MAINE STATE LEGISLATURE

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(New Draft of H.P. 1747, L.D. 2301)

SECOND REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

Legislative Document **No. 2473**

H.P. 1871 House of Representatives, April 13, 1984

Reported by Representative Kilcoyne from the Committee on Taxation and printed under Joint Rule 2.

Original bill presented by Representative Higgins of Portland. Cosponsored by Senator Wood of York.

EDWIN H. PERT, Clerk

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-FOUR

AN ACT Providing for Administrative Changes in Maine Tax Laws.

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

Sec. 1. 6 MRSA §53, sub-§5, as amended by PL 1981, c. 80, is further amended to read:

5. Use of aircraft on market for sale. Aircraft dealers whose principal occupation is the sale of aircraft, and who properly register their aircraft under this section, may use the aircraft while placed upon the market for sale as if the aircraft were registered under section 52; including Federal Air Regulation, Part 135, operations. Nothing in this section ~~shall~~ may permit aircraft brokers ~~from using~~ to use aircraft offered for sale for more than 15 months from the date that the aircraft is first offered for sale without registration required under section 52.

Sec. 2. 36 MRSA §584, as amended by PL 1975, c. 771, §§400 and 401, is repealed.

Sec. 3. 36 MRSA §1484, sub-§3, ¶C, as amended by PL 1979, c. 732, §§26 and 31, is further amended to read:

C. If the motor vehicle is owned by a corporation or a partnership, the excise tax shall be paid in the following manner.

(1) If it is a corporation or partnership other than one described in subparagraph (2), the excise tax shall be paid to the ~~municipality~~ place in which the registered or main office of that organization is located, except that if the organization has an additional permanent place, or places, of business where motor vehicles are customarily kept, the tax on these vehicles shall be paid to the ~~municipality~~ place where such permanent place of business is located. The temporary location of an office and the stationing of vehicles in connection with a construction project of less than 24 months duration is not considered to constitute a permanent place of business. In the case of a foreign corporation or partnership not maintaining a place of business within the State, the excise tax shall be paid to the State.

(2) In the case of corporations described in Title 35, section 2301, any excise taxes owed shall be paid to the ~~municipality~~ place in which the registered or main office of that organization is located.

(3) If a municipality, county or motor vehicle owner feels the excise tax has been improperly levied under the authority of this paragraph, the owner, county or municipality may request a determination of this question by the State Tax Assessor. The State Tax Assessor's determination shall be binding on all parties. Any party may seek review of the determination in accordance

A. Interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States or on a seller-sponsored loan, as defined by Title 10, section ~~974~~ 983, subsection 16 to the extent includible in gross income for federal income tax purposes but exempt from state income taxes under the laws of the United States, provided that the amount subtracted shall be decreased by any expenses incurred in the production of the interest or dividend income to the extent that these expenses, including amortizable bond premiums, are deductible in determining federal adjusted gross income; and

STATEMENT OF FACT

The new draft incorporates all of the provisions of the original bill. In addition, the new draft:

1. Clarifies the registration requirement for aircraft offered for sale and used by aircraft brokers;

2. Repeals the Forest Land Valuation Advisory Council which was minimally active during the initial years of the Tree Growth Tax Law and which has not met with the State Tax Assessor in the last 2 year;

3. Makes changes necessary to accommodate motor vehicle excise tax practices in the unorganized territory;

4. Clarifies application of the sales tax to excise taxes on alcohol and tobacco products;

5. Clarifies a sales tax exemption and updates an obsolete reference to Title 34;

6. Resolves a conflict regarding the estate tax due date;

7. Incorporates revisions to the Cigarette Tax, chapter 703, necessary to remove obsolete references to licensed dealers and to correct the procedure for a revocation hearing;

8. Corrects a reference to Title 10.

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