

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 423

S.P. 127

In Senate, February 10, 2011

An Act To Eliminate Maine's Estate Tax

Reference to the Committee on Taxation suggested and ordered printed.

Joseph G. Carleton Jr.

JOSEPH G. CARLETON, JR.
Secretary of the Senate

Presented by Senator WOODBURY of Cumberland.

Cosponsored by Representative PILON of Saco, Representative CHASE of Wells and
Senator: LANGLEY of Hancock, Representatives: AYOTTE of Caswell, BURNS of Alfred,
FOSSEL of Alna, KNIGHT of Livermore Falls, STRANG BURGESS of Cumberland,
VALENTINO of Saco.

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

2 **Sec. 1. 20-A MRSA §11479**, as enacted by PL 1997, c. 732, §4, is amended to
3 read:

4 **§11479. Tax exemption**

5 The assets of the program fund, all program earnings and any income from operations
6 are exempt from all taxation by the State or any of its political subdivisions. A deposit to
7 any account, transfer of that account to a successor participant, designation of a successor
8 beneficiary of that account, credit of program earnings to that account or distribution
9 from that account used for the purpose of paying higher education expenses of the
10 designated beneficiary of that account pursuant to this chapter does not subject that
11 participant, the estate of that participant or any beneficiary to any state income ~~or estate~~
12 tax liability. In the event of cancellation or termination of a participation agreement and
13 distribution of funds to a participant, the increase in value over the amount deposited in
14 the program fund by that participant may be taxable to that participant in the year
15 distributed.

16 **Sec. 2. 36 MRSA §135, sub-§1**, as amended by PL 2007, c. 438, §7, is further
17 amended to read:

18 **1. Taxpayers.** Persons subject to tax under this Title shall maintain such records as
19 the State Tax Assessor determines necessary for the reasonable administration of this
20 Title. Records pertaining to taxes imposed by ~~chapters chapter~~ 371 ~~and 575~~ and by Part 8
21 must be retained as long as is required by applicable federal law and regulation. Records
22 pertaining to the special fuel tax user returns filed pursuant to section 3209, subsection 2
23 and the International Fuel Tax Agreement pursuant to section 3209, subsection 1-B must
24 be retained for 4 years. Records pertaining to all other taxes imposed by this Title must
25 be retained for a period of at least 6 years. The records must be kept in such a manner as
26 to ensure their security and accessibility for inspection by the assessor or any designated
27 agent engaged in the administration of this Title.

28 **Sec. 3. 36 MRSA §144, sub-§2, ¶A**, as enacted by PL 1997, c. 668, §10, is
29 amended to read:

30 A. Subsection 1 does not apply in the case of sales and use taxes imposed by Part 3,
31 ~~estate taxes imposed by chapter 575~~, income taxes imposed by Part 8 and any other
32 tax imposed by this Title for which a specific statutory refund provision exists.

33 **Sec. 4. 36 MRSA c. 575**, as amended, is repealed.

34 **Sec. 5. 36 MRSA §5122, sub-§1, ¶Y**, as amended by PL 2007, c. 539, Pt. CCC,
35 §3, is repealed.

36 **Sec. 6. Application.** This Act applies to the estates of decedents dying after
37 December 31, 2011.

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SUMMARY

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This bill repeals Maine's estate tax.