

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 1285

S.P. 437

In Senate, April 4, 2017

An Act To Tax Political Expenditures Made Immediately before an Election

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 SAVIELLO of Franklin.
Cosponsored by Senator: DAVIS of Piscataquis.

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

2 **Sec. 1. 36 MRSA c. 723** is enacted to read:

3 **CHAPTER 723**

4 **POLITICAL EXPENDITURES TAX**

5 **§4921. Tax on political expenditures**

6 **1. Definitions.** As used in this chapter, unless the context otherwise indicates, the
7 following terms have the following meanings.

8 A. "Campaign" means any course of activities to initiate or influence any of the
9 following ballot measures:

10 (1) A people's veto referendum under the Constitution of Maine, Article IV, Part
11 Third, Section 17;

12 (2) A direct initiative of legislation under the Constitution of Maine, Article IV,
13 Part Third, Section 18;

14 (3) An amendment to the Constitution of Maine under Article X, Section 4;

15 (4) A referendum vote on a measure enacted by the Legislature and expressly
16 conditioned upon ratification by a referendum vote under the Constitution of
17 Maine, Article IV, Part Third, Section 19;

18 (5) The ratification of the issue of bonds by the State or any agency thereof; and

19 (6) Any county or municipal referendum.

20 B. "Election" means any primary, general or special election for state, county or
21 municipal offices or referendum as defined in Title 21-A, section 1.

22 C. "Influence" means to promote, support, oppose or defeat.

23 D. "Political expenditure":

24 (1) For the purposes of an election, has the same meaning as "expenditure" as
25 defined in Title 21-A, section 1012, subsection 3; and

26 (2) For the purposes of a campaign, has the same meaning as "expenditure" as
27 defined in Title 21-A, section 1052, subsection 4.

28 E. "Taxable period" means the interval starting the 14th day before an election or
29 referendum and ending the day of the election or referendum.

30 **2. Tax imposed; rate.** A tax is imposed on a person making a political expenditure
31 during a taxable period at the rate of 50% of the value of the political expenditure.

32 **3. Payment of tax; when due.** A person making a political expenditure taxable
33 pursuant to this section shall file with the bureau, on forms supplied by the bureau, a
34 return showing the amount and type of the political expenditure, the election or campaign
35 for which the political expenditure was made and the date the political expenditure was

1 made, as well as other information required by the assessor. The return must be filed and
2 tax due paid no later than 30 days following the date of the taxable political expenditure.

3 **Sec. 2. Rules.** The State Tax Assessor shall adopt routine technical rules as
4 described in the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A to
5 implement the provisions of Title 36, chapter 723.

6 **SUMMARY**

7 This bill imposes a 50% tax on the value of a political expenditure made during the 2
8 weeks immediately before a primary, general, special or referendum election. "Political
9 expenditure" has the same meaning as "expenditure" for the purpose of campaign finance
10 reports, which includes a purchase, payment, distribution, loan, advance, deposit or gift of
11 money or anything of value made for the purpose of influencing the nomination or
12 election of any person or a ballot measure, such as a so-called people's veto or initiated
13 bill. The tax is imposed on the person making the political expenditure and must be paid
14 within 30 days of making the political expenditure.