

MAINE STATE LEGISLATURE

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L.D. 1536

(Filing No. S-193)

STATE OF MAINE
SENATE
113TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT " A " to S.P. 512, L.D. 1536, Bill, "AN ACT Providing for Administrative Changes in Maine Tax Laws."

Amend the bill by striking out everything after the enacting clause and inserting in its place the following:

'Sec. 1. 4 MRSA §807-A, 2nd and 4th ¶¶, as enacted by PL 1985, c. 598, §2, is amended to read:

Upon promulgation of and in accordance with rules adopted by the Supreme Judicial Court, employees of the Bureau of Taxation may serve civil process and represent the bureau in District Court in disclosure proceedings pursuant to Title 14, chapter 502, ancillary to the collection of taxes for which warrants have been issued pursuant to ~~Title 26~~ Title 36, and may represent the State Tax Assessor in arraignment proceedings in District Court in cases in which a criminal complaint has been filed alleging violation of Title 36, section 2113, 3234 or 5332.

This section is repealed on April 1, ~~1988~~ 1989.

Sec. 2. 36 MRSA §176, sub-§3, ¶A, as enacted by PL 1985, c. 691, §5, is amended to read:

A. When the State Tax Assessor determines that any taxpayer is delinquent in the payment of a tax, he may cause a demand letter to be served upon the taxpayer in the manner specified in section 111, subsection 2. The demand letter shall comply in all respects with the provisions of section 171 and shall also state that no further administrative or judicial review is available as to the delinquent amount pursuant to section 151

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1 dress, to a research agency of the Legislature.

2 **Sec. 10. 36 MRSA §305, sub-§1, as amended by PL**
3 **1985, c. 650, §7, is further amended to read:**

4 1. Just value. Certify to the Secretary of State
5 before the first day of February in-the-year-of-the
6 ~~regular-session-of-the-Legislature~~ the equalized just
7 value of all real and personal property in each mu-
8 nicipality and unorganized place which is subject to
9 taxation under the laws of this State, except cap-
10 tured assessed value located within a tax increment
11 financing district, for purposes of calculating state
12 aid for education under Title 20-A, effective for
13 districts designated after December 31, 1986, only
14 75% of the captured assessed value within a tax in-
15 crement financing district is excepted from a
16 municipality's equalized just valuation. Such equal-
17 ized just value shall be uniformly assessed in each
18 municipality and unorganized place and shall be based
19 on 100% of the current market value. It shall sepa-
20 rately show for each municipality and unorganized
21 place the actual or estimated value of all real es-
22 tate which is exempt from property taxation by law or
23 is the captured value within a tax increment financ-
24 ing district. The valuation as filed shall remain in
25 effect until the next valuation is filed and shall be
26 the basis for the computation and apportionment of
27 the state and county taxes;

28 **Sec. 11. 36 MRSA §581-A, as enacted by PL 1973,**
29 **c. 308, §13, is amended to read:**

30 §581-A. Sale of a portion of a parcel of forest land

31 Sale of a portion of a parcel of forest land sub-
32 ject to taxation under this subchapter shall not af-
33 fect the taxation under this subchapter of the re-
34 sulting parcels, unless they-are any is less than 10
35 forested acres in area. Each resulting parcel shall
36 be taxed to the owners under this subchapter until
37 such parcel is withdrawn from taxation under this

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1 subchapter, in which case the penalties provided for
2 in sections 579 and 581 shall apply only to the owner
3 of such parcel. If a parcel resulting from such sale
4 is less than 10 forested acres in area, such parcel
5 shall be considered as withdrawn from taxation under
6 this subchapter as a result of such sale.

7 **Sec. 12. 36 MRSA §610-A**, as reenacted by PL
8 1983, c. 632, Pt. B, §4, is repealed.

9 **Sec. 13. 36 MRSA §708-A**, as enacted by PL 1973,
10 c. 620, §18, is repealed.

11 **Sec. 14. 36 MRSA §1484, sub-§3, ¶C**, as amended
12 by PL 1983, c. 828, §3, is further amended to read:

13 C. If the motor vehicle is owned by a corpora-
14 tion or a partnership, the excise tax shall be
15 paid in the following manner.

16 (1) If it is a corporation or partnership
17 other than one described in subparagraph
18 (2), the excise tax shall be paid to the
19 place in which the registered or main office
20 of that organization is located, except that
21 if the organization has an additional perma-
22 nent place, or places, of business where mo-
23 tor vehicles are customarily kept, the tax
24 on these vehicles shall be paid to the place
25 where such permanent place of business is
26 located. The temporary location of an office
27 and the stationing of vehicles in connection
28 with a construction project of less than 24
29 months duration is not considered to consti-
30 tute a permanent place of business. In the
31 case of a foreign corporation or partnership
32 not maintaining a place of business within
33 the State, the excise tax shall be paid to
34 the State.

35 (2) In the case of corporations described
36 in Title 35, section 2301, any excise taxes

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1 be withheld should be calculated in accordance with
2 withholding methods prescribed pursuant to section
3 5250.

4 **Sec. 52. Application.** Sections 48 to 51 of this
5 Act is effective for tax years beginning on or after
6 January 1, 1987.'

7 STATEMENT OF FACT

8 This statement of fact has been updated to re-
9 flect changes from the original bill.

10 Section 1 extends the sunset date one year to al-
11 low the trial period originally intended by the Leg-
12 islature. Due to a drafting error, implementation of
13 the use of state employees in lieu of attorneys in
14 certain court proceedings has been delayed a year
15 awaiting legislative resolution. It also corrects an
16 incorrect statutory reference.

17 Section 2 makes the levy procedure enacted last
18 year for collection of taxes retroactive to assess-
19 ments made before 1987 without any time limitation.

20 Section 3 corrects typographical errors.

21 Section 4 corrects a reference to credit for
22 taxes refunded and corrects a reference to the Maine
23 Revised Statutes, Title 36, Parts 3, 5 and 8. It also
24 removes the reference to and definition of purchasers
25 from this provision. The definition is outdated and
26 has no apparent need in this provision.

27 Sections 5 and 6 correct typographical errors.

28 Sections 7, 8 and 9 reconcile conflicts in addi-
29 tion to the disclosure provisions of the Maine Re-
30 vised Statutes, Title 36. Section 9 expands confi-
31 dentiality exceptions to allow limited disclosure

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1 during tax examinations, collection activities, civil
2 or criminal investigations or other activities relat-
3 ing to violations of the Maine Revised Statutes, Ti-
4 tle 36. It also includes a provision to permit the
5 disclosure of anonymous computerized tax data to
6 Maine legislative research agencies.

7 Section 10 deletes the language which requires an
8 equalized state valuation in the year of the regular
9 session. Before we had annual "regular sessions" this
10 resulted in biennial state valuations, however, with
11 annual "regular sessions" this language is redundant.

12 Section 11 clarifies a section of the Maine Tree
13 Growth Tax Law by specifying that sale of a portion
14 of a parcel of classified forest land shall not re-
15 sult in loss of its classification under the law un-
16 less a resulting parcel is less than 10 forest land
17 acres.

18 Section 12 repeals the requirement that the State
19 Tax Assessor annually develop a list of values for
20 watercraft which were formerly taxed as personal
21 property. Since watercraft are now subject to an ex-
22 cise tax and exempt from property tax, this provision
23 is unnecessary.

24 Section 13 repeals a requirement relative to the
25 chief assessor of primary assessing areas to commit
26 taxes by June 30th annually. This requirement does
27 not apply to 487 municipalities which are not primary
28 assessing areas and thus, is inequitable.

29 Section 14 adds a provision to the existing ex-
30 cise tax law. Thus, in cases where the State Tax As-
31 sessor must resolve a dispute between municipalities
32 concerning proper excise tax situs, any municipality
33 which has improperly received excise tax money would
34 be required to pay it over to the appropriate muni-
35 cipality with interest and corrects the review refer-
36 ence to the Maine Rules of Civil Procedure, Rule
37 80-C, which is a review of final agency action rather