

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 1093

H.P. 755

House of Representatives, March 19, 2009

An Act Concerning Technical Changes to the Tax Laws

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

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative WATSON of Bath.
Cosponsored by Senator PERRY of Penobscot.

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

2 **Sec. 1. 10 MRSA §1020, sub-§2, ¶D**, as enacted by PL 2007, c. 464, §6, is
3 amended to read:

4 D. All revenue received from the State Tax Assessor pursuant to former subsection 6
5 and subsection 6-A.

6 **Sec. 2. 10 MRSA c. 110, sub-c. 11**, as amended, is repealed.

7 **Sec. 3. 10 MRSA §1655** is amended to read:

8 **§1655. Description of contents; identity of manufacturer or distributor**

9 It shall be is unlawful for ~~any~~ a person, firm or corporation to store, keep, expose for
10 sale, offer for sale or sell from any tank or container or from any pump or other
11 distributing device or equipment; any internal combustion engine fuels, lubricating oils or
12 other similar products than those indicated by the name, trade name, symbol, sign or
13 other distinguishing mark or device of the manufacturer or distributor appearing upon the
14 tank, container, pump or other distributing equipment from which the same are sold,
15 offered for sale or distributed, and all tanks, containers, pumps or other distributing
16 equipment containing internal combustion engine fuels, lubricating oils or other similar
17 products shall must be plainly designated by the name, trademark, symbol, sign or other
18 distinguishing mark or device of the manufacturer or distributor. ~~Any person, firm or~~
19 ~~corporation desiring to engage in the business of distribution of internal combustion~~
20 ~~engine fuels, lubricating oils or other similar products at wholesale shall apply to the~~
21 ~~State Tax Assessor for certificate allowing such distribution, and such applicant shall~~
22 ~~submit with such application to the State Tax Assessor samples or specifications of such~~
23 ~~fuels or oils as he desires to distribute. When such application, accompanied by such~~
24 ~~samples, has been received by the State Tax Assessor, he shall issue a certificate or~~
25 ~~permit to enable such person, firm or corporation to sell or distribute its products.~~

26 **Sec. 4. 36 MRSA §111, sub-§5**, as amended by PL 2007, c. 539, Pt. OO, §2, is
27 further amended to read:

28 **5. Tax.** "Tax" means the total amount required to be paid, withheld and paid over or
29 collected and paid over with respect to estimated or actual tax liability under this Title
30 and any amount assessed by the State Tax Assessor pursuant to this Title, including any
31 interest or penalties provided by law. For purposes of this chapter, "tax" also means any
32 fee, fine, penalty or other debt owed to the State provided for by law if this debt is subject
33 to collection by the assessor pursuant to statute or transferred to the bureau for collection
34 pursuant to section 112-A.

35 **Sec. 5. 36 MRSA §112, sub-§1**, as repealed and replaced by PL 1999, c. 127, Pt.
36 A, §47, is amended to read:

37 **1. General powers and duties.** The assessor shall administer and enforce the tax
38 laws enacted under this Title and under Title 29-A, and may adopt rules and require such
39 information to be reported as necessary. The assessor may investigate, enforce and

1 prosecute activities defined as crimes in this Title and in Title 17-A, sections 358, 751
2 and 903. A person having custody or control of books or records containing evidence or
3 statements relating to the subject of a criminal investigation under this subsection, upon
4 demand of the assessor, shall make those books and records available to the assessor.
5 The assessor shall provide, at the time of issuance, to one or more entities that publish a
6 monthly state tax service all rules, bulletins, taxpayer notices or alerts, notices of
7 rulemaking, any other taxpayer information issued by the assessor, and all substantive
8 amendments or modifications of the same, for publication by that entity or entities. When
9 a significant change has occurred in bureau policy or practice or in the interpretation by
10 the bureau of any law, rule or instruction bulletin, the assessor shall, within 60 days of the
11 change, provide to the same publishing entity or entities written notice, suitable for
12 publication, of the change.

13 **Sec. 6. 36 MRSA §112, sub-§8, ¶B**, as enacted by PL 1981, c. 364, §7, is
14 repealed.

15 **Sec. 7. 36 MRSA §112, sub-§8, ¶C**, as amended by PL 1983, c. 480, Pt. A, §39,
16 is further amended to read:

17 C. Administration of the spruce budworm excise tax in accordance with Title 12,
18 section 8427; and

19 **Sec. 8. 36 MRSA §112, sub-§8, ¶D** is enacted to read:

20 D. Administration of the premium imposed on bulk motor vehicle oil under Title 10,
21 section 1020.

22 **Sec. 9. 36 MRSA §176-A, sub-§2, ¶B**, as amended by PL 2001, c. 583, §5, is
23 further amended to read:

24 B. If ~~any a~~ person liable to pay any delinquent tax neglects or refuses to pay that tax
25 within 10 days after receipt of the notice described in pursuant to section 171, the
26 State Tax Assessor may collect the tax and ~~such further sum as is an additional~~
27 amount sufficient to cover the expenses of the levy, by levy upon all property
28 belonging to that person ~~liable to levy except as provided in subsection 5~~. If the
29 assessor makes a ~~finding that the collection of the tax is in~~ determination of jeopardy
30 pursuant to section 145, having given notice of that determination and made demand
31 for immediate payment of the tax may be made by the assessor and, upon failure or
32 refusal to pay that tax, the assessor may proceed immediately without regard to the
33 10-day period provided in section 171 to collect by levy the tax by levy without
34 regard to the 10 day period provided in this section and an additional amount
35 sufficient to cover the expenses of the levy.

36 **Sec. 10. 36 MRSA §176-A, sub-§5, ¶A**, as enacted by PL 1989, c. 880, Pt. E,
37 §3, is amended to read:

38 A. The following property is exempt from levy:

39 (1) Items of wearing apparel and school books necessary for the taxpayer or the
40 members of the taxpayer's family;

1 (2) If the taxpayer is the head of a family, the fuel, provisions, furniture and
2 personal effects in the taxpayer's household, arms for personal use, livestock and
3 poultry of the taxpayer, the total value of which does not exceed \$1,500;

4 (3) Books and tools necessary for the trade, business or profession of the
5 taxpayer, the value of which, in the aggregate, does not exceed \$1,000;

6 (4) Any amount payable to the taxpayer with respect to the taxpayer's
7 unemployment, including any portion payable with respect to dependents, under
8 an unemployment compensation law of the United States or any state;

9 (5) Mail, addressed to any person, that has not been delivered to the addressee;

10 (6) Annuity or pension payments under the federal Railroad Retirement Act of
11 1974, 45 United States Code, ~~Section 231, et seq.~~ Chapter 9, Subchapter IV,
12 benefits under the federal Railroad Unemployment Insurance Act, 45 United
13 States Code, ~~Section 351~~ Chapter 11, special pension payments received by a
14 person whose name has been entered on the Army, Navy, Air Force and Coast
15 Guard Medal of Honor Roll, 38 United States Code, ~~Section 562 (1982)~~, Chapter
16 15, Subchapter IV and annuities based on retired or retainer pay under 10 United
17 States Code, Chapter 73 (1982);

18 (7) If the taxpayer is required by judgment of a court of competent jurisdiction,
19 entered prior to the date of levy, to contribute to the support of minor children, as
20 much of the taxpayer's salary, wages or other income as is necessary to comply
21 with ~~such a~~ that judgment;

22 (8) Any amount payable to or received by a taxpayer as wages or salary for
23 personal services, during any period, to the extent that the total of the amounts
24 payable to or received by the taxpayer during that period does not exceed the
25 applicable exempt amount determined under paragraph D; and

26 (9) The principal residence of the taxpayer, unless the assessor has made a
27 finding determination of jeopardy pursuant to subsection 2, paragraph B, ~~that the~~
28 ~~tax is in jeopardy~~ section 145 or the assessor personally approves in writing the
29 levy of ~~such~~ that property.

30 **Sec. 11. 36 MRSA §176-A, sub-§6, ¶B**, as amended by PL 1999, c. 699, Pt. D,
31 §27 and affected by §30, is further amended to read:

32 B. The assessor, as soon as practicable after the seizure of ~~the~~ property, shall give
33 ~~notice to the owner or possessor in the manner prescribed in paragraph A~~ and cause a
34 ~~notification~~ notice to be published in a newspaper of general circulation within the
35 county where the seizure is made, or, if there is no such newspaper, post the notice at
36 the city or town hall nearest the place where the seizure is made and in ~~not less than~~
37 at least 2 other public places. In the case of real property, the notice must be served
38 on all persons holding an interest of record, including, without limitation, recorded
39 leases and security interest of all types, in the property as reflected at the time the
40 notice of levy is recorded by the indices of the registry of deeds in the county where
41 the property is located. In the case of personal property that is a motor vehicle
42 subject to a ~~Certificate~~ certificate of ~~Title~~ title issued by the Secretary of State, notice
43 must be served on all persons holding a security interest of record in the motor

1 vehicle as set forth in the records of the Secretary of State. In the case of the type of
2 personal property that may be the subject of a security interest perfected by filing in
3 the office of the Secretary of State, notice must be served upon all secured parties
4 claiming an interest in the property seized as reflected at the time the notice of levy is
5 recorded in the records maintained by the Secretary of State pursuant to Title 11. The
6 notice must specify the property to be sold, subject to the liabilities of prior
7 encumbrances, if any, and the time, place, manner and conditions of the sale. If levy
8 is made without regard to the 10-day period provided in ~~subsection 2~~ section 171,
9 public notice of sale of the property seized may not be made within the 10-day period
10 unless subsection 7 applies. It is a Class E crime to intentionally remove or deface
11 the posted notice of sale prior to the scheduled sale date, unless the property has been
12 redeemed or the sale is for some other reason canceled. The assessor or any law
13 enforcement officer may enter onto the land if necessary to carry out the purposes of
14 this section.

15 **Sec. 12. 36 MRSA §191, sub-§2, ¶O**, as amended by PL 1997, c. 537, §60 and
16 affected by §62 and amended by PL 2003, c. 689, Pt. B, §6, is further amended to read:

17 O. The disclosure to an authorized representative of the Department of Health and
18 Human Services of an individual's residence, employer, income and assets for child
19 support enforcement purposes as required by the Social Security Act, 47 42 United
20 States Code, Chapter 7, subchapter IV, Part D (1966), when a request containing the
21 payor's social security number is made by the department;

22 **Sec. 13. 36 MRSA §191, sub-§2, ¶Q**, as amended by PL 2001, c. 396, §11, is
23 further amended to read:

24 Q. The listing of ~~licensed special fuel suppliers~~ persons possessing certificates under
25 section 3204 and ~~registered suppliers possessing certificates under section 3205~~;

26 **Sec. 14. 36 MRSA §271, sub-§8**, as enacted by PL 1985, c. 764, §8, is repealed.

27 **Sec. 15. 36 MRSA §506-A**, as amended by PL 1995, c. 57, §5, is further amended
28 to read:

29 **§506-A. Overpayment of taxes**

30 Except as provided in section 506, a taxpayer who pays an amount in excess of that
31 finally assessed must be repaid the amount of the overpayment plus interest from the date
32 of overpayment at a rate to be established by the municipality. ~~With respect to~~
33 ~~overpayments of taxes relating to property tax years beginning prior to April 1, 1996, the~~
34 ~~rate of interest may not exceed the interest rate established by the municipality for~~
35 ~~delinquent taxes reduced by 4% but may not be less than 8% nor greater than 12%. With~~
36 ~~respect to overpayments of taxes relating to property tax years beginning on or after April~~
37 ~~1, 1996, the~~ The rate of interest may not exceed the interest rate established by the
38 municipality for delinquent taxes ~~or~~ nor may it be less than that rate reduced by 4%. If a
39 municipality fails to ~~set~~ establish a rate of interest for overpayments of taxes, it shall pay
40 interest at the rate it has established for delinquent taxes.

1 **Sec. 16. 36 MRSA §574-B, sub-§1**, as amended by PL 1999, c. 33, §1, is further
2 amended to read:

3 **1. Forest management and harvest plan.** A forest management and harvest plan
4 has been ~~must be~~ prepared for the each parcel and updated every 10 years. The
5 landowner shall file a sworn statement with the municipal assessor for a parcel in a
6 municipality or with the State Tax Assessor for ~~parcels~~ a parcel in the unorganized
7 territory that a forest management and harvest plan has been prepared for the parcel. ~~A~~
8 ~~landowner with a parcel taxed pursuant to this subchapter on September 30, 1989 has~~
9 ~~until December 31, 1999 to comply with this requirement or to provide evidence to the~~
10 ~~municipal assessor or the State Tax Assessor for parcels in the unorganized territory that~~
11 ~~the landowner intends to develop a forest management and harvest plan by December 31,~~
12 ~~2000 or has executed a contract with a licensed forester for the completion of a forest~~
13 ~~management and harvest plan by December 31, 2000. Until the plan is prepared or~~
14 ~~December 31, 2000, whichever is earlier, the land is subject to the applicability~~
15 ~~provisions under this section as it existed on April 1, 1982. A landowner who does not~~
16 ~~provide the municipal assessor or the State Tax Assessor for parcels in the unorganized~~
17 ~~territory by December 31, 1999 with a sworn statement that a forest management and~~
18 ~~harvest plan has been prepared or evidence that the landowner intends to develop a forest~~
19 ~~management and harvest plan or has executed a contract with a licensed forester for the~~
20 ~~completion of a forest management and harvest plan by December 31, 2000 shall pay a~~
21 ~~penalty of \$100 to the municipal tax collector or the State Tax Assessor for parcels in the~~
22 ~~unorganized territory. This penalty is in addition to any penalty that is assessed pursuant~~
23 ~~to section 581 for withdrawal of land from classification under this subchapter and may~~
24 ~~be enforced in the same manner as a supplemental assessment under section 713.~~

25 **Sec. 17. 36 MRSA §843, sub-§4**, as amended by PL 2001, c. 436, §1 and
26 affected by §2, is further amended to read:

27 **4. Payment requirements for taxpayers.** If the taxpayer has filed an appeal under
28 this section without having paid an amount of current taxes equal to the amount of taxes
29 paid in the next preceding tax year, provided as long as that amount does not exceed the
30 amount of taxes due in the current tax year, or the amount of taxes in the current tax year
31 not in dispute, whichever is greater, by or after the due date or according to a payment
32 schedule mutually agreed to in writing by the taxpayer and the municipal officers, the
33 appeal process must be suspended until the taxes, together with any accrued interest and
34 costs, have been paid. If an appeal is in process upon expiration of a due date or written
35 payment schedule date for payment of taxes in a particular municipality, without the
36 appropriate amount of taxes having been paid, whether the taxes are due for the year
37 under appeal or a subsequent tax year, the appeal process must be suspended until the
38 appropriate amount of taxes described in this subsection, together with any accrued
39 interest and costs, has been paid. ~~This section applies to any property tax appeal filed on~~
40 ~~or after April 1, 1993. This section subsection~~ does not apply to property with a valuation
41 of less than \$500,000.

42 **Sec. 18. 36 MRSA §844, sub-§4**, as amended by PL 2003, c. 72, §1 and affected
43 by §2, is further amended to read:

1 **4. Payment requirements for taxpayers.** If the taxpayer has filed an appeal under
2 this section without having paid an amount of current taxes equal to the amount of taxes
3 paid in the next preceding tax year, ~~provided as long as~~ that amount does not exceed the
4 amount of taxes due in the current tax year, or the amount of taxes in the current tax year
5 not in dispute, whichever is greater, by or after the due date, or according to a payment
6 schedule mutually agreed to in writing by the taxpayer and the municipal officers, the
7 appeal process must be suspended until the taxes, together with any accrued interest and
8 costs, have been paid. If an appeal is in process upon expiration of a due date or written
9 payment schedule date for payment of taxes in a particular municipality, without the
10 appropriate amount of taxes having been paid, whether the taxes are due for the year
11 under appeal or a subsequent tax year, the appeal process must be suspended until the
12 appropriate amount of taxes described in this subsection, together with any accrued
13 interest and costs, has been paid. ~~This section applies to any property tax appeal filed on~~
14 ~~or after April 1, 1993.~~ This section subsection does not apply to property with a valuation
15 of less than \$500,000.

16 **Sec. 19. 36 MRSA §1109, sub-§7**, as enacted by PL 1989, c. 748, §5, is repealed.

17 **Sec. 20. 36 MRSA §1112, last ¶**, as enacted by PL 1993, c. 452, §13, is repealed.

18 **Sec. 21. 36 MRSA §1483**, as amended by PL 2007, c. 627, §32, is further
19 amended to read:

20 **§1483. Exemptions**

21 The following are exempt from the excise tax:

22 **1. State vehicles.** Vehicles owned by this State ~~and~~ or by political subdivisions
23 thereof of the State;

24 **2. Driver education.** Motor vehicles registered by municipalities for use in driver
25 education in the secondary schools or ~~motor vehicles registered by private secondary~~
26 schools for use in driver education in ~~such~~ those schools;

27 **3. Volunteer fire departments.** Motor vehicles owned by volunteer fire
28 departments;

29 **4. Dealers or manufacturers.** Vehicles owned by bona fide dealers or
30 manufacturers of the vehicles, ~~which vehicles that~~ are held ~~solely~~ solely for demonstration
31 and sale and constitute stock in trade, and aircraft registered in accordance with Title 6,
32 section 53;

33 **5. Transporter registration.** Vehicles to be lawfully operated on transporter
34 registration certificates;

35 **6. Railroads;** Vehicles owned by railroad companies that are subject to the excise
36 tax imposed ~~in~~ under chapter 361;

37 **7. Benevolent and charitable institutions.** Vehicles owned and used solely for their
38 own purposes by benevolent and charitable institutions that are incorporated by this State

1 and entitled to exemption from property tax exemption in accordance with under section
2 652, subsection 1;

3 **8. Literary and scientific institutions.** Vehicles owned and used solely for their
4 own purposes by literary and scientific institutions ~~and that are~~ entitled to exemption
5 from property tax exemption in accordance with under section 652, subsection 1;

6 **9. Religious societies.** Vehicles owned and used solely for their own purposes by
7 houses of religious worship or religious societies that are entitled to exemption from
8 property tax under section 652, subsection 1, paragraph G;

9 **10. Certain nonresidents.** Motor vehicles permitted to operate without Maine
10 registration under Title 29-A, section 109;

11 **11. Interstate commerce.** Vehicles traveling in the State only in interstate
12 commerce, ~~and that are~~ owned in a state ~~wherein where~~ an excise or property tax shall
13 have ~~has~~ been paid on the vehicle, and ~~which that~~ grants to ~~Maine-owned~~ Maine-owned
14 vehicles the exemption ~~contained~~ provided in this subsection;

15 **12. Certain veterans.** Automobiles owned by veterans who are granted free
16 registration of ~~such those~~ vehicles by the Secretary of State under Title 29-A, section 523,
17 subsection 1;

18 **13. Certain buses.** Buses used for the transportation of passengers for hire in
19 interstate or intrastate commerce, or both, by carriers engaged in furnishing common
20 carrier passenger service under an operating authority license issued pursuant to Title
21 29-A, section 552. At the option of the appropriate municipality, those buses may be
22 subject to the excise tax provided in section 1482;

23 **14. Antique and experimental aircraft.** Antique and experimental aircraft as
24 defined in Title 6, section 3, subsections 10-A and 18-E ~~and that are~~ registered ~~according~~
25 to in accordance with the provisions of Title 6;

26 **15. Adaptive equipment.** Adaptive equipment installed on a motor vehicle owned
27 by a disabled person or the family of a disabled person to make that vehicle operable or
28 accessible by a disabled person; and

29 **16. Active military stationed in Maine.** Vehicles owned by a person on active duty
30 serving in the Armed Forces of the United States who is permanently stationed at a
31 military or naval post, station or base in the State. A member of the Armed Forces of the
32 United States stationed in the State who desires to register that member's vehicle in this
33 State shall present certification from the commander of the member's post, station or
34 base, or from the commander's designated agent, that the member is permanently
35 stationed at that post, station or base. For purposes of this subsection, "a person on active
36 duty serving in the Armed Forces of the United States" does not include a member of the
37 National Guard or the Reserves of the United States Armed Forces.

38 **Sec. 22. 36 MRS §1487, sub-§2,** as amended by PL 2007, c. 541, Pt. E, §1 and
39 c. 693, §13, is repealed and the following enacted in its place:

1 **2. State Tax Assessor.** The State Tax Assessor shall appoint agents to collect the
2 excise tax in the unorganized territory. Agents, including municipalities designated as
3 agents, are allowed a fee of \$6 for each tax receipt issued. The State Tax Assessor may
4 authorize the offset of credit card fees incurred in the collection of the excise taxes
5 against the receipts from those collections. Agents shall deposit the remainder on or
6 before the 20th day of each month following receipt with the Treasurer of State. The
7 Treasurer of State shall make quarterly payments to each county in an amount that is
8 equal to the receipts for that period from each county. Those payments must be made at
9 the same time as payments under section 1606. County receipts under this section must
10 be deposited in the county's unorganized territory fund.

11 **Sec. 23. 36 MRSA §1752, sub-§11, ¶B,** as amended by PL 2007, c. 627, §42
12 and affected by §96 and amended by c. 693, §14, is repealed and the following enacted in
13 its place:

14 B. "Retail sale" does not include:

15 (1) Any casual sale;

16 (2) Any sale by a personal representative in the settlement of an estate unless the
17 sale is made through a retailer or the sale is made in the continuation or operation
18 of a business;

19 (3) The sale, to a person engaged in the business of renting automobiles, of
20 automobiles, integral parts of automobiles or accessories to automobiles, for
21 rental or for use in an automobile rented on a short-term basis;

22 (4) The sale, to a person engaged in the business of renting video media and
23 video equipment, of video media or video equipment for rental;

24 (5) The sale, to a person engaged in the business of renting or leasing
25 automobiles, of automobiles for rental or lease for one year or more;

26 (6) The sale, to a person engaged in the business of providing cable or satellite
27 television services, of associated equipment for rental or lease to subscribers in
28 conjunction with a sale of extended cable or extended satellite television services;

29 (7) The sale, to a person engaged in the business of renting furniture or audio
30 media and audio equipment, of furniture, audio media or audio equipment for
31 rental pursuant to a rental-purchase agreement as defined in Title 9-A, section
32 11-105;

33 (8) The sale of loaner vehicles to a new vehicle dealer licensed as such pursuant
34 to Title 29-A, section 953;

35 (9) The sale of automobile repair parts used in the performance of repair services
36 on an automobile pursuant to an extended service contract sold on or after
37 September 20, 2007 that entitles the purchaser to specific benefits in the service
38 of the automobile for a specific duration;

39 (10) The sale, to a retailer that has been issued a resale certificate pursuant to
40 section 1754-B, subsection 2-B or 2-C, of tangible personal property for resale in
41 the form of tangible personal property, except resale as a casual sale;

1 (11) The sale, to a retailer that has been issued a resale certificate pursuant to
2 section 1754-B, subsection 2-B or 2-C, of a taxable service for resale, except
3 resale as a casual sale;

4 (12) The sale, to a retailer that is not required to register under section 1754-B,
5 of tangible personal property for resale outside the State in the form of tangible
6 personal property, except resale as a casual sale;

7 (13) The sale, to a retailer that is not required to register under section 1754-B,
8 of a taxable service for resale outside the State, except resale as a casual sale; or

9 (14) The sale of repair parts used in the performance of repair services on
10 telecommunications equipment as defined in section 2551, subsection 19
11 pursuant to an extended service contract that entitles the purchaser to specific
12 benefits in the service of the telecommunications equipment for a specific
13 duration.

14 **Sec. 24. 36 MRSA §1760, sub-§5-A**, as amended by PL 1975, c. 623, §57, is
15 further amended to read:

16 **5-A. Prosthetic devices.** Sale of prosthetic aids, hearing aids or eyeglasses and
17 artificial devices designed for the use of a particular individual to correct or alleviate
18 physical incapacity; and sale of crutches and wheelchairs for the use of ~~invalids and~~
19 ~~crippled~~ sick, injured or disabled persons and not for rental.

20 **Sec. 25. 36 MRSA §1760, sub-§8, ¶B**, as amended by PL 1987, c. 798, §1, is
21 further amended to read:

22 B. Internal combustion engine fuel, as defined in section 2902, bought and used for
23 the purpose of propelling jet ~~or turbojet~~ engine aircraft; and

24 **Sec. 26. 36 MRSA §1760-B**, as amended by PL 1997, c. 526, §14, is repealed.

25 **Sec. 27. 36 MRSA §2520**, as repealed and replaced by PL 1973, c. 727, §10, is
26 amended to read:

27 **§2520. Reciprocal contracts of indemnity**

28 Every attorney-in-fact of a reciprocal insurer by or through whom are issued policies
29 or contracts of indemnity by a reciprocal insurer as ~~identified~~ defined in Title 24-A,
30 ~~chapter 5 section 402, subsection 1~~, in lieu of all other taxation, state, county or
31 municipal, in this State, shall pay a tax at the rate of 2% on gross premiums or deposits
32 actually received during the year after deducting amounts that are actually returned to
33 policyholders as the unused part of ~~such a~~ premium or deposit; or ~~such part as may be~~
34 credited on the renewal or extension of the indemnity.

35 **Sec. 28. 36 MRSA §2551, sub-§3**, as enacted by PL 2003, c. 673, Pt. V, §25 and
36 affected by §29, is amended to read:

37 **3. Fabrication services.** "Fabrication services" means the production of tangible
38 personal property for a consideration for a person who furnishes, either directly or

1 indirectly, the materials used in that production. "~~Fabrication services~~" does not include
2 the production of tangible personal property if a sale to the consumer of the tangible
3 personal property so produced would be exempt or otherwise not subject to tax under Part
4 3.

5 **Sec. 29. 36 MRSA §2552, sub-§1, ¶I**, as amended by PL 2007, c. 539, Pt. DDD,
6 §6, is further amended to read:

7 I. Community support services for persons with mental retardation or autism; and

8 **Sec. 30. 36 MRSA §2552, sub-§1, ¶J**, as amended by PL 2007, c. 539, Pt. DDD,
9 §7 and c. 627, §67, is repealed and the following enacted in its place:

10 J. Home support services; and

11 **Sec. 31. 36 MRSA §2552, sub-§1, ¶K**, as repealed by PL 2007, c. 539, Pt. DDD,
12 §8 and amended by c. 627, §68, is repealed.

13 **Sec. 32. 36 MRSA §2557, sub-§33**, as enacted by PL 2007, c. 627, §74, is
14 amended to read:

15 **33. International telecommunications service.** Sales of international
16 telecommunications service; and

17 **Sec. 33. 36 MRSA §2557, sub-§34**, as enacted by PL 2007, c. 627, §75, is
18 amended to read:

19 **34. Interstate telecommunications service.** Sales of interstate telecommunications
20 service;

21 **Sec. 34. 36 MRSA §2557, sub-§35** is enacted to read:

22 **35. Certain fabrication services.** The production of tangible personal property if a
23 sale to the consumer of that tangible personal property would be exempt or otherwise not
24 subject to tax under Part 3; and

25 **Sec. 35. 36 MRSA §2557, sub-§36** is enacted to read:

26 **36. Fuel used at a manufacturing facility.** Ninety-five percent of the sale price of
27 fabrication services for the production of fuel for use at a manufacturing facility as
28 defined in section 1752, subsection 6-A.

29 **Sec. 36. 36 MRSA §2902**, as amended by PL 2007, c. 438, §§63 and 64, is further
30 amended to read:

31 **§2902. Definitions**

32 The terms *As* used in this chapter shall be construed as follows, unless the context
33 otherwise indicates, the following terms have the following meanings.

1 **1. Distributor.** ~~"Distributor" means any a person, as defined, importing that imports~~
2 ~~internal combustion engine fuel into the State, or producing, refining, manufacturing or~~
3 ~~compounding within produces, refines, manufactures or compounds internal combustion~~
4 ~~engine fuel in the State, or purchasing within purchases internal combustion engine fuel~~
5 ~~in the State, principally for resale to others in bulk, internal combustion engine fuel as~~
6 ~~defined. "Distributor" includes licensed distributors and registered distributors.~~

7 **1-A. Exporter.** ~~"Exporter" means any a person, as defined, other than that is not a~~
8 ~~licensed distributor, who that purchases internal combustion engine fuel in this State and~~
9 ~~exports that fuel from the State, or causes that fuel to be exported such fuel from the~~
10 ~~State, other than in fuel tanks attached to and forming a part of a motor vehicle and used~~
11 ~~for use in the engine of said that motor vehicle.~~

12 **1-B. Importer.** ~~"Importer" means any a person, as defined, other than that is not a~~
13 ~~licensed distributor, wherever resident or located, importing that imports internal~~
14 ~~combustion engine fuel or causing causes internal combustion engine fuel to be imported~~
15 ~~for sale or for use in this State, with the exception set forth, any internal combustion~~
16 ~~engine fuel as defined other than in fuel tanks attached to and forming a part of a motor~~
17 ~~vehicle for use in the engine of that motor vehicle.~~

18 **1-C. Gross gallons.** "Gross gallons" means actual measured gallons of internal
19 combustion engine fuel received, sold or used, without adjustment for temperature or
20 barometric pressure.

21 ~~**2. Internal combustion engine.** "Internal combustion engine" shall mean any~~
22 ~~engine operated by explosion or quick burning therein of gasoline, benzol or other~~
23 ~~product.~~

24 **3. Internal combustion engine fuel.** "Internal combustion engine fuel", ~~except as~~
25 ~~respects fuel used for propelling aircraft, shall mean means all products that are~~
26 ~~commonly or commercially known or sold as gasoline, including casinghead and~~
27 ~~absorption or natural gasoline, regardless of their classification or uses; and includes any~~
28 ~~liquid fuel that is prepared, advertised, offered for sale or sold for use as or commonly~~
29 ~~and commercially used as a fuel in spark-ignition internal combustion engines, which~~
30 ~~when subjected to distillation in accordance with the standard method of test for~~
31 ~~distillation of gasoline, naphtha, kerosene and similar petroleum products (American~~
32 ~~Society for Testing Materials Designation D-86) show not less than 10% distilled~~
33 ~~(recovered) below 347° Fahrenheit (175° Centigrade) and not less than 95% distilled~~
34 ~~(recovered) below 464° Fahrenheit (240° Centigrade) that has greater than 90% of the~~
35 ~~energy potential of an equivalent volume of gasoline, determined by the number of~~
36 ~~British Thermal Units in a standard volume. The term "internal "Internal combustion~~
37 ~~engine fuel" shall does not include commercial solvents or naphthas which distil, by~~
38 ~~American Society for Testing Materials Method D-86, nor more than 9% at 176°~~
39 ~~Fahrenheit and which have a distillation range of 150° Fahrenheit, or less, or liquefied~~
40 ~~gases which that would not exist as liquids at a temperature of 60° Fahrenheit and a~~
41 ~~pressure of 14.7 pounds per square inch absolute.~~

42 "Internal combustion engine fuel" shall mean includes any motor fuel that is used or sold
43 for use in the propulsion of aircraft.

1 **3-A. Licensed distributor.** "Licensed distributor" means a distributor that is not a
2 registered distributor.

3 **3-B. Registered distributor.** "Registered distributor" means a distributor that
4 purchases or imports only internal combustion engine fuel on which the tax imposed by
5 this chapter has been paid to a licensed distributor and that makes sales of internal
6 combustion engine fuel only to retail dealers or directly into the fuel tanks of motor
7 vehicles.

8 **4-A. Retail dealer.** "Retail dealer" means a person that operates in this State a place
9 of business from which internal combustion engine fuel is sold at retail and delivered
10 directly into the fuel tanks of motor vehicles or watercraft. A distributor or wholesaler is
11 a retail dealer only with respect to internal combustion engine fuel delivered into a retail
12 storage tank operated by that distributor or wholesaler or into a retail storage tank of a
13 consignee or commission agent.

14 **5. Terminal.** "Terminal" means a storage and distribution facility for internal
15 combustion engine fuel supplied by a pipeline or marine vessel, or both, that has been
16 registered as a qualified terminal by the Internal Revenue Service.

17 **6. Wholesaler.** "Wholesaler" means a person that owns, operates or otherwise
18 controls a terminal or a person that holds the internal combustion engine fuel inventory
19 position in a terminal when that person has a contract with the terminal operator for the
20 use of storage facilities and terminal services for fuel at the terminal.

21 **Sec. 37. 36 MRSA §2903, sub-§1-C,** as enacted by PL 2001, c. 688, §3, is
22 amended to read:

23 **1-C. Inventory tax.** On the date that any increase in the rate of tax imposed under
24 this chapter takes effect, an inventory tax is imposed ~~by this subsection~~ upon all internal
25 combustion engine fuel that is held in inventory by a distributor, importer, wholesaler or
26 retail dealer as of the end of the day prior to that date with respect to which the tax
27 imposed pursuant to subsection 1 has been paid. The inventory tax is computed by
28 multiplying the number of gallons of tax-paid fuel held in inventory by the difference
29 between the tax rate already paid and the new tax rate. Distributors, importers,
30 wholesalers and retail dealers that hold such tax-paid inventory shall make payment of
31 the inventory tax on or before the 15th day of the next calendar month, accompanied by a
32 form prescribed and furnished by the State Tax Assessor. In the event of a decrease in
33 the tax rate, the distributor, importer, wholesaler or retail dealer is entitled to a refund or
34 credit, which must be claimed on a form designed and furnished by the assessor. This
35 ~~section~~ subsection does not apply to internal combustion engine fuel that is purchased or
36 used for the purpose of propelling jet or turbojet engine aircraft.

37 **Sec. 38. 36 MRSA §2903, sub-§4, ¶D,** as amended by PL 2007, c. 627, §78, is
38 further amended to read:

39 D. Bought or used to propel ~~an~~ a jet engine aircraft in international flights. For
40 purposes of this paragraph, fuel is bought or used to propel ~~an~~ a jet engine aircraft in
41 an international flight if either the point of origin of the flight leg immediately

1 preceding the delivery of the fuel into the fuel tanks of the jet engine aircraft or the
2 destination point of the flight leg immediately following the delivery of the fuel into
3 the fuel tanks of the jet engine aircraft is outside the United States;

4 **Sec. 39. 36 MRSA §2904**, as amended by PL 2007, c. 407, §2, is repealed and the
5 following enacted in its place:

6 **§2904. Certificates**

7 Every person that is a distributor, wholesaler, importer or exporter of internal
8 combustion engine fuel in the State shall file an application for a certificate with the State
9 Tax Assessor on forms prescribed and furnished by the assessor. A person may not sell
10 or distribute internal combustion engine fuel until the certificate is furnished by the
11 assessor and displayed as required by this section. One copy of the certificate, certified
12 by the assessor, must be displayed in each place of business of the person. If the assessor
13 has reasonable cause to believe that the person has ceased to do business or that the
14 person has violated this chapter or rules adopted under this chapter, the assessor may on
15 reasonable notice to the person suspend the person's certificate until satisfied to the
16 contrary. A person whose certificate has been suspended may not act as a distributor,
17 wholesaler, importer or exporter until the certificate is restored by the assessor. A
18 suspended certificate must be surrendered to the assessor upon request. Notice is
19 sufficient if sent by mail and addressed to the person at the address designated in the
20 certificate. The suspension is subject to review as provided in section 151.

21 **Sec. 40. 36 MRSA §2904-A**, as enacted by PL 2007, c. 407, §3, is repealed.

22 **Sec. 41. 36 MRSA §2906, sub-§1**, as amended by PL 2007, c. 438, §66, is
23 further amended to read:

24 **1. Monthly reports.** Every licensed distributor, wholesaler, importer and exporter
25 shall file with the assessor State Tax Assessor on or before the 21st day of each month a
26 return stating the number of gross gallons of internal combustion engine fuel received,
27 sold and used in the State by that licensed distributor, wholesaler, importer or exporter
28 during the preceding calendar month. The return must be filed on a form prescribed and
29 furnished by the assessor and must include any other information reasonably required by
30 the assessor.

31 **Sec. 42. 36 MRSA §2906, sub-§2**, as amended by PL 2007, c. 438, §67, is
32 further amended to read:

33 **2. Payment of tax.** At the time of filing the return required by this section, each
34 licensed distributor and importer shall pay to the assessor the tax imposed by section
35 2903 on each gallon reported as sold, distributed or used.

36 **Sec. 43. 36 MRSA §2906, sub-§3**, as repealed and replaced by PL 1997, c. 738,
37 §5, is amended to read:

38 **3. Allowance for certain losses.** An allowance of not more than 1/2 of 1% from the
39 amount of internal combustion engine fuel received by a licensed distributor, plus 1/2 of

1 1% on all transfers in vessels, tank cars or full tank truck loads by a licensed distributor in
2 the regular course of the licensed distributor's business from one of the licensed
3 distributor's places of business to another within the State, may be granted by the assessor
4 to cover losses sustained by the licensed distributor through shrinkage, evaporation or
5 handling. The total allowance for these losses must be supported by documentation
6 satisfactory to the assessor and may not exceed 1% of the receipts by the licensed
7 distributor. The allowance must be calculated on an annual basis. A further deduction
8 may not be allowed unless the assessor is satisfied upon definite proof submitted to the
9 assessor that a further deduction should be allowed for a loss sustained through fire,
10 accident or some unavoidable calamity.

11 **Sec. 44. 36 MRSA §2906, sub-§5**, as amended by PL 2007, c. 438, §69, is
12 repealed.

13 **Sec. 45. 36 MRSA §2907** is repealed and the following enacted in its place:

14 **§2907. Application of tax in special cases**

15 A person that receives internal combustion engine fuel under circumstances that
16 preclude the collection of the tax imposed under this chapter by the distributor, other than
17 internal combustion engine fuel brought into the State in the ordinary standard equipment
18 fuel tank attached to and forming a part of a motor vehicle for use in the engine of that
19 motor vehicle, and that sells or uses that internal combustion engine fuel in this State is
20 subject to the tax imposed by section 2903 and to the requirements of section 2906,
21 subsections 1 and 2 on the same basis as a licensed distributor.

22 **Sec. 46. 36 MRSA §3202, sub-§2-E** is enacted to read:

23 **2-E. Licensed supplier.** "Licensed supplier" means a supplier that is not a registered
24 supplier.

25 **Sec. 47. 36 MRSA §3202, sub-§5-D** is enacted to read:

26 **5-D. Registered supplier.** "Registered supplier" means a supplier that purchases or
27 imports only distillates on which the tax imposed by this chapter has been paid to a
28 licensed supplier and that makes sales of distillates only to retail dealers or directly into
29 the fuel tanks of motor vehicles. A registered supplier may also purchase and sell dyed
30 fuel.

31 **Sec. 48. 36 MRSA §3202, sub-§7**, as amended by PL 1999, c. 733, §2 and
32 affected by §17, is repealed and the following enacted in its place:

33 **7. Supplier.** "Supplier" means a person that imports distillates into the State, exports
34 distillates from the State, produces, refines, manufactures or compounds distillates in the
35 State or purchases distillates in the State, principally for resale to others in bulk.
36 "Supplier" includes licensed suppliers and registered suppliers.

37 **Sec. 49. 36 MRSA §3203, sub-§5**, as amended by PL 2007, c. 627, §81, is
38 further amended to read:

1 **5. Allowance for certain losses of undyed distillates.** An allowance of not more
2 than 1/4 of 1% from the amount of undyed distillates received by a licensed supplier, plus
3 1/4 of 1% on all transfers in vessels, tank cars or full tank truck loads by the licensed
4 supplier in the regular course of business from one of the licensed supplier's places of
5 business to another of the licensed supplier's places of business within the State, may be
6 allowed by the assessor to cover the loss through shrinkage, evaporation or handling
7 sustained by the licensed supplier. The total allowance for these losses must be supported
8 by documentation satisfactory to the assessor and may not exceed 1/2 of 1% of the
9 receipts by the licensed supplier. The allowance must be calculated on an annual basis.
10 A further deduction may not be allowed unless the assessor is satisfied upon definite
11 proof submitted to the assessor that a further deduction should be allowed for a loss
12 sustained through fire, accident or some unavoidable calamity.

13 **Sec. 50. 36 MRSA §3203-C**, as amended by PL 2003, c. 390, §15, is further
14 amended to read:

15 **§3203-C. Inventory tax**

16 On the date that any increase in the rate of tax imposed under this chapter takes
17 effect, an inventory tax is imposed upon all distillates that are held in inventory by a
18 supplier, wholesaler or retail dealer as of the end of the day prior to that date on which the
19 tax imposed by section 3203, ~~subsection~~ subsections 1 and 1-B has been paid. The
20 inventory tax is computed by multiplying the number of gallons of tax-paid fuel held in
21 inventory by the difference between the tax rate already paid and the new tax rate.
22 Suppliers, wholesalers and retail dealers that hold such tax-paid inventory shall make
23 payment of the inventory tax on or before the 15th day of the next calendar month,
24 accompanied by a form prescribed and furnished by the State Tax Assessor. In the event
25 of a decrease in the tax rate, the supplier, wholesaler or retail dealer is entitled to a refund
26 or credit, which must be claimed on a form designed and furnished by the assessor.

27 **Sec. 51. 36 MRSA §3204**, as amended by PL 1999, c. 733, §7 and affected by
28 §17, is further amended to read:

29 **§3204. Licenses**

30 Every person operating as a supplier, wholesaler or retailer in the State, ~~other than~~
31 ~~those who qualify under section 3205~~, shall file an application for a certificate with the
32 State Tax Assessor on forms prescribed and furnished by the assessor, ~~which contain the~~
33 ~~name under which the person is transacting business within the State, the place or places~~
34 ~~of business, location of distributing stations, agencies of the person, the names and~~
35 ~~addresses of the several persons constituting the firm or partnership, and, if a corporation,~~
36 ~~its corporate name and the names and addresses of its principal officers and agents within~~
37 ~~the State.~~ A person may not sell or distribute any special fuel until the certificate is
38 furnished by the State Tax Assessor assessor and displayed as required by this section.
39 One copy of ~~each such~~ the certificate, certified by the State Tax Assessor assessor, must
40 be displayed in each place of business of the person. ~~The State Tax Assessor, having If~~
41 the assessor has reasonable cause to believe that the person has ceased to do business or
42 that the person has violated this chapter or ~~the rules adopted under this chapter or has~~
43 failed to appear in court for any violation of this chapter, the assessor may on reasonable

1 notice to the person suspend the person's certificate until satisfied to the contrary. ~~In such~~
2 ~~ease, the~~ A person whose certificate has been suspended may not act as a supplier,
3 wholesaler or retailer until the certificate is restored by the ~~State Tax Assessor, either of~~
4 ~~the assessor's own initiative or at the person's request, and upon the State Tax Assessor~~
5 ~~being satisfied that cause for suspension no longer exists, or upon order of court~~ assessor.
6 ~~In case of that suspension, all~~ Suspended certificates must at once be surrendered to the
7 ~~State Tax Assessor~~ assessor upon request. ~~This revocation~~ The suspension is reviewable
8 in accordance with section 151.

9 **Sec. 52. 36 MRSA §3205**, as amended by PL 2001, c. 396, §29, is repealed.

10 **Sec. 53. 36 MRSA §3209, sub-§1**, as amended by PL 2007, c. 438, §80, is
11 further amended to read:

12 **1. Suppliers and wholesalers.** Every licensed supplier and wholesaler shall file on
13 or before the last day of each month a return with the State Tax Assessor stating the gross
14 gallons of distillates received, sold and used in this State by that licensed supplier or
15 wholesaler during the preceding calendar month, on a form prescribed and furnished by
16 the assessor. The return must include any further information reasonably required by the
17 assessor. At the time of filing the return required by this subsection, each licensed
18 supplier or wholesaler must pay to the assessor a tax as prescribed in section 3203 upon
19 each gallon reported as a taxable sale or as taxable gallons used.

20 **Sec. 54. 36 MRSA §3209, sub-§5**, as amended by PL 2007, c. 438, §80, is
21 repealed.

22 **Sec. 55. 36 MRSA §3211**, as amended by PL 2007, c. 438, §82, is further
23 amended to read:

24 **§3211. Cancellation of licenses, registrations**

25 If ~~any~~ a person licensed or registered under this chapter files a false report of the
26 information required by this chapter, or fails, refuses or neglects to file a return required
27 by this chapter or to pay the full amount of the tax as required by this chapter ~~or is in~~
28 ~~violation of the registration certificate as prescribed in section 3205, the State Tax~~
29 ~~Assessor may cancel the license or registration and~~ notify give notice to that person ~~in~~
30 ~~writing of the cancellation by registered mail to the last known address of that person.~~

31 Upon receipt of a written request from ~~any~~ a person licensed or registered under this
32 chapter to cancel the license or registration issued to that person, the assessor may cancel
33 that license or registration effective 30 days from the date of the written request, in which
34 event the license or registration certificate issued to that person must be surrendered to
35 the assessor. ~~If, upon investigation, the assessor finds~~ determines that ~~any~~ a person to
36 whom a license or registration has been issued under this chapter is no longer engaged in
37 the sale or use of special fuel and has not been so engaged for a period of 6 months, the
38 assessor may cancel that license or registration by giving that person 30 days' notice of
39 the cancellation ~~mailed to the last known address of that person, in which event the~~
40 license or registration certificate issued to that person must be surrendered to the assessor.

1 **Sec. 56. 36 MRSA §3212**, as amended by PL 2007, c. 438, §83, is further
2 amended to read:

3 **§3212. Discontinuance**

4 When a ~~supplier, retailer or user~~ person ceases to engage in business as a supplier,
5 wholesaler, retailer or user of special fuel within this State, that ~~supplier, retailer or user~~
6 person shall notify the State Tax Assessor in writing within 15 days after discontinuance.
7 All taxes, penalties and interest under this chapter become due and payable concurrently
8 with that discontinuance. The ~~supplier, retailer or user~~ person shall file a return and pay
9 all the taxes, interest and penalties and surrender to the assessor the license or registration
10 certificate issued to that ~~supplier, retailer or user~~ person by the assessor.

11 Any A person ~~violating that violates~~ any of the provisions of this section commits a
12 Class E crime.

13 **Sec. 57. 36 MRSA §3214**, as amended by PL 2007, c. 438, §84, is further
14 amended to read:

15 **§3214. Credit for tax paid on worthless accounts**

16 The tax paid on sales made on credit and reported by a licensed supplier, wholesaler
17 or retailer pursuant to section 3209 that are found to be worthless and actually charged off
18 may be credited upon the tax due on a subsequent return, ~~but if any such.~~ If those
19 accounts are ~~thereafter~~ subsequently collected by the licensed supplier, wholesaler or
20 retailer, a tax must be paid upon the amounts so collected. The credit must be reported on
21 the return for the month in which the charge-off occurred.

22 **Sec. 58. 36 MRSA §3321, sub-§1**, as amended by PL 2007, c. 650, §3, is further
23 amended to read:

24 **1. Generally.** Beginning in 2003, and each calendar year thereafter, the excise tax
25 imposed upon internal combustion engine fuel pursuant to section 2903, subsection 1 and
26 the excise tax imposed upon distillates pursuant to section 3203, subsections 1 and 1-B
27 are subject to an annual rate of adjustment pursuant to this section. On or about February
28 15th of each year, the State Tax Assessor shall calculate the adjusted rates by multiplying
29 the rates in effect on the calculation date by an inflation index as computed as provided in
30 subsection 2. The adjusted rates must then be rounded to the nearest 1/10 of a cent and
31 become effective on the first day of July immediately following the calculation. The
32 assessor shall publish the annually adjusted fuel tax rates and shall provide all necessary
33 forms and reports ~~to suppliers, distributors and retail dealers.~~

34 **Sec. 59. 36 MRSA §3321, sub-§3**, as enacted by PL 2001, c. 688, §8, is further
35 amended to read:

36 **3. Exclusion.** This section does not apply to internal combustion engine fuel
37 purchased or used for the purpose of propelling jet or turbojet engine aircraft.

38 **Sec. 60. 36 MRSA §4901, sub-§6**, as enacted by PL 2005, c. 396, §8, is repealed.

1 **Sec. 61. 36 MRSA §5111, sub-§4**, as amended by PL 1999, c. 521, Pt. B, §1 and
2 affected by §11, is further amended to read:

3 **4. Additional tax.** Additionally, a tax is imposed for each taxable year ~~beginning on~~
4 ~~or after January 1, 1989,~~ on the Maine adjusted gross income of every nonresident
5 individual. The amount of the tax equals the tax computed under this section and chapter
6 805, as if the nonresident individual were a resident individual, multiplied by the ratio of
7 the nonresident individual's Maine adjusted gross income, as defined in section 5102,
8 subsection 1-C, paragraph B, to the ~~nonresident's~~ nonresident individual's entire federal
9 adjusted gross income, as modified by section 5122.

10 **Sec. 62. 36 MRSA §5111, sub-§5**, as enacted by PL 1991, c. 528, Pt. ZZ, §1 and
11 affected by §4 and Pt. RRR and enacted by c. 591, Pt. ZZ, §1 and affected by §4, is
12 repealed.

13 **Sec. 63. 36 MRSA §5122, sub-§1, ¶O**, as amended by PL 2003, c. 20, Pt. II, §1,
14 is repealed.

15 **Sec. 64. 36 MRSA §5122, sub-§1, ¶P**, as amended by PL 2003, c. 20, Pt. II, §1,
16 is repealed.

17 **Sec. 65. 36 MRSA §5122, sub-§1, ¶Z**, as enacted by PL 2007, c. 539, Pt. CCC,
18 §4, is amended to read:

19 Z. For income tax years beginning on or after January 1, 2008, the amount of any
20 qualified state and local tax benefit and any qualified payment excluded from gross
21 income pursuant to the Code, Section 139(b) 139B; and

22 **Sec. 66. 36 MRSA §5122, sub-§2, ¶AA**, as corrected by RR 2007, c. 2, §23, is
23 amended to read:

24 AA. For taxable years beginning on or after January 1, 2009, an amount equal to the
25 net decrease in the depreciation deductions allowable under sections 167 and 168 of
26 the Code that would have been applicable to that property had the 50% bonus
27 depreciation deduction under Section 103 of the Economic Stimulus Act of 2008,
28 Public Law 110-185 not been claimed with respect to such property for which an
29 addition was required under subsection 1, paragraph AA in a prior year.

30 Upon the taxable disposition of property to which this paragraph applies, the amount
31 of any gain or loss includable in federal adjusted gross income must be adjusted for
32 Maine income tax purposes by an amount equal to the difference between the
33 addition modification for such property under subsection 1, paragraph AA and the
34 subtraction modifications allowed pursuant to this paragraph.

35 The total amount of subtraction claimed for property under this paragraph for all tax
36 years may not exceed the addition modification under subsection 1, paragraph AA for
37 the same property; and

38 **Sec. 67. 36 MRSA §5122, sub-§2, ¶BB**, as reallocated by RR 2007, c. 2, §24, is
39 amended to read:

1 BB. The amount of pension benefits to the extent included in federal adjusted gross
2 income under a military retirement plan as defined in paragraph M that exceed the
3 amount of military retirement plan pension benefits deducted under paragraph M and
4 that are received by a person who practices as a licensed dentist in this State for an
5 average of at least 20 hours per week during the tax year and who accepts patients
6 who receive benefits under the MaineCare program administered under Title 22;
7 chapter 855-; and

8 **Sec. 68. 36 MRSA §5122, sub-§2, ¶CC** is enacted to read:

9 CC. To the extent included in federal adjusted gross income, an amount constituting
10 benefits received under a municipal property tax assistance program established
11 pursuant to section 6232, subsection 1-A.

12 **Sec. 69. 36 MRSA §5175**, as amended by PL 2003, c. 390, §37, is repealed.

13 **Sec. 70. 36 MRSA §5175-A** is enacted to read:

14 **§5175-A. Maine taxable income of a nonresident estate or trust**

15 The Maine taxable income of a nonresident estate or trust is equal to its share in that
16 portion of the distributable net income of the estate or trust that is derived from or
17 connected with sources in this State, including items of income, gain, loss and deduction
18 from another estate or trust of which the first estate or trust is a beneficiary, increased or
19 reduced by the amount of any items that are recognized for federal income tax purposes
20 but excluded from the distributable net income of the estate or trust and modified by the
21 addition or subtraction of its share of the fiduciary adjustment determined under section
22 5164, less the amount of the deduction for its federal exemption. The source of items of
23 income, gain, loss or deduction must be determined in accordance with section 5142 as if
24 the estate or trust were a nonresident individual.

25 **Sec. 71. 36 MRSA §5176**, as amended by PL 1995, c. 639, §19, is repealed and
26 the following enacted in its place:

27 **§5176. Share of a nonresident estate, trust or beneficiary in income from sources in**
28 **this State**

29 **1. General rule.** The share of a nonresident estate or trust in items of income, gain,
30 loss and deduction derived from or connected with sources in this State that are included
31 in the distributable net income of the nonresident estate or trust and the share for purposes
32 of section 5142 of a nonresident beneficiary of an estate or trust in items of income, gain,
33 loss and deduction of that estate or trust must be determined pursuant to this subsection.
34 A modification may not be made under this section that has the effect of duplicating an
35 item already included in the distributable net income of the estate or trust.

36 A. To the extent the modifications relate to items of income, gain, loss and deduction
37 derived from or connected with sources in this State that are included in the
38 distributable net income of a nonresident estate or trust, the modifications provided
39 under section 5122 must be added to or subtracted from the amount of those items.

1 B. The amount determined under paragraph A must be allocated among the
2 nonresident estate or trust and its beneficiaries, including, solely for the purpose of
3 this allocation, resident beneficiaries, in proportion to their respective shares in the
4 distributable net income of the estate or trust. The amounts so allocated have the
5 same character as for federal income tax purposes. An item that is not characterized
6 for federal income tax purposes is deemed to have been realized directly from the
7 source from which it was realized by the estate or trust or incurred in the same
8 manner as it was incurred by the estate or trust.

9 C. If the estate or trust has no distributable net income for the taxable year, the share
10 of each beneficiary in the net amount determined under paragraph A must be in
11 proportion to the beneficiary's share of the estate or trust income for the taxable year
12 that is required to be distributed currently and any other income that is actually
13 distributed in that taxable year. The balance of the net amount must be allocated to
14 the estate or trust.

15 2. Alternate methods. The State Tax Assessor may authorize, upon the taxpayer's
16 written request, the use of another method of determining the respective shares of the
17 beneficiaries and of the estate or trust in its income derived from sources in this State, and
18 in the modifications related to that income, that the assessor determines to be appropriate
19 and equitable.

20 **Sec. 72. 36 MRSA §5200-A, sub-§1, ¶O**, as amended by PL 2003, c. 20, Pt. II,
21 §3, is repealed.

22 **Sec. 73. 36 MRSA §5200-A, sub-§1, ¶P**, as amended by PL 2007, c. 539, Pt.
23 CCC, §13, is repealed.

24 **Sec. 74. 36 MRSA §5203-B**, as amended by PL 2003, c. 673, Pt. JJ, §2 and
25 affected by §6, is repealed.

26 **Sec. 75. 36 MRSA §5203-C, sub-§1, ¶F**, as enacted by PL 2003, c. 673, Pt. JJ,
27 §3 and affected by §6, is amended to read:

28 F. "Regular income tax" means:

29 (1) For resident individuals, estates and trusts, the amount derived by
30 multiplying the applicable tax rate or rates by taxable income under section 5121
31 or 5163;

32 (2) For nonresident individuals, estates and trusts, the amount derived by
33 multiplying the applicable tax rate or rates by taxable income under section 5121
34 or ~~5175~~ 5175-A, the result of which is adjusted for nonresident individuals in
35 accordance with section 5111, subsection 4; or

36 (3) For taxable corporations, the amount derived by multiplying the applicable
37 tax rate or rates against Maine net income under section 5102, subsection 8.

38 **Sec. 76. 36 MRSA §5217-D, sub-§5**, as enacted by PL 2007, c. 469, Pt. B, §1, is
39 amended to read:

1 **5. Conditions for an employer claiming the credit.** A taxpayer constituting an
2 employer may claim the credit under this section under the following circumstances. The
3 employer may undertake to make partial or full loan payments directly to the relevant
4 lender or lenders on behalf of a qualified employee, having taken reasonable steps to
5 ascertain that the employee is in fact a qualified employee, and may claim a credit based
6 on amounts that came due and were paid by the employer during the term of employment.
7 To receive the credit, the employer must retain for 5 years any proof of eligibility that the
8 employee or independent contractor provides.

9 The employer may claim a credit for the amount that the qualified employee could have
10 claimed during any months when the qualified employee was employed, had the qualified
11 employee made the partial or full loan payments instead, under conditions where the
12 qualified employee had sufficient income to claim the full credit for the taxable year. If
13 the qualified employee is employed only on a part-time basis, the employer may claim a
14 credit only up to half of the total that the qualified employee could have claimed had the
15 qualified employee made all payments and earned sufficient income to claim the full
16 credit for the taxable year, but the amount the employer claims must still be based on
17 amounts actually paid.

18 ~~An employer claiming this credit on behalf of a qualified employee for a taxable year~~
19 ~~may not simultaneously claim a credit under section 5219-V on the behalf of the same~~
20 ~~employee.~~

21 **Sec. 77. 36 MRSA §5220, sub-§4, ¶A,** as amended by PL 2005, c. 618, §15 and
22 affected by §22, is further amended to read:

23 A. Any Maine taxable income as determined under section ~~5175, subsection 2~~
24 5175-A;

25 **Sec. 78. 36 MRSA §5334,** as repealed and replaced by PL 1979, c. 701, §34, is
26 amended to read:

27 **§5334. Venue**

28 ~~The failure to do any act required by or under A violation of this Part shall be is~~
29 ~~deemed an act to have been committed in part at the principal office of the assessor in~~
30 ~~Kennebec County. Any prosecution under this Part Prosecution may be conducted~~
31 ~~brought in any county where the person or corporation to whose liability the proceeding~~
32 ~~relates resides or has a place of business; or in any county; in which such crime is the~~
33 ~~violation was committed.~~

34 **Sec. 79. 36 MRSA §6209, sub-§4,** as enacted by PL 2007, c. 700, Pt. A, §4, is
35 amended to read:

36 **4. Income eligibility adjustment.** Beginning March 1, 2009, the State Tax Assessor
37 shall annually multiply the household income eligibility adjustment factor by the
38 maximum income eligibility amounts specified in section 6207, subsection ~~2~~ 2-A, as
39 previously adjusted. The result must be rounded to the nearest \$50 and applies to the
40 application period beginning the next August 1st.

1 3. It repeals obsolete requirements relating to distributors of fuels and oils that have
2 not been enforced for many years and references to those requirements.

3 4. It clarifies that debts subject to collection by the State Tax Assessor pursuant to
4 statutes outside of the Maine Revised Statutes, Title 36 are subject to the administrative
5 provisions of Title 36. The proposed change reflects current administrative policy.

6 5. It requires the production of books and records pertinent to a criminal
7 investigation of certain tax-related crimes. The proposed change reflects current
8 administrative policy.

9 6. It adds administration of the bulk motor vehicle oil premium under Title 10,
10 section 1020 to the list of additional duties assigned to the State Tax Assessor.

11 7. It amends the levy statutes to reflect changes enacted in the First Regular Session
12 of the 123rd Legislature.

13 8. It corrects citations to federal law.

14 9. It repeals obsolete transitional provisions in the property tax law.

15 10. It corrects internal references and repeals superfluous effective dates.

16 11. It corrects spelling and grammatical errors.

17 12. It corrects a conflict created by Public Law 2007, chapters 541 and 693, which
18 affected the same provision of law, by incorporating changes made by both laws.

19 13. It clarifies that repair parts used in the performance of repair services on
20 telecommunications equipment pursuant to an extended service contract are not subject to
21 sales tax. The proposed change reflects current administrative policy. It also corrects a
22 conflict created by Public Law 2007, chapters 627 and 693, which affected the same
23 provision of law, by incorporating changes made by both laws.

24 14. It replaces obsolete terminology.

25 15. It eliminates redundant language.

26 16. It repeals an unnecessary statute relating to renumbering of sales tax exemptions.

27 17. It clarifies a cross-reference.

28 18. It relocates an exemption in the service provider tax law from the definitions
29 section to the exemptions section. It also corrects a conflict created by Public Law 2007,
30 chapters 539 and 627, which affected the same provision of law, by incorporating the
31 changes made by both laws.

32 19. It enacts a partial exemption in the service provider tax law for fabrication
33 services for the production of fuel for use at a manufacturing facility. The proposed
34 change reflects current administrative policy.

1 20. It clarifies the distinction between licensed distributors and registered distributors
2 under the gasoline tax law and eliminates superfluous and archaic language in gasoline
3 tax law definitions.

4 21. It clarifies that the gasoline inventory tax applies to importers and wholesalers.
5 The proposed change reflects current administrative policy.

6 22. It restores language limiting the scope of the exemption for internal combustion
7 engine fuel used in international flights that was inadvertently repealed by legislation
8 enacted in the First Special Session of the 123rd Legislature.

9 23. It clarifies that gasoline wholesalers must obtain and display a certificate issued
10 by the State Tax Assessor. The proposed change reflects current administrative policy.

11 24. It clarifies filing and tax payment requirements pertaining to licensed distributors
12 and wholesalers of gasoline.

13 25. It clarifies that persons who become subject to the gasoline tax in special cases
14 are not considered as distributors but are subject to tax on the same basis as licensed
15 distributors.

16 26. It clarifies the distinction between licensed suppliers and registered suppliers
17 under the special fuel tax law.

18 27. It clarifies that only licensed suppliers qualify for a shrinkage allowance under
19 the special fuel tax law. The proposed change reflects current administrative policy.

20 28. It amends the statute imposing a special fuel inventory tax to reflect changes
21 enacted in the First Special Session of the 123rd Legislature.

22 29. It clarifies that special fuel wholesalers must obtain and display a certificate
23 issued by the State Tax Assessor. The proposed change reflects current administrative
24 policy.

25 30. It clarifies filing and tax payment requirements pertaining to licensed suppliers
26 and wholesalers of special fuel.

27 31. It clarifies that certain requirements relating to discontinuance of business apply
28 to wholesalers of special fuel. The proposed change reflects current administrative policy.

29 32. It clarifies eligibility for a credit for tax paid on worthless accounts under the
30 special fuel tax law. The proposed changes reflect current administrative policy.

31 33. It repeals a superfluous definition in the milk handling fee law.

32 34. It clarifies imprecise language regarding the tax imposed on nonresidents and
33 repeals a superfluous effective date.

34 35. It repeals an obsolete statute that imposed an income tax surcharge for the 1991
35 and 1992 tax years.

1 36. It corrects a provision that deals with the annual inflation adjustment to the
2 household income limits in the Maine Residents Property Tax Program to correct a cross-
3 reference.

4 37. It adds an income tax modification to exclude municipal property tax assistance
5 program benefits under Title 36, section 6232, subsection 1-A from taxable income. The
6 proposed change reflects current administrative policy.

7 38. It clarifies the computation of Maine taxable income of a nonresident estate or
8 trust.