

MAINE STATE LEGISLATURE

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(Transmitted from the Revisor of Statutes Under Joint Order)

H. P. 1595

House of Representatives, February 19, 1941.

Referred to Committee on Taxation and sent up for concurrence. 1,000 copies ordered printed.

HARVEY R. PEASE, Clerk.

Presented by Mr. Jones of Rockland.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FORTY-ONE

AN ACT Imposing a Tax on Salaries and Wages.

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

Sec. 1. Tax levied. In addition to other taxes there shall be levied, collected, and paid a tax equal to the wages received by every individual with respect to employment of 1% thereof.

Sec. 2. Collection. The tax imposed by the preceding section shall be collected by the employer of the taxpayer. Every employer shall deduct 1% from the wages of each employee to be paid to the bureau of taxation by the employer according to the provisions of this act.

The said tax shall be paid to the said bureau quarterly within 1 month next following the months of March, July, September, and December for the preceding quarter in which the tax was collected, and shall be paid in to the state treasury by the said bureau.

Every employer required so to deduct the tax is hereby made liable for the payment of such tax and is hereby indemnified against the claims and demands of any person for the amount of any such payment made by such employer.

Sec. 3. Adjustment. If more or less than the correct amount of tax im-

posed by section 3 hereof is paid with respect to any wage payments, then, proper adjustments with respect both to the tax and the amount to be deducted, shall be made without interest in connection with subsequent wage payments to the same individual by the same individual by the same employer.

Sec. 4. Wages. The term "wages" as used in this act means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash, including service performed in the employ of the state, a political subdivision thereof, or any instrumentality thereof.

Sec. 5. Employment. The term "employment" means any service, of whatever nature performed within the state of Maine by an employee for his employer, except—

- (1) Labor in any respect pertaining to the carrying on of agricultural pursuits.
- (2) Domestic service in a private home.
- (3) Casual labor not in the course of the employer's trade or business.

Sec. 6. Employees of the United States government. All officers and employees in the service of the United States government and of any instrumentality thereof who reside in the state for a period of 3 months in the calendar year shall pay a tax equal to the wages received with respect to employment of 1% thereof and such officers and employees who reside in the state for a period less than 3 months in the calendar year shall pay a tax with respect to employment of 1% of the wages during such time as they physically are within the state. All such officers and employees who fail to make the return provided in section 9 hereof shall be subject to a fine of \$1000 or imprisonment for a term not exceeding 2 years.

Sec. 7. Rules. The bureau of taxation shall make such rules and regulations as may be necessary to carry out the provisions of this act.

Sec. 8. Returns. Each person subject to the provisions hereof as set forth in sections 2 and 6 shall make returns within 1 month next following the months of March, July, September and December for the preceding quarter to the bureau of taxation, which shall contain information and be made in such manner as the said bureau by its regulations may prescribe.

Sec. 9. Revenues allocated. The revenues derived from the taxes hereby imposed shall be paid into the general fund of the state and shall be used:

- (1) For the payment of the benefits under the old age assistance laws:
- (2) For the purposes of aiding the program of equalizing educational opportunities; and
- (3) For the general expenses of the state.

Sec. 10. Unconstitutionality. If any section, subsection, sentence, clause or phrase of this act is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this act.

Sec. 11. Effective date. The provisions of this act shall apply to wages earned during the part of the year beginning July 1st, 1941, and to the succeeding quarters thereof, and to years subsequent thereto only.