rate of interest~~  
44           ~~charged for commercial unsecured loans by Maine banking~~  
45           ~~institutions on the first business day of September preceding the~~  
46           ~~taxable year.~~  
47           ~~The rate of interest shall be the rate in effect on the first~~  
48           ~~business day of September preceding the taxable year.~~  
49           ~~The rate of interest shall be the rate in effect on the first~~  
50           ~~business day of September preceding the taxable year.~~

2 calendar-year. The rate of interest for any calendar year equals  
3 the highest prime rate as published in the Wall Street Journal on  
4 the first day of September of the preceding calendar year or, if  
5 the first day of September falls on a weekend or holiday, on the  
6 next succeeding business day, rounded up to the next whole  
7 percent plus 2 percentage points. For purposes of this section,  
8 the last date prescribed for payment of tax must be determined  
9 without regard to any extension of time permitted for filing a  
10 return. A tax that is upheld on administrative or judicial  
11 review bears interest from the date on which payment would have  
12 been due in the absence of review. Any tax, interest or penalty  
13 imposed by this Title that has been erroneously refunded and is  
14 recoverable by the assessor bears interest at the above rate from  
15 the date of payment of the refund. Interest accrues  
16 automatically, without being assessed by the assessor, and is  
17 recoverable by the assessor in the same manner as if it were a  
18 tax assessed under this Title. If the failure to pay a tax when  
19 required is explained to the satisfaction of the assessor, the  
20 assessor may abate or waive the payment of all or any part of  
21 that interest.

22 Except as otherwise provided in this Title, and except for  
23 taxes imposed pursuant to chapter 105, interest, at the rate  
24 determined by the ~~State-Tax-Assessor~~ assessor for underpayments  
25 pursuant to this section, must be paid on overpayments of tax  
26 from the date the return listing the overpayment was filed, or  
27 the payment was made, whichever is later.

28 **Sec. 10. 36 MRSA §327, sub-§3**, as enacted by PL 1975, c. 545,  
29 §13 and amended by PL 1997, c. 526, §14, is further amended to  
30 read:

31 **3. Employment of assessor.** Any municipal assessing unit may  
32 employ a part-time, non-certified assessor or contract with a  
33 firm or organization that provides assessing services; when any  
34 municipal assessing unit or primary assessing area employs a  
35 full-time, professional assessor, this assessor must be certified  
36 ~~by--July--1,--1980~~ by the Bureau of Revenue Services as a  
37 professionally trained assessor. The bureau shall publish, for  
38 the information of the municipalities, a listing of certified  
39 assessors and assessing firms or organizations ~~recognized-by-it~~  
40 ~~as-professionally-qualified.~~

41 **Sec. 11. 36 MRSA §1752, sub-§9-A**, as repealed and replaced by  
42 PL 1987, c. 497, §18, is amended to read:

43 **9-A. Primarily.** "Primarily," when used in relation to  
44 machinery or equipment used in production, means more than 50% of  
45 the time during the period that begins on the date on which the  
46 machinery or equipment is first used by the purchaser and ends 2

2 years from that date or at the time that the machinery or  
3 equipment is sold or retired from service, whichever occurs first.

4 **Sec. 12. 36 MRSA §1861-A**, as amended by PL 1999, c. 521, Pt.  
5 A, §9 and affected by §11, is further amended to read:

6 **§1861-A. Reporting use tax on individual income tax returns**  
7

8  
9 The assessor shall provide that individuals report use tax  
10 on their Maine individual income tax returns. Taxpayers are  
11 required to attest to the amount of their use tax liability for  
12 the period of the tax return. Alternatively, they may elect to  
13 report an amount that is .04% of their Maine adjusted gross  
14 income. The table amount does not relate to items with a  
15 purchase price in excess of \$1,000. Liability arising from such  
16 items must be added to the table amount. Upon subsequent  
17 review, if use tax liability for the period of the return exceeds  
18 the amount of liability arising from the return, a credit of the  
19 amount of liability arising from the return is allowed subject to  
20 the limitation set out in this section. The credit is limited to  
21 the amount of liability arising from the return for items with a  
22 sales sale price of \$1,000 or less and may be applied only  
23 against a liability determined on review with regard to items  
24 with a sales sale price of \$1,000 or less.

25 **Sec. 13. 36 MRSA §2111**, as amended by PL 1981, c. 470, Pt. A,  
26 §158, is repealed.

27 **Sec. 14. 36 MRSA §3242**, as amended by PL 1985, c. 127, §1, is  
28 repealed.

29 **Sec. 15. 36 MRSA §5122, sub-§1, ¶F**, as corrected by RR 1991, c.  
30 2, §137, is repealed.

31 **Sec. 16. 36 MRSA §5126**, as amended by PL 1999, c. 401, Pt.  
32 QQQ, §1, is further amended to read:

33 **§5126. Personal exemptions**  
34

35 For income tax years beginning on or after January 1, 1998  
36 but before January 1, 1999, a resident individual is allowed  
37 \$2,400 for each exemption ~~to~~ which that the individual is  
38 entitled properly claims for the taxable year for federal income  
39 tax purposes, unless the taxpayer is claimed as a dependent on  
40 another return. For income tax years beginning on or after  
41 January 1, 1999 but before January 1, 2000, a resident individual  
42 is allowed \$2,750 for each exemption ~~to~~ which that the individual  
43 is ~~entitled~~ properly claims for the taxable year for federal  
44 income tax purposes, unless the taxpayer is claimed as a  
45 dependent on another return. For income tax years beginning on  
46  
47  
48  
49  
50

1 or after January 1, 2000, a resident individual is allowed \$2,850  
2 for each exemption ~~to which~~ that the individual ~~is entitled~~  
3 properly claims for the taxable year for federal income tax  
4 purposes, unless the taxpayer is claimed as a dependent on  
5 another return.

6  
7 **Sec. 17. 36 MRSA §5200-A, sub-§1, ¶G,** as amended by PL 1991,  
8 c. 548, Pt. A, §26, is repealed.

9  
10 **Sec. 18. 36 MRSA §5228, sub-§§4 and 7,** as repealed and replaced  
11 by PL 1985, c. 691, §§35 and 48, are amended to read:

12  
13 **4. Due dates for estimated tax installments.** For  
14 individuals, trusts and estates, an installment payment is due  
15 the 15th day of the 4th, 6th, 9th and 13th month following the  
16 beginning of their fiscal year, except that in the case of  
17 farmers and fishermen have, a single installment payment is due  
18 ~~date--of~~ on January 15th of the following taxable year. For  
19 corporations and financial institutions, an installment payment  
20 is due on the 15th day of the 4th, 6th, 9th and 12th month  
21 following the beginning of their fiscal year.

22  
23 **7. Short taxable year.** Payment of taxes for a short taxable  
24 year ~~shall~~ must be made as provided in this subsection.

25  
26 A. For an individual having, a trust or an estate with a  
27 taxable year of less than 12 months, the estimated tax ~~is to~~  
28 must be paid in full by the 15th day of the month following  
29 the end of the taxable year.

30  
31 B. For a corporation having or financial institution with a  
32 taxable year of less than 12 months, the estimated tax ~~is to~~  
33 must be paid in full by the 15th day of the last month of  
34 the taxable year.

35  
36 **Sec. 19. 36 MRSA §5228, sub-§9,** as amended by PL 1999, c. 414,  
37 §52, is further amended to read:

38  
39 **9. Individual underpayment of 4th installment.** If, on or  
40 before January 31st of the following taxable year, an individual,  
41 ~~not including a corporation,~~ files a return and pays in full the  
42 individual's tax liability for the taxable year of the return,  
43 then no penalty may be imposed with respect to any underpayment  
44 of the 4th required installment for the year.

45  
46 **Sec. 20. 36 MRSA §5255-A,** as amended by PL 1997, c. 495, §5,  
47 is repealed.

48  
49 **Sec. 21. 36 MRSA §5265, sub-§3,** as amended by PL 1977, c. 694,  
50 §723, is repealed.

