

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## SECOND REGULAR SESSION-2004

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Legislative Document

No. 1769

H.P. 1291

House of Representatives, December 22, 2003

### An Act To Provide for Fair Treatment of Taxpayers

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Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 17, 2003. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

*Millicent M. MacFarland*

MILLICENT M. MacFARLAND

Clerk

Presented by Representative CLOUGH of Scarborough.

Cosponsored by Senator NASS of York and

Representatives: CARR of Lincoln, CURLEY of Scarborough, DAVIS of Falmouth,

MILLETT of Waterford, SIMPSON of Auburn, TARDY of Newport, Senator: STANLEY of Penobscot.

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

4 **Sec. 1. 36 MRSA §141, sub-§2, ¶A**, as amended by PL 2003, c.  
451, Pt. HH, §1 and affected by §2, is further amended to read:

6 A. An assessment may be made within 6 years from the date  
the return was filed if the tax liability shown on the  
8 return, ~~---after---adjustments---necessary---to---correct---any~~  
~~mathematical-errors-apparent-on-the-face-of-the-return~~, is  
10 less than 1/2 of the tax liability determined by the State  
Tax Assessor and the additional liability is attributable to  
12 information that was required to be reported but was not  
reported in the return. ~~In-determining-whether-the-50%~~  
14 ~~threshold-provided-by-this-paragraph-is-satisfied,~~ ~~the~~  
16 ~~assessor-may-not-consider-any-portion-of-the-understated-tax~~  
~~liability-for-which-the-taxpayer-has-substantial-authority~~  
18 ~~supporting-its-position.~~

20 **Sec. 2. Retroactivity.** That section of this Act that amends  
the Maine Revised Statutes, Title 36, section 141, subsection 2,  
22 paragraph A applies retroactively to January 1, 2003.

24 **SUMMARY**

26 Public Law 2003, chapter 451 expanded the 6-year statute of  
limitations on assessments under the tax laws to remove the  
28 requirement that the liability be attributable to information not  
reported by the taxpayer and changed the standard for determining  
30 the 50% threshold.

32 This bill eliminates those changes and restores the language  
of the provision governing assessments under the tax laws that  
34 existed prior to enactment of Public Law 2003, chapter 451.