

MAINE STATE LEGISLATURE

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No. 1556

H.P. 1081

House of Representatives, March 20, 2007

An Act To Recouple Maine Estate Tax with Federal Estate Tax

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative KNIGHT of Livermore Falls.
Cosponsored by Senators: HASTINGS of Oxford, TURNER of Cumberland, Senator PERRY of Penobscot and Representatives: CHASE of Wells, CLARK of Millinocket, HOTHAM of Dixfield, PIOTTI of Unity, SILSBY of Augusta, SIROIS of Turner, WOODBURY of Yarmouth, Senator: NASS of York.

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

2 **Sec. 1. 36 MRSA §4062, sub-§1-A, ¶A**, as repealed and replaced by PL 2005, c.
3 12, Pt. N, §1 and as affected by §4, is amended to read:

4 A. For the estates of decedents dying after December 31, ~~2002~~ 2006, "federal credit"
5 means the maximum credit for state death taxes determined under the Code, Section
6 2011 as of December 31, ~~2002~~ 2006 exclusive of the reduction of the maximum
7 credit contained in the Code, Section 2011(b)(2); the period of limitations under the
8 Code, Section 2011(c); and the termination provision contained in the Code, Section
9 2011(f). The federal taxable estate is to be determined using the applicable Code as of
10 the date of the decedent's death, except that:

11 (1) The state death tax deduction contained in the Code, Section 2058 is to be
12 disregarded; and

13 ~~(2) The unified credit is to be determined under the Code, Section 2010 as of~~
14 ~~December 31, 2000;~~

15 ~~(3) For the estates of decedents dying after December 31, 2004, the federal~~
16 ~~taxable estate must be decreased by an amount equal to the value of Maine~~
17 ~~qualified terminable interest property in the estate of the decedent; and~~

18 ~~(4) For the estates of decedents dying after December 31, 2004, the federal~~
19 ~~taxable estate must be increased by an amount equal to the value of Maine~~
20 ~~elective property in respect of the decedent; and~~

21 **Sec. 2. 36 MRSA §4062, sub-§2-A**, as amended by PL 2005, c. 622, §15, is
22 repealed.

23 **Sec. 3. 36 MRSA §4062, sub-§2-B**, as amended by PL 2005, c. 622, §16, is
24 repealed.

25 **Sec. 4. 36 MRSA §4068, sub-§3**, as amended by PL 2005, c. 218, §43, is further
26 amended to read:

27 **3. No tax liability.** In all cases where a Maine estate tax return is not required to be
28 filed, the personal representative, surviving joint tenant of real estate or any other person
29 whose real estate might be subject to a lien for taxes pursuant to this chapter may at any
30 time file with the assessor in the form prescribed by the assessor a statement of the value
31 of the federal gross estate.

32 ~~A. If the personal representative makes no election pursuant to section 4062,~~
33 ~~subsection 2-B, the personal representative, surviving joint tenant of real estate or any~~
34 ~~other person whose real estate might be subject to a lien for taxes pursuant to this~~
35 ~~chapter may at any time file with the assessor in the form prescribed by the assessor a~~
36 ~~statement of the value of the federal gross estate; and~~

37 ~~B. If the personal representative makes an election pursuant to section 4062,~~
38 ~~subsection 2-B, the personal representative shall make such election on a timely filed~~
39 ~~return. The return must be in the form prescribed by the assessor and it must be~~

1 ~~accompanied by a copy of the federal estate tax return, if any, and other supporting~~
2 ~~documentation that the assessor may require, including documentation related to an~~
3 ~~election made pursuant to section 4062, subsection 2-B.~~

4 **Sec. 5. Application.** This Act applies to the estates of decedents dying on or after
5 January 1, 2007:

6 **SUMMARY**

7 This bill amends the Maine estate tax to conform to the federal estate tax, beginning
8 January 1, 2007.