

# MAINE STATE LEGISLATURE

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# 128th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2017

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Legislative Document

No. 583

S.P. 198

In Senate, February 16, 2017

**An Act To Improve the Tax Appeal Process for Maine Businesses  
and Consumers**

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST  
Secretary of the Senate

Presented by Senator LIBBY of Androscoggin.  
Cosponsored by Representative STANLEY of Medway.

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

2 **Sec. 1. 36 MRSA §151, sub-§2, ¶H** is enacted to read:

3 H. If a person requesting reconsideration under this section has been denied, in  
4 whole or in part, the relief requested, the assessor must provide the legal basis for the  
5 reconsideration decision.

6 **Sec. 2. 36 MRSA §2011-A** is enacted to read:

7 **§2011-A. Refund to purchaser**

8 Notwithstanding the other provisions of this Part, a purchaser from whom sales tax is  
9 collected erroneously or illegally under this Part who has not been reimbursed by the  
10 retailer may submit a written application for a refund from the State Tax Assessor in the  
11 same manner as is provided for a taxpayer under section 2011. A purchaser making an  
12 application for a refund under this section must submit an affidavit as prescribed by the  
13 assessor stating that the refund or credit has not previously been requested or received  
14 from a retailer. If the State Tax Assessor determines pursuant to an application from a  
15 purchaser under this section that a tax has been erroneously or illegally collected or  
16 computed, the assessor shall certify to the State Controller the amount paid in excess of  
17 that legally due and refund that amount to the purchaser. A refund is not allowed under  
18 this section unless the application for a refund is made or the overpayment is discovered  
19 on audit within 3 years of the date of overpayment.

20 A purchaser making an application for a refund under this section is entitled to the  
21 same rights of reconsideration and appeal as a taxpayer under section 2011.

22 **Sec. 3. 36 MRSA §2555-A** is enacted to read:

23 **§2555-A. Refund to purchaser**

24 Notwithstanding the other provisions of this chapter, a purchaser from whom service  
25 provider tax is collected erroneously or illegally under this chapter who has not been  
26 reimbursed by the service provider may submit a written application for a refund from the  
27 State Tax Assessor in the same manner as is provided for a taxpayer under section 2555.  
28 A purchaser making an application for a refund under this section must submit an  
29 affidavit as prescribed by the assessor stating that the refund or credit has not previously  
30 been requested or received from a retailer. If the State Tax Assessor determines pursuant  
31 to an application from a purchaser under this section that a tax has been erroneously or  
32 illegally collected or computed, the assessor shall certify to the State Controller the  
33 amount paid in excess of that legally due and refund that amount to the purchaser. A  
34 refund is not allowed under this section unless the application for a refund is made or the  
35 overpayment is discovered on audit within 3 years of the date of overpayment.

36 A purchaser making an application for a refund under this section is entitled to the  
37 same rights of reconsideration and appeal as a taxpayer under section 2555.

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## SUMMARY

This bill expands the tax appeals process for taxpayers by permitting purchasers from whom sales tax or service provider tax has been collected to request a refund from the State Tax Assessor when taxes have been collected erroneously or illegally and the retailer or service provider has not refunded the tax. The bill also permits a person appealing a reconsideration determination to request the legal basis of the determination.