

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND EIGHTEENTH LEGISLATURE

SECOND REGULAR SESSION
January 7, 1998 to March 31, 1998

SECOND SPECIAL SESSION
April 1, 1998 to April 9, 1998

THE GENERAL EFFECTIVE DATE FOR
SECOND REGULAR SESSION
NON-EMERGENCY LAWS IS
JUNE 30, 1998

SECOND SPECIAL SESSION
NON-EMERGENCY LAWS IS
JULY 9, 1998

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company
Augusta, Maine
1997

corrective treatment, transportation to dental appointments and other services necessary to ensure access.

2. Increasing providers. The department shall work with a statewide dental association and dentists in the State to increase the number of providers of dental care and the number participating in the Medicaid program.

3. Goal. It is the goal of the Legislature that children enrolled in the Medicaid program in all regions of the State have the same access to dental care as children enrolled in private dental insurance programs.

4. Annual report. By February 15, 1999 and annually thereafter, the department shall submit to the joint standing committee of the Legislature having jurisdiction over health and human services matters an annual report containing information related to the progress of the department in meeting the goal stated in subsection 3 and an action plan to increase access to dental care. The report must include an analysis of the progress being made in increasing access, the problems incurred within the prior year and corrective action to be taken. The action plan must consider the following strategies to increase access: nonprofit clinics; purchase of practice clinics; enhanced reimbursement for dentists serving a large number of children under the Medicaid program; and contracts with dental clinics and health centers to provide dental care.

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.

Effective April 2, 1998.

CHAPTER 668

S.P. 793 - L.D. 2120

An Act Concerning Technical Changes to the Tax Laws

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, delay in making technical changes to the tax laws would interfere with administration of those laws; and

Whereas, legislative action is immediately necessary in order to ensure continued and efficient administration of the tax laws; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of

the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 10 MRSA §1305, as enacted by PL 1997, c. 352, §1, is amended to read:

§1305. Terminal rental adjustment clauses; vehicle leases that are not sales or security interests

Notwithstanding any other provision of law, in the case of motor vehicles or trailers, a transaction does not create a sale or security interest merely because the agreement provides that the rental price is permitted or required to be adjusted upward or downward by reference to the amount realized upon sale or other disposition of the motor vehicle or trailer. A transaction may be considered a sale for purposes of Title 36.

Sec. 2. 10 MRSA §1495, sub-§2, as enacted by PL 1997, c. 495, §1, is amended to read:

2. Payroll processing services. "Payroll processing services" means preparing and issuing payroll checks; preparing and filing tax returns, including quarterly state income withholding tax reports or unemployment insurance contribution reports; and or collecting, holding and turning over to the State Tax Assessor income withholding taxes pursuant to Title 36, chapter 827 or unemployment insurance contributions pursuant to Title 26, chapter 13, subchapter 7.

Sec. 3. 18-A MRSA §3-715, sub-§(18), as enacted by PL 1979, c. 540, §1, is amended to read:

(18) Pay taxes, assessments, compensation of the personal representative, and other expenses incident to the administration of the estate. ~~In the collection and payment of state inheritance taxes, the personal representative shall observe the provisions of Title 36, chapter 557;~~

Sec. 4. 26 MRSA §979-A, sub-§6, ¶J, as amended by PL 1989, c. 654, §3 and affected by §13, is further amended to read:

J. Who substantially participates in the formulation and effectuation of policy in a department or agency or has a major role, other than a typically supervisory role, in the administration of a collective bargaining agreement in a department or agency; ~~or~~

Sec. 5. 26 MRSA §979-A, sub-§6, ¶K, as amended by PL 1989, c. 654, §4 and affected by §13, is further amended to read:

K. Who is a prisoner employed by a public employer during the prisoner's term of imprisonment, except for prisoners who are in work release or intensive supervision programs; or

Sec. 6. 26 MRSA §979-A, sub-§6, ¶L is enacted to read:

L. Who is employed by a person that has contracted to perform services for the Bureau of Revenue Services.

Sec. 7. 36 MRSA §111, sub-§1-B, as enacted by PL 1997, c. 526, §4, is amended to read:

1-B. Bureau. "Bureau" means the Bureau of Revenue Services, which may be referred to as "Maine Revenue Services."

Sec. 8. 36 MRSA §111, sub-§5, as amended by PL 1997, c. 526, §5, is further amended to read:

5. Tax. "Tax" means the total amount required to be paid, withheld and paid over, or collected and paid over with respect to estimated or actual tax liability under this Title, including any interest or civil penalty relating thereto. For purposes of sections 171, 175-A ~~and~~, 176-A and 186, "tax" also means any fee, fine, penalty or other obligation owed to the State provided for by law if this obligation is subject to collection by the assessor pursuant to an agreement entered into by the bureau and another agency of the State.

Sec. 9. 36 MRSA §112, sub-§10 is enacted to read:

10. Title. The State Tax Assessor may be referred to as the "executive director" or the "director."

Sec. 10. 36 MRSA §144, sub-§2, as enacted by PL 1995, c. 281, §5, is repealed and the following enacted in its place:

2. Exceptions.

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

B. For any claim by an individual for credit or a refund of any tax imposed under this Title, the assessor may toll the applicable statute of limitations for a period of up to 3 years on the grounds of mental incapacity of the claimant. The period may be tolled only if the mental incapacity existed at a time when the claim could have been timely filed. The limitations period resumes running when the mental incapacity no longer

exists. For the purposes of this paragraph, the term "mental incapacity" means the overall inability to function in society that prevents an individual from protecting the individual's legal rights.

Sec. 11. 36 MRSA §151, 2nd ¶, as repealed and replaced by PL 1993, c. 395, §2 and affected by §32, is amended to read:

If a request for reconsideration is filed within the specified time period, the State Tax Assessor shall reconsider the assessment or the determination. If the petitioner has so requested in the petition, the State Tax Assessor shall hold an informal conference with the petitioner to receive additional information and to hear arguments regarding the protested assessment or determination. The State Tax Assessor shall give the petitioner 10 working days' notice of the time and place of the conference. The conference may be held with less than 10 working days' notice if a mutually convenient time and place can be arranged between the petitioner and the State Tax Assessor. The reconsideration, with or without an informal conference, is not an "adjudicatory proceeding" within the meaning of that term in the Maine Administrative Procedure Act. If the requested reconsideration involves a denial or deemed denial of a refund claim, a refund claim with respect to which a conference has been requested under section 5280 or an assessment that is paid in full or part and the State Tax Assessor fails to mail to the taxpayer a decision on the reconsideration within 9 months after the reconsideration request was filed, the taxpayer may elect but is not obligated to deem the request for reconsideration denied. The taxpayer elects to deem the reconsideration denied by filing in Superior Court a petition for review of the deemed denial. The deemed denial constitutes final agency action and is subject to court review as otherwise provided in this section. The taxpayer may not make the deemed denial election after either the State Tax Assessor's reconsideration decision has been received by the taxpayer or the expiration of 9 years following the filing of the reconsideration request, whichever occurs first. Notwithstanding any other provision of law, any claim for credit or refund of any tax imposed under this Title is deemed denied 10 years after it was filed if the claim has not previously been allowed or denied as final agency action. A deemed denial constitutes final agency action.

Sec. 12. 36 MRSA §171, sub-§2, as enacted by PL 1997, c. 526, §9, is amended to read:

2. Other debts owed to State. In the case of a fee, fine, penalty or other obligation first owed to the State on or after January 1, 1988 and authorized to be collected by the bureau, the assessor, within 3 years after ~~administrative and judicial review provided by~~

~~law have been exhausted~~ the obligation is first placed with the bureau for collection, may give the taxpayer notice of the amount to be paid, including any interest and penalties provided by law, and demand payment of that amount within 10 days of that taxpayer's receipt of notice. The notice must include a warning that, upon failure of that taxpayer to pay as demanded, the assessor may proceed to collect the amount due by any collection method authorized by section 175-A or 176-A.

Sec. 13. 36 MRSA §186, first ¶, as amended by PL 1991, c. 846, §6, is further amended to read:

Any person who fails to pay any tax ~~imposed under this Title, except taxes, other than a tax~~ imposed pursuant to chapter 105, on or before the last date prescribed for payment is liable for interest on the tax, calculated from that date and compounded monthly. The State Tax Assessor shall establish annually, by rule, the rate of interest, which may not exceed the highest conventional rate of interest charged for commercial unsecured loans by Maine banking institutions on the first business day of October preceding the calendar year. For purposes of this section, the last date prescribed for payment of tax must be determined without regard to any extension of time permitted for filing a return. A tax that is upheld on administrative or judicial review bears interest from the date on which payment would have been due in the absence of review. Any tax, interest or penalty imposed by this Title that has been erroneously refunded and is recoverable by the State Tax Assessor bears interest at the above rate from the date of payment of the refund. Interest accrues automatically, without being assessed by the State Tax Assessor, and is recoverable by the State Tax Assessor in the same manner as if it were a tax assessed under this Title. If the failure to pay a tax when required is explained to the satisfaction of the State Tax Assessor, the State Tax Assessor may abate or waive the payment of all or any part of that interest.

Sec. 14. 36 MRSA §187-B, sub-§5, as enacted by PL 1991, c. 873, §5 and affected by §§8 and 9, is amended to read:

5. Insufficient funds. Any person who makes payment of an amount due under this Title by means of a check or electronic funds transfer that is returned unpaid by the bank on which it is drawn because of insufficient funds or the closing or nonexistence of the account on which it is drawn is liable for a penalty of \$10 or 1% of the ~~check~~ payment amount, whichever is greater.

Sec. 15. 36 MRSA §187-B, sub-§5-A is enacted to read:

5-A. Electronic funds transfers. Any person required by the assessor to remit taxes by electronic

funds transfer that fails to remit electronically is liable for a penalty of the lesser of 5% of the tax due or \$5,000. For purposes of this section, a person fails to remit electronically when:

A. Two or more required payments in any consecutive 6-month period are either not made or are made by the person by means other than electronic funds transfer and the person has been notified in writing by the assessor of that person's noncompliance and of the fact that the penalty imposed by this section may be imposed; or

B. The person makes 2 or more required electronic payments in any consecutive 6-month period that do not comply with the specifications set forth in a rule issued by the assessor pursuant to section 193.

Sec. 16. 36 MRSA §187-B, sub-§7, as amended by PL 1997, c. 526, §14, is further amended to read:

7. Reasonable cause. For reasonable cause, the State Tax Assessor shall waive or abate any penalty imposed by subsection 1; subsection 2, paragraphs A and B; ~~and subsections 4 and 4-A; and subsection 5-A.~~ Reasonable cause includes, but is not limited to, the following:

A. The failure to file or pay resulted directly from erroneous information provided by the Bureau of Revenue Services;

B. The failure to file or pay resulted directly from the death or serious illness of the taxpayer or a member of the taxpayer's immediate family;

C. The failure to file or pay resulted directly from a natural disaster;

D. A return that was due monthly was filed and paid less than one month late and all of the taxpayer's returns and payments during the preceding 12 months were timely;

E. A return that was due other than monthly was filed and paid less than one month late and all of the taxpayer's returns and payments during the preceding 3 years were timely;

F. The taxpayer has supplied substantial authority justifying the failure to file or pay; or

G. The amount subject to a penalty imposed by subsections 1, 2 and 4-A; and subsection 5-A is de minimis when considered in relation to the amount otherwise properly paid, the reason for the failure to file or pay and the taxpayer's compliance history.

The burden of establishing grounds for waiver or abatement is on the taxpayer.

Sec. 17. 36 MRSA §191, sub-§1, as enacted by PL 1977, c. 668, §2, is amended to read:

1. Basic prohibition. It is unlawful for any public official or any employee or agent of the bureau to inspect willfully any return or examine information contained on any return, for any purpose other than the conduct of official duties. Except as otherwise provided by law, it ~~shall be~~ is unlawful for any person who, pursuant to this Title, has been permitted to receive or view any portion of the original or a copy of any report, return or other information provided pursuant to this Title to divulge or make known in any manner any information set forth in any of those documents or obtained from examination or inspection under this Title of the premises or property of any taxpayer. This prohibition applies to both state tax information and federal tax information filed as part of a state tax return.

Sec. 18. 36 MRSA §193, as amended by PL 1997, c. 504, §5, is further amended to read:

§193. Returns; declaration covering perjury; submission of returns and funds by electronic means

Any return, report or other document required to be made pursuant to this Title must contain a declaration, in a form prescribed by the State Tax Assessor, that the statements contained in the return, report or other document are true and made under the penalties of perjury. The assessor may allow the filing of a return or document by electronic data submission or by telephone. The assessor may also allow the payment of a tax or the refund of a tax by the electronic transfer of funds. In the case of a taxpayer that has \$200,000 or more in annual withholding tax payments to the ~~Bureau of Taxation~~ bureau or \$400,000 or more in annual payments of any other single tax type, and in the case of payroll processing companies as defined in Title 10, chapter 222, the assessor may require payment or refund of a tax by electronic funds transfer. An electronic funds transfer allowed or required by the assessor pursuant to this section is considered a return. The assessor may adopt rules to establish procedures necessary to implement the provisions of this section and shall adopt rules in the event that payment of taxes by electronic funds transfer is mandated. Any rule adopted pursuant to this section is considered a ~~major substantive~~ routine technical rule for the purposes of Title 5, chapter 375, subchapter II-A.

Sec. 19. 36 MRSA §582-A, as enacted by PL 1979, c. 666, §18, is repealed.

Sec. 20. 36 MRSA §652, sub-§1, ¶A, as corrected by RR 1995, c. 2, §93, is amended to read:

A. The real estate and personal property owned and occupied or used solely for their own purposes by benevolent and charitable institutions incorporated by this State, ~~and none of these.~~ Such an institution may not be deprived of the right of exemption by reason of the source from which its funds are derived or by reason of limitation in the classes of persons for whose benefit such funds are applied.

~~(1) Any such institution that is in fact conducted or operated principally for the benefit of persons who are not residents of Maine is entitled to an exemption not to exceed \$50,000 of current just value only when the total amount of any stipends or charges that it makes or takes during any tax year, as defined by section 502, for its services, benefits or advantages divided by the total number of persons receiving such services, benefits or advantages during the same tax year does not result in an average rate in excess of \$30 per week when said weekly rate is computed by dividing the average yearly charge per person by the total number of weeks in a tax year during which such institution is in fact conducted or operated principally for the benefit of persons who are not residents of Maine. No such institution that is in fact conducted or operated principally for the benefit of persons who are not residents of Maine and makes charges that result in an average weekly rate per person, as computed under this subparagraph, in excess of \$30 may be entitled to tax exemption. This subparagraph does not apply to institutions incorporated as nonprofit corporations for the sole purpose of conducting medical research.~~

For the purposes of this paragraph, "benevolent and charitable institutions" include, but are not limited to, nonprofit nursing homes and nonprofit boarding homes and boarding care facilities licensed by the Department of Human Services pursuant to Title 22, chapter 1665 or its successor, nonprofit community mental health service facilities licensed by the Commissioner of Mental Health, Mental Retardation and Substance Abuse Services; pursuant to Title 34-B, chapter 3 and nonprofit child care centers incorporated by this State as benevolent and charitable institutions. For the purposes of this paragraph, "nonprofit" means a facility exempt from taxation under Section 501(c)(3) of the Code;

Sec. 21. 36 MRSA §1504, sub-§2, ¶D, as enacted by PL 1997, c. 324, §6 and affected by §7, is amended to read:

D. The tax payable for a watercraft registered to a new owner after September 1st of any year is 50% of the ~~value~~ amount due under subsection 1.

Sec. 22. 36 MRSA §1752, sub-§18-A, as amended by PL 1995, c. 477, §1, is further amended to read:

18-A. Telephone or telegraph service. "Telephone or telegraph service" means all telecommunications or telegraph service, including installation or use of telecommunication or telegraphic equipment, but not including telecommunications or telegraph service originating or terminating outside this State. "Telecommunications ~~and~~ or telegraphic equipment" means any 2-way interactive communications device, system or process for transmitting or receiving ~~electromagnetic~~ signals and capable of exchanging audio, ~~data base~~ database or textual information. ~~Until January 1, 1988, telecommunications "Telecommunications service" includes does not include access services provided by a local exchange carrier to an interstate or intrastate interexchange carrier. Notwithstanding subsection 11, a sale of access services is considered a retail sale. Beginning January 1, 1988, unless extended by the Legislature, telecommunications service does not include those access services.~~ "Telephone or telegraph service" does not include directory advertising service. This subsection applies to leases entered into prior to October 1, 1996.

Sec. 23. 36 MRSA §1752, sub-§18-B, as enacted by PL 1995, c. 477, §2, is amended to read:

18-B. Telephone or telegraph service. "Telephone or telegraph service" means all telecommunications or telegraph service, including installation of telecommunication or telegraphic equipment, but not including telecommunications or telegraph service originating or terminating outside this State. "Telecommunications and telegraph equipment" means any 2-way interactive communications device, system or process for transmitting or receiving ~~electromagnetic~~ signals and capable of exchanging audio, ~~data base~~ database or textual information. "Telecommunications and telegraph equipment" does not include computers, except those components of a computer used primarily and directly as a 2-way interactive communications device capable of exchanging audio, ~~data base~~ database or textual information. ~~Notwithstanding subsection 11, a sale of access services is considered a retail sale. Beginning January 1, 1988, unless extended by the Legislature, "telecommunications service" does not include those access services.~~

"Telephone or telegraph service" does not include directory advertising service. This subsection applies to leases entered into on or after October 1, 1996.

Sec. 24. 36 MRSA §1760, sub-§25, as amended by PL 1991, c. 546, §21, is further amended to read:

25. Watercraft sold to nonresidents. Sales of watercraft in this State to nonresidents ~~of watercraft~~, when such craft are either delivered outside the State or delivered in the State to be sailed or transported outside the State immediately upon delivery by the seller; and any sales to nonresidents, under contracts for the construction of any such craft to be so delivered, of materials to be incorporated; and any sales to nonresidents for the repair, alteration, refitting, reconstruction, overhaul or restoration of any such craft to be so delivered, of materials to be incorporated. Unless the craft is present in the State, for a purpose other than temporary storage, for more than 30 days during the 12-month period following its date of purchase or is registered in Maine without also being registered in another state or documented with a location in this State, within 12 months of the date of purchase, the purchaser is exempt from the use tax.

Sec. 25. 36 MRSA §2863, sub-§1, ¶A, as amended by PL 1985, c. 785, Pt. A, §112, is further amended to read:

A. "Commissioner" means the Commissioner of Finance Administrative and Financial Services.

Sec. 26. 36 MRSA cc. 551 to 565, as amended, are repealed.

Sec. 27. 36 MRSA §4366-B, sub-§2, as enacted by PL 1997, c. 458, §10, is amended to read:

2. Exception for personal use. An individual who is not a licensed distributor or a dealer may transport cigarettes into this State and may transport cigarettes from place to place within this State for the individual's personal use in a quantity not greater than ~~4~~ 2 cartons.

Sec. 28. 36 MRSA §4372-A, sub-§2, ¶C, as enacted by PL 1997, c. 458, §17, is amended to read:

C. Unstamped cigarettes in a quantity of ~~4~~ 2 cartons or less in the possession of an individual who is not a licensed distributor.

Sec. 29. 36 MRSA §5102, sub-§6, as amended by PL 1993, c. 502, §4 and affected by §5, is further amended to read:

6. Corporation. "Corporation" means any business entity subject to income taxation as a corporation under the laws of the United States, excepting ~~either~~ a

corporation subject to tax under ~~sections 2512 to 2522 and chapter 357~~ or section 5206 or a business entity referred to in Title 24-A, section 1157, subsection 5, paragraph B, subparagraph (1).

Sec. 30. 36 MRSA §5204-B, as enacted by PL 1995, c. 281, §30, is repealed.

Sec. 31. 36 MRSA §5219-M, sub-§1, ¶¶B and C, as enacted by PL 1997, c. 557, Pt. B, §10 and affected by §14 and affected by Pt. G, §1, are amended to read:

B. "Investment credit base ~~of equipment~~" means the total ~~original~~ adjusted basis of the eligible equipment for federal income tax purposes of the taxpayer ~~for~~ on the date that the equipment ~~that~~ was placed into service for the first time in the State by the taxpayer or other person during the tax year for which the credit is claimed. In computing the adjusted basis of the eligible equipment on the date placed in service for the first time in the State, the total allowable depreciation of the equipment for the tax year must be multiplied by a fraction the numerator of which is the number of days that the equipment was in service in the State during the tax year and the denominator of which is the total number of days that the equipment was in service during the tax year.

C. "Eligible equipment" means all computer equipment, electronics components and accessories, communications equipment, ~~as defined in paragraph A, subparagraph (2),~~ and computer software placed into service in the State.

Sec. 32. 36 MRSA §5219-M, sub-§1-A is enacted to read:

1-A. Credit allowed. The following persons are allowed a credit as follows.

A. Unless entitlement to the credit is waived by the user pursuant to paragraph B:

(1) A person engaged primarily in high technology activity that purchases and uses eligible equipment in that activity may claim a credit in the amount of that person's investment credit base of the eligible equipment; or

(2) A person engaged primarily in a high technology activity that leases and uses eligible equipment in that activity may claim a credit in the amount of the lease payments made on the eligible equipment in each tax year, except that if the eligible equipment is depreciable by that person for federal income tax purposes, the credit is based on

that person's investment credit base of the eligible equipment.

B. When a lessor or sublessor provides the assessor with satisfactory evidence that the lessee or sublessee, respectively, of eligible equipment has waived its right to claim a credit under this section with respect to that equipment:

(1) A person that purchases and leases eligible equipment to another person engaged primarily in high technology activity for use by that person in that activity may claim a credit in the amount of that person's investment credit base of the eligible equipment, net of any lease payments received for the eligible equipment in the taxable year; and

(2) A person that leases and subleases eligible equipment to another person engaged primarily in high technology activity for use by that person in that activity may claim a credit in the amount of the lease payments made on the eligible equipment in each tax year, net of sublease payments received in the taxable year, except that if the eligible equipment is depreciable by that person for federal income tax purposes, the credit is based on that person's investment credit base of the eligible equipment.

Sec. 33. 36 MRSA §5219-M, sub-§§2 and 3, as enacted by PL 1997, c. 557, Pt. B, §10 and affected by §14 and Pt. G, §1, are repealed.

Sec. 34. 36 MRSA §5219-M, sub-§§4 to 6, as enacted by PL 1997, c. 557, Pt. B, §10 and affected by §14 and affected by Pt. G, §1, are amended to read:

4. Limitation. The credit provided by this section may not be used to reduce the taxpayer's tax liability under this Part to less than the amount of the taxpayer's tax ~~due~~ liability in the preceding taxable year after the allowance of any other credits taken pursuant to this chapter. The credit allowed under this section for any taxable year may not reduce the tax ~~due~~ liability to less than zero.

5. Carry over to succeeding years. A taxpayer person entitled to a credit under this section for any taxable year may carry over and apply to the tax ~~due~~ liability for any one or more of the next succeeding 5 taxable years the portion, as reduced from year to year, of any unused credits.

6. Corporations filing combined return. In the case of corporations filing a combined return, a credit generated by an individual member corporation under the provisions of this section must first be

applied against the tax ~~due~~ liability attributable to that company under this Part. A member corporation with an excess high-technology investment tax credit may apply its excess credit against the tax ~~due~~ liability of another group member ~~other group members~~ to the extent that ~~that other~~ the other member corporation corporations can use additional credits under the limitations of subsection 4. Unused, unexpired credits generated by a member corporation may be carried over from year to year by the individual corporation that generated the credit, subject to the limitation in subsection 5, and the rules set forth in this paragraph for applying the credit to the tax liability of other group members are applicable in the years to which credits are carried forward.

Sec. 35. 36 MRSA §5228, sub-§2, as repealed and replaced by PL 1985, c. 691, §§35 and 48, is amended to read:

2. Requirement to pay estimated tax. Every person subject to taxation under this Part shall make payment of estimated tax as required by this Part in such form as the State Tax Assessor may require. If the person's income tax liability pursuant to this Part exclusive of a withholder's liability for taxes withheld reduced by allowable credits for the taxable year is less than ~~\$500~~ \$1,000 for the taxable year or, if the person had less than ~~\$500~~ \$1,000 tax liability for the prior tax year, the requirement to make the payments is waived.

Sec. 36. 36 MRSA §5250, sub-§2, ¶¶A and B, as amended by PL 1995, c. 646, §1, are further amended to read:

A. An employee is entitled to the same number of withholding exemptions as the number of withholding exemptions to which the employee is entitled for federal income tax withholding purposes, unless otherwise provided by rule. ~~An employer shall rely upon the number of federal withholding exemptions claimed by the employee, except as specified in paragraph C; and~~

B. The dollar amount of each exemption withholding allowance in this State must be the same as that equivalent to the amount of the personal exemption determined in section 5126 whether the individual is a resident or a nonresident, ~~and.~~

Sec. 37. 36 MRSA §5250, sub-§2, ¶C, as enacted by PL 1995, c. 646, §1, is repealed.

Sec. 38. 36 MRSA §5250, sub-§4, as enacted by PL 1995, c. 646, §2, is repealed.

Sec. 39. 36 MRSA §6164, as enacted by PL 1979, c. 726, §7, is amended to read:

§6164. Certification

The State Tax Assessor shall annually issue an identification certificate to eligible applicants. The certificate ~~shall be is~~ valid for the ~~15-month~~ 19-month period beginning ~~October~~ August 1st of the ~~current~~ calendar year ~~through December 31st of the following~~ subsequent to the year on which the claim is based.

Sec. 40. 36 MRSA §6220, as amended by PL 1997, c. 526, §14, is further amended to read:

§6220. Coordination required

The ~~Bureau of Revenue Services~~ bureau shall seek the advice and cooperation of the Bureau of Elder and Adult Services; the Bureau of Family Independence; the Bureau of Child and Family Services; advocates for elderly and low-income individuals; ~~the Maine Literacy Coalition~~; and other interested agencies and organizations in developing the application form and instruction booklet for the Maine Residents Property Tax Program and the outreach plan required by section 6219.

Sec. 41. 36 MRSA §6758, sub-§2, as enacted by PL 1995, c. 669, §5, is amended to read:

2. Determination by State Tax Assessor. On or before June 30th of each year, the State Tax Assessor shall determine the employment tax increment of each qualified business for the preceding calendar year. A qualified business may receive up to 50% of the employment tax increment generated by that business as determined by the State Tax Assessor, subject to the further limitations in section ~~6753~~ 6754, subsection 2. That amount is referred to as "retained employment tax increment revenues."

Sec. 42. Retroactivity. Those sections of this Act that amend the Maine Revised Statutes, Title 36, section 5219-M apply retroactively to tax years beginning on or after January 1, 1998.

Sec. 43. Application. That section of this Act that repeals the Maine Revised Statutes, Title 36, section 582-A applies to any appeal currently before the State Board of Property Tax Review, but not yet heard by the board. That section of this Act that repeals Title 36, section 5204-B applies to tax years beginning on or after August 6, 1997. That section of this Act that amends Title 36, section 5228, subsection 2 applies to tax years beginning on or after January 1, 1999. That section of this Act that amends Title 36, section 6164 applies to elderly low-cost drug program cards issued on or after August 1, 1998.

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.

Effective April 2, 1998.