

MAINE STATE LEGISLATURE

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ACTS AND RESOLVES

AS PASSED BY THE

One Hundred and Fifth Legislature

OF THE

STATE OF MAINE

Published by the Director of Legislative Research in accordance with
the Revised Statutes of 1964, Title 3 Section 164, Subsection 6.

THE KNOWLTON AND MCLEARY COMPANY
FARMINGTON, MAINE
1971

PUBLIC LAWS
OF THE
STATE OF MAINE
AS PASSED BY THE
One Hundred and Fifth Legislature
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5. Application. This section shall not apply to any contract awarded pursuant to any invitation for bids issued on or before the effective date of this Act or to any bonds furnished in respect to any such contract.

Effective September 23, 1971

Chapter 60

AN ACT to Authorize Savings Bank Loans Covered by Mortgage Guaranty Insurance.

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

Sec. 1. R. S., T. 9, § 561, sub-§ 1, ¶ H, additional. Subsection 1 of section 561 of Title 9 of the Revised Statutes, as enacted by section 18 of chapter 401 of the public laws of 1969, is amended by adding a new paragraph H, to read as follows:

H. A savings bank may make loans secured by a first mortgage of real estate in an amount not exceeding 90% of its appraisal of the market value, if at least the top 20% of the loan is insured by a mortgage guaranty insurer licensed to do business in this State.

Sec. 2. Effective date. This Act shall become effective December 31, 1971.

Effective December 31, 1971

Chapter 61

AN ACT Relating to Administration of the State Income Tax.

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

Sec. 1. R. S., T. 30, § 1051, sub-§ 20, additional. Section 1051 of Title 30 of the Revised Statutes, as amended, is further amended by adding a new subsection 20, to read as follows:

20. Service of an income tax warrant. For the service of an income tax warrant and arrest as provided by Title 36, chapters 801 to 839, the same as for service of civil process, and for civil arrests. For collecting income tax, penalties and interest, pursuant to such warrants, for every dollar of the first \$100, 4¢; for every dollar above \$100 and not exceeding \$200, 3¢; and for every dollar above \$200, 2¢. Additional services, including travel, shall be charged as elsewhere in this section provided.

Sec. 2. R. S., T. 36, § 5102, sub-§ 6, amended. Subsection 6 of section 5102 of Title 36 of the Revised Statutes, as enacted by section F of chapter 154 of the private and special laws of 1969, is amended to read as follows:

Effective September 23, 1971

6. **Corporation.** "Corporation" means any business entity subject to income taxation as a corporation under the laws of the United States, ~~excepting corporations having an election in effect under subchapter S of the Internal Revenue Code, and~~ corporations subject to tax under sections 2511 to 2522.

Sec. 3. R. S., T. 36, § 5102, sub-§ 11, amended. The last 2 sentences of subsection 11 of section 5102 of Title 36 of the Revised Statutes, as enacted by section F of chapter 154 of the private and special laws of 1969 and as last repealed and replaced by chapter 553 of the public laws of 1969, are amended to read as follows:

Any reference in this part to the laws of the United States shall mean the provisions of the Internal Revenue Code of 1954, and amendments thereto and other provisions of the laws of the United States relating to federal income taxes as of January 1, ~~1970~~ 1971. This amendment shall be effective as to items of income, deductions, loss or gain accruing in taxable years ending on or after January 1, ~~1970~~ 1971 but only to the extent such items have been earned, received, incurred or accrued on or after such effective date.

Sec. 4. R. S., T. 36, § 5111-A, additional. Title 36 of the Revised Statutes is amended by adding a new section 5111-A, to read as follows:

§ 5111-A. Alternate method of computation

In lieu of a tax computed according to the rates set forth in section 5111, the tax of any individual taxpayer whose adjusted gross income for the taxable year is less than \$10,000, at his election shall be computed in accordance with tables prepared and issued by the assessor. Such tables shall approximate, as nearly as may be practicable, tax computed on the basis of section 5111.

Sec. 5. R. S., T. 36, § 5228, sub-§ 5, amended. Subsection 5 of section 5228 of Title 36 of the Revised Statutes, as enacted by Section F of chapter 154 of the private and special laws of 1969, is amended to read as follows:

5. **Return or declaration as amendment.** If on or before January 31st, or ~~February 15th~~ March 1st in the case of an individual referred to in subsection 2 of section 5229, of the succeeding taxable year an individual files his return for the taxable year for which the declaration is required, and pays in full the amount shown on the return as payable, such return (1) shall be considered as his declaration if no declaration was required to be filed during the taxable year, but is otherwise required to be filed on or before January 15th, or (2) shall be considered as the amendment permitted by subsection 4 to be filed on or before January 15th if the tax shown on the return is greater than the estimated tax shown in a declaration previously made.

Sec. 6. R. S., T. 36, § 5229, sub-§§ 1 & 2, amended. Subsections 1 and 2 of section 5229 of Title 36 of the Revised Statutes, as enacted by section F of chapter 154 of the private and special laws of 1969, are amended to read as follows:

1. **Time for filing.** A declaration of estimated tax of an individual other than a farmer or fisherman shall be filed on or before April 15th of the taxable year, except that if the requirements of section 5228 are first met:

- A. After April 1st and before June 2nd of the taxable year, the declaration shall be filed on or before June 15th, or
- B. After June 1st and before September 2nd of the taxable year, the declaration shall be filed on or before September 15th, or
- C. After September 1st of the taxable year, the declaration shall be filed on or before January 15th of the succeeding year.

2. **Declaration by farmer or fisherman.** A declaration of estimated tax required by section 5228 from an individual having an estimated adjusted gross income from farming or fishing in this State for the taxable year which is at least $\frac{2}{3}$ of his total estimated adjusted gross income taxable in this State for the taxable year, may be filed at any time on or before January 15th of the succeeding taxable year, in lieu of the time otherwise prescribed.

Sec. 7. R. S., T. 36, § 5241, amended. The first sentence of section 5241 of Title 36 of the Revised Statutes, as enacted by section F of chapter 154 of the private and special laws of 1969, is amended to read as follows:

Every partnership having a resident partner or having any income derived from sources in this State, determined in accordance with the applicable rules of section 5142 as in the case of a nonresident individual, shall, **if required by the assessor**, make a return for the taxable year setting forth all items of income, gain, loss, and deduction, and the names and addresses of the individuals whether residents or nonresidents who would be entitled to share in the net income if distributed and the amount of the distributive share of each individual and such other pertinent information as the assessor may prescribe by regulations and instructions.

Sec. 8. R. S., T. 36, § 5250, sub-§ 1, amended. The first sentence of subsection 1 of section 5250 of Title 36 of the Revised Statutes, as enacted by section F of chapter 154 of the private and special laws of 1969, is amended to read as follows:

Every employer maintaining an office or transacting business within this State and making payment of any wages taxable under this part to a resident or nonresident individual shall, **if required to withhold federal income tax from such wages**, deduct and withhold from such wages for each payroll period a tax computed in such manner as to result, so far as practicable, in withholding from the employee's wages during each calendar year an amount substantially equivalent to the tax reasonably estimated to be due from the employee under this part with respect to the amount of such wages included in his adjusted gross income during the calendar year.

Sec. 9. R. S., T. 36, § 5253, sub-§ 1, amended. The first 2 sentences of subsection 1 of section 5253 of Title 36 of the Revised Statutes, as enacted by section F of chapter 154 of the private and special laws of 1969, are amended to read as follows:

Every employer required to deduct and withhold tax under this part shall, for each calendar quarter, on or before the ~~fifteenth~~ last day of the month following the close of such calendar quarter, file a withholding return as prescribed by the assessor and pay over to the assessor or to a depository

designated by the assessor, the taxes so required to be deducted and withheld ~~except that for the fourth quarter of the calendar year, the return shall be filed and the taxes paid on or before January 31st of the succeeding year.~~ Where the aggregate amount required to be deducted and withheld by any employer for a calendar month exceeds ~~\$500~~ \$100, the employer shall by the ~~15th~~ last day of the succeeding month pay over such aggregate amount to the assessor or to a depository designated by the assessor.

Sec. 10. R. S., T. 36, § 5255-A, additional. Title 36 of the Revised Statutes is amended by adding a new section 5255-A, to read as follows:

§ 5255-A. Injunction

The Tax Assessor may, by filing a complaint, apply for an injunction from doing business of any employer required to deduct and withhold tax under this part whenever any such employer fails to deduct and withhold tax under this part; or truthfully account for, or pay over, or make returns of the tax as required by section 5253. The existence of other civil or criminal remedies shall be no defense to this proceeding.

The complaint shall be deemed adequate as to form if it sets forth the name and address of the defendant as stated in his last return filed with the assessor, or, if no such return was filed, the address, if any, known to the assessor; the breach of the law committed by the defendant; and the assessor's prayer for relief. The paragraphs of the complaint shall be numbered. The complaint need not be verified.

The complaint may be presented to the Superior Court in any county where the defendant has a regular place of business, or, if he has no regular place, then in Kennebec County. The court shall forthwith fix a time and place for hearing and cause notice thereof to be given the defendant. The defendant shall serve upon the Tax Assessor a copy of his answer to the complaint at least 3 days before the day of hearing. The answer shall be paragraphed and numbered to conform with the numbering of the paragraphs in the complaint so far as may be. Any allegation of fact in the complaint which is not denied shall be taken as true.

Jurisdiction is granted to the Superior Court to hear and determine such matters, and to enter and change such orders and decrees from time to time as the nature of the case may require and, if necessary, to appoint a receiver. From any final decree of the Superior Court, an appeal lies to the law court. Said appeal shall be heard by the law court in the same manner as in other actions.

Sec. 11. R. S., T. 36, § 5272, sub-§ 1, amended. Subsection 1 of section 5272 of Title 36 of the Revised Statutes, as enacted by section F of chapter 154 of the private and special laws of 1969, is amended to read as follows:

1. **General.** If any amount of tax imposed by this part, including tax withheld by an employer, is not paid on or before the last date prescribed for payment, interest on such amount at the rate of $\frac{1}{2}\%$ ~~per month~~ for each month or fraction thereof shall be paid for the period from such last date to date paid. No interest shall be imposed if the amount of interest due is less than one dollar nor shall this section apply to any failure to pay estimated income tax under section 5230.

Sec. 12. R. S., T. 36, § 5274, sub-§ 3, amended. The first sentence of subsection 3 of section 5274 of Title 36 of the Revised Statutes, as enacted by section F of chapter 154 of the private and special laws of 1969, is amended to read as follows:

If any taxpayer fails to file a declaration of estimated tax or fails to pay all or any part of an installment of any tax, he shall be deemed to have made an underpayment of estimated tax, and there shall be added to the amount required to be paid under this part a penalty at the rate of $\frac{1}{2}\%$ ~~per month~~ **for each month or fraction thereof** based on the amount of the underpayment for the period of the underpayment.

Sec. 13. R. S., T. 36, § 5340, sub-§ 5, amended. Subsection 5 of section 5340 of Title 36 of the Revised Statutes, as enacted by section F of chapter 154 of the private and special laws of 1969, is amended to read as follows:

5. Reports and returns preserved. Reports and returns required to be filed under this part, **or microfilm reproductions of such reports and returns,** shall be preserved for 3 years and thereafter until the assessor orders them to be destroyed.

Effective September 23, 1971

Chapter 62

AN ACT Relating to Charges for Care and Treatment of Persons in State Institutions.

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

Sec. 1. R. S., T. 34, § 2511, repealed and replaced. Section 2511 of Title 34 of the Revised Statutes is repealed and the following enacted in place thereof:

§ 2511. Department to establish charges

The department shall establish charges for care and treatment of patients at the Augusta State Hospital, Bangor State Hospital, Pineland Hospital and Training Center and the Regional Care Facility for the Severely Mentally Retarded at Bangor. "Care and treatment" for the purposes of this chapter shall include all goods and services provided to a patient, furnished by, or caused to be furnished by, the State.

Sec. 2. R. S., T. 34, § 2512, amended. Section 2512 of Title 34 of the Revised Statutes, as repealed and replaced by section 2 of chapter 292 of the public laws of 1965 and as amended by section 1 of chapter 477 of the public laws of 1967, is further amended to read as follows:

§ 2512. Persons liable

Each patient and the spouse, adult child and parent, jointly and severally, shall be legally liable from the date of admission for the ~~support~~ **care and**