

Sec. A-1. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services - Bureau of 0002

Initiative: Reduces funding for general operations at Maine Revenue Services. This initiative relates to curtailment of allotments ordered by the Governor pursuant to the Maine Revised Statutes, Title 5, section 1668.

Ref. #: 3

Committee Vote: _____ AFA Vote: _____

GENERAL FUND	2010-11	2011-12	2012-13
All Other	(\$218,850)	\$0	\$0
GENERAL FUND TOTAL	(\$218,850)	\$0	\$0

Justification:

Through a redesign of withholding forms and change in the threshold from \$500 to \$1,000 for sending certified mail, the department can curtail one-time spending of \$218,850.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

DEPARTMENT TOTALS	2010-11	2011-12	2012-13
GENERAL FUND	(\$218,850)	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	(\$218,850)	\$0	\$0

Sec. A-44. Appropriations and allocations. The following appropriations and allocations are made.

PROPERTY TAX REVIEW, STATE BOARD OF

Property Tax Review - State Board of 0357

Initiative: Reduces funding to achieve targeted savings.

Ref. #: 449

Committee Vote: _____ AFA Vote: _____

GENERAL FUND	2010-11	2011-12	2012-13
All Other	(\$803)	\$0	\$0
GENERAL FUND TOTAL	(\$803)	\$0	\$0

Justification:

This initiative reduces funding for technology expenditures in order to achieve targeted savings for this program.

PROPERTY TAX REVIEW, STATE BOARD OF

DEPARTMENT TOTALS	2010-11	2011-12	2012-13
GENERAL FUND	(\$803)	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	(\$803)	\$0	\$0

Sec. A-52. Appropriations and allocations.

The following appropriations and allocations are made.

TREASURER OF STATE, OFFICE OF

Disproportionate Tax Burden Fund 0472

Initiative: Provides funding to bring allocations into line with projected available resources based on the reprojection of revenue by the Revenue Forecasting Committee in December 2010.

Ref. #: 515

Committee Vote: _____

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS

All Other

2010-11

2011-12

2012-13

\$730,596

\$0

\$0

OTHER SPECIAL REVENUE FUNDS TOTAL

\$730,596

\$0

\$0

Justification:

Adjusts funding for Municipal Revenue Sharing to municipalities and for Disproportionate Tax Burden Fund based on revenue forecast approved by the Revenue Forecasting Committee in December 2010.

Disproportionate Tax Burden Fund 0472

Initiative: Reduces funding to provide for the transfer of additional revenue sharing funds to the General Fund in fiscal year 2010-11.

Ref. #: 516

Committee Vote: _____

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS

All Other

2010-11

2011-12

2012-13

(\$620,011)

\$0

\$0

OTHER SPECIAL REVENUE FUNDS TOTAL

(\$620,011)

\$0

\$0

Justification:

Language proposed in Part N of this bill would increase the transfer of revenue sharing funds to the General Fund undedicated revenue by \$3,875,069 for fiscal year 2010-11. This initiative reduces the allocation in the State-Municipal Revenue Sharing account and in the Disproportionate Tax Burden Fund account that will no longer be required if the additional fund transfer is approved.

State - Municipal Revenue Sharing 0020

Initiative: Provides funding to bring allocations into line with projected available resources based on the reprojection of revenue by the Revenue Forecasting Committee in December 2010.

Ref. #: 507

Committee Vote: _____

AFA Vote: _____

OTHER SPECIAL REVENUE FUNDS

All Other

2010-11

2011-12

2012-13

\$3,835,633

\$0

\$0

OTHER SPECIAL REVENUE FUNDS TOTAL

\$3,835,633

\$0

\$0

Justification:

Adjusts funding for Municipal Revenue Sharing to municipalities and for Disproportionate Tax Burden Fund based on revenue forecast approved by the Revenue Forecasting Committee in December 2010.

State - Municipal Revenue Sharing 0020

Initiative: Reduces funding to provide for the transfer of additional revenue sharing funds to the General Fund in fiscal year 2010-11.

Ref. #: 508

Committee Vote: _____

AFA Vote: _____

	2010-11	2011-12	2012-13
OTHER SPECIAL REVENUE FUNDS			
All Other	(\$3,255,058)	\$0	\$0
OTHER SPECIAL REVENUE FUNDS TOTAL	(\$3,255,058)	\$0	\$0

Justification:

Language proposed in Part N of this bill would increase the transfer of revenue sharing funds to the General Fund undedicated revenue by \$3,875,069 for fiscal year 2010-11. This initiative reduces the allocation in the State-Municipal Revenue Sharing account and in the Disproportionate Tax Burden Fund account that will no longer be required if the additional fund transfer is approved.

TREASURER OF STATE, OFFICE OF

DEPARTMENT TOTALS	2010-11	2011-12	2012-13
OTHER SPECIAL REVENUE FUNDS	\$691,160	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	\$691,160	\$0	\$0

Sec. B-1. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services - Bureau of 0002

Initiative: RECLASSIFICATIONS

Ref. #: 4

Committee Vote: _____ AFA Vote: _____

GENERAL FUND	2010-11	2011-12	2012-13
Personal Services	\$5,669	\$0	\$0
All Other	(\$5,669)	\$0	\$0
GENERAL FUND TOTAL	\$0	\$0	\$0

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

DEPARTMENT TOTALS	2010-11	2011-12	2012-13
GENERAL FUND	\$0	\$0	\$0
DEPARTMENT TOTAL - ALL FUNDS	\$0	\$0	\$0

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

2 **PART N**

3 **Sec. N-1. 30-A MRSA §5681, sub-§5-C**, as amended by PL 2009, c. 571, Pt. JJ,
4 §1, is further amended to read:

5 **5-C. Transfers to General Fund.** For the months beginning on or after July 1,
6 2009, \$25,383,491 in fiscal year 2009-10 and ~~\$35,270,254~~ \$39,145,323 in fiscal year
7 2010-11 from the total transfers pursuant to subsection 5 must be transferred to General
8 Fund undedicated revenue. The amounts transferred to General Fund undedicated
9 revenue each fiscal year pursuant to this subsection must be deducted from the
10 distributions required by subsections 4-A and 4-B based on the percentage share of the
11 transfers to the Local Government Fund pursuant to subsection 5. The reductions in this
12 subsection must be allocated to each month proportionately based on the budgeted
13 monthly transfers to the Local Government Fund as determined at the beginning of the
14 fiscal year.

15 **Sec. N-2. Transfers to General Fund for fiscal year 2010-11.**
16 Notwithstanding the requirement in the Maine Revised Statutes, Title 30-A, section 5681,
17 subsection 5-C that amounts must be transferred to General Fund undedicated revenue on
18 a proportionate basis based on budgeted monthly transfers to the Local Government Fund
19 as determined at the beginning of fiscal year 2010-11, for fiscal year 2010-11, \$3,875,069
20 must be transferred on a proportional basis based on the number of months remaining in
21 fiscal year 2010-11 following the effective date of this Part.

22 **Sec. N-3. Additional transfer to General Fund for fiscal year 2010-11.**
23 Notwithstanding any other provision of law, the State Controller shall, in addition to the
24 transfers in the Maine Revised Statutes, Title 30-A, section 5681, subsection 5-C, transfer
25 any additional revenue collections exceeding \$125,858,350 for fiscal year 2010-11 to
26 General Fund undedicated revenue by June 30, 2011.

27 **SUMMARY**

28 **PART N**

29 This Part does the following.

30 1. It increases the revenue sharing transfer to General Fund undedicated revenue by
31 \$3,875,069, from \$35,270,254 to \$39,145,323, for fiscal year 2010-11.

32 2. It provides for the revenue increase to General Fund undedicated revenue to be
33 proportional based on the number of months remaining in fiscal year 2010-11 following
34 the effective date of this Part.

35 3. It requires that the State Controller transfer any additional revenue collections
36 exceeding \$125,858,350 for fiscal year 2010-11 to General Fund undedicated revenue by
37 June 30, 2011.

Fiscal Note - Part N

	FY 2010-11	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Revenue					
General Fund					
PART N, Section 1	\$3,875,069	\$0	\$0	\$0	\$0
Other Special Revenue Funds					
PART N, Section 1	(\$3,875,069)	\$0	\$0	\$0	\$0

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

2 **PART P**

3 **Sec. P-1. 36 MRSA §111, sub-§1-A**, as amended by PL 2009, c. 596, §1 and
4 affected by §2, is further amended to read:

5 **1-A. Code.** "Code" means the United States Internal Revenue Code of 1986 and
6 amendments to that Code as of ~~March 2~~ December 31, 2010.

7 **Sec. P-2. Application.** This Part applies to tax years beginning on or after January
8 1, 2010 and to any prior tax years as specifically provided by the United States Internal
9 Revenue Code of 1986 and amendments to that Code as of December 31, 2010.

10 **SUMMARY**

11 **PART P**

12 This Part updates references to the United States Internal Revenue Code contained in
13 the Maine Revised Statutes, Title 36 so that they refer to the United States Internal
14 Revenue Code of 1986 as amended through December 31, 2010 for tax years beginning
15 on or after January 1, 2010 and for any prior tax years as specifically provided by the
16 United States Internal Revenue Code of 1986. The Part primarily affects the State's
17 income tax laws.

Fiscal Note - Part P

	FY 2010-11	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Revenue					
General Fund					
PART P, Section 1	(\$4,517,913)	(\$7,924,538)	(\$32,351)	\$7,688,384	\$7,055,595
Other Special Revenue Funds					
PART P, Section 1	(\$237,785)	(\$417,081)	(\$1,703)	\$404,652	\$371,347

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

2 **PART BB**

3 **Sec. BB-1. 36 MRSA §141, sub-§2, ¶C**, as amended by PL 2001, c. 396, §4, is
4 further amended to read:

5 C. An assessment may be made at any time with respect to a ~~time~~ period for which a
6 return has become due but has not been filed. If ~~any a~~ a person failing who has failed to
7 file a return ~~fails to produce~~ does not provide to the assessor, within ~~30~~ 60 days ~~after~~
8 of receipt of notice, information that the ~~State Tax Assessor believes~~ assessor
9 considers necessary to determine the person's tax liability for ~~the that~~ period ~~involved~~,
10 the ~~State Tax Assessor~~ assessor may assess an estimated tax liability based upon the
11 best information otherwise available. In any proceeding for the collection of tax for
12 ~~the that~~ period ~~involved~~, that estimate ~~constitutes~~ is prima facie evidence of the tax
13 liability. The ~~30-day~~ 60-day period provided by this paragraph ~~is~~ must be extended
14 for ~~up to 90~~ an additional 60 days if the taxpayer requests an extension in writing
15 prior to the expiration of the ~~30-day~~ original 60-day period.

16 **Sec. BB-2. 36 MRSA §5276-A, sub-§2**, as amended by PL 1993, c. 395, §23, is
17 further amended to read:

18 **2. Notice and hearing.** At the time a setoff is made, the ~~State Tax Assessor~~ assessor
19 shall provide notice to the ~~individual or corporate~~ taxpayer of the setoff ~~or setoffs~~ and of
20 the taxpayer's right to request, within ~~30~~ 60 days of the taxpayer's receipt of ~~the~~ notice of
21 the setoff, a hearing before the creditor agency ~~or agencies~~. The hearing ~~or hearings are~~
22 must be held pursuant to in accordance with the provisions of the Maine Administrative
23 Procedure Act, ~~Title 5, chapter 375~~, but ~~are~~ is limited to the issues of whether the debt ~~or~~
24 ~~debts~~ became liquidated and whether any postliquidation ~~events have~~ event has affected
25 the liability.

26 **Sec. BB-3. Application.** This Part takes effect July 1, 2011.

27 **SUMMARY**

28 **PART BB**

29 This Part increases the period for providing certain information required by the
30 Department of Administrative and Financial Services, Bureau of Revenue Services and
31 for requesting a hearing before a creditor agency from 30 to 60 days.

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

2 **PART CC**

3 **Sec. CC-1. 36 MRSA §2558, sub-§2**, as enacted by PL 2003, c. 673, Pt. V, §25
4 and affected by §29, is amended to read:

5 **2. Amended return filed.** The amended return must be filed within ~~90~~ 180 days of
6 an audit finding ~~affecting that affects~~ a person's liability under this chapter or within ~~90~~
7 180 days of the ~~time date~~ that a person learns of ~~any other~~ a change or correction
8 ~~affecting its that affects that person's~~ liability under this chapter.

9 **Sec. CC-2. 36 MRSA §4075**, as amended by PL 2007, c. 693, §30, is further
10 amended to read:

11 **§4075. Amount of tax determined**

12 The State Tax Assessor shall determine the amount of tax due and payable upon any
13 estate or part of that estate. If, after determination and certification of the full amount of
14 the tax upon an estate or any interest in or part of an estate, the estate receives or becomes
15 entitled to property in addition to that shown in the estate tax return filed with the
16 assessor or the United States Internal Revenue Service changes any item increasing the
17 estate's liability shown in the Maine estate tax return filed with the assessor, the personal
18 representative shall within ~~90~~ 180 days of any receipt, entitlement or change file an
19 amended Maine estate tax return. The assessor shall determine the amount of additional
20 tax and shall certify the amount due, including interest and penalties, to the person by
21 whom the tax is payable.

22 **Sec. CC-3. 36 MRSA §5227-A, sub-§2**, as enacted by PL 2003, c. 588, §19, is
23 amended to read:

24 **2. Amended return filed.** The amended Maine return must be filed within ~~90~~ 180
25 days from the date of the final determination of the change or correction or the filing of
26 the federal amended return. For purposes of this subsection, "date of the final
27 determination" means the date on which the earliest of the following events occurs with
28 respect to a federal taxable year:

29 A. The taxpayer has made payment of an additional income tax liability resulting
30 from a federal audit, the taxpayer has not filed a petition for redetermination or claim
31 for refund for the portions of the audit for which payment was made and the time for
32 filing a petition for redetermination or refund claim has expired;

33 B. The taxpayer receives a refund from the United States Treasury that resulted from
34 a federal audit;

35 C. The taxpayer signs Form 870-AD or another Internal Revenue Service form
36 consenting to a deficiency or accepting an overassessment;

37 D. The taxpayer's time for filing a petition for redetermination with the United States
38 Tax Court expires;

- 1 E. The taxpayer and the Internal Revenue Service enter into a closing agreement; and
- 2 F. A decision from the United States Tax Court, a District Court, a federal court of
- 3 appeals, the United States Court of Federal Claims or the United States Supreme
- 4 Court becomes final.

5 **Sec. CC-4. 36 MRSA §5245**, as enacted by PL 2007, c. 693, §34, is amended to
6 read:

7 **§5245. Amended returns**

8 **1. Amended return required.** Every partnership or S corporation that is required
9 by section 5241 to file a return shall file an amended Maine return whenever the
10 partnership or S corporation files an amended federal return affecting its net income
11 under this Part or the amount of the distributive share of any partner or shareholder under
12 this Part, whenever the United States Internal Revenue Service changes or corrects any
13 item affecting the taxpayer's net income under this Part or the amount of the distributive
14 share of any partner or shareholder under this Part or whenever for any reason there is a
15 change or correction affecting the taxpayer's net income under this Part or the amount of
16 the distributive share of any partner or shareholder under this Part. The amended Maine
17 return must be filed within ~~90~~ 180 days from the date of the final determination of the
18 change or correction or the date of the filing of the federal amended return. For purposes
19 of this subsection, "date of the final determination" has the same meaning as provided in
20 section 5227-A, subsection 2.

21 **2. Contents of amended return.** The amended Maine return must indicate the
22 change or correction and the reason for that change or correction. The amended return
23 constitutes an admission as to the correctness of the change unless the taxpayer includes
24 with the return a written explanation of the reason the change or correction is erroneous.
25 If the taxpayer files an amended federal return, a copy of the amended federal return must
26 be attached to the amended Maine return. The State Tax Assessor may require additional
27 information to be filed with the amended Maine return. The assessor may prescribe
28 exceptions to the requirements of this section.

29 **3. Notice of change or correction.** A claim for credit or refund arising from an
30 amended return filed pursuant to this section may not be made by a partner or shareholder
31 of the partnership or S corporation unless the amended return is filed by the partnership
32 or S corporation within 3 years from the ~~time~~ date the original return was filed. For
33 purposes of this subsection, ~~any~~ a return filed before the last day prescribed for the filing
34 of a return is ~~considered as~~ deemed to be filed on that last day.

35 **Sec. CC-5. Effective date.** This Part takes effect July 1, 2011.

36 **SUMMARY**

37 **PART CC**

38 This Part increases the period allowed for filing an amended Maine income tax return
39 based on a federal change and for filing an amended service provider tax return or estate

1 tax return under certain circumstances from 90 days to 180 days, and clarifies that it is the
2 date of the final determination that triggers a requirement to file an amended Maine
3 income tax return.

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

2 **PART DD**

3 **Sec. DD-1. 36 MRSA §144, sub-§1**, as amended by PL 2001, c. 396, §5, is
4 further amended to read:

5 **1. Generally.** A taxpayer may request a credit or refund of any tax that is imposed
6 by this Title or administered by the State Tax Assessor within 3 years from the time date
7 the return was filed or ~~2~~ 3 years from the time date the tax was paid, whichever period
8 expires later. Every claim for refund must be submitted to the ~~State Tax Assessor~~
9 assessor in writing and must state the specific grounds upon which ~~it~~ the claim is founded
10 and the tax period for which the refund is claimed. ~~The~~ If the taxpayer ~~may~~ requests in
11 writing ~~request~~ an informal conference regarding the claim for refund, ~~in which case~~
12 the claim for refund is ~~considered~~ deemed to be a request for reconsideration of an
13 assessment under section 151.

14 **Sec. DD-2. 36 MRSA §4075-A, sub-§1**, as amended by PL 2005, c. 622, §24, is
15 further amended to read:

16 **1. Refund.** A personal representative or responsible party otherwise liable for the
17 tax imposed by this chapter may request a refund of any tax imposed by this chapter
18 within 3 years from the time date the return was filed or ~~2~~ 3 years from the time date
19 the tax was paid, whichever period expires later. Every claim for refund must be submitted
20 to the State Tax Assessor in writing and must state the specific grounds upon which ~~it~~ the
21 claim is founded. The claimant may in writing request an informal conference regarding
22 the claim for refund pursuant to ~~the provisions of~~ section 151.

23 **Sec. DD-3. 36 MRSA §5278**, as amended by PL 2009, c. 496, §26, is further
24 amended to read:

25 **§5278. Limitations on credit or refund**

26 **1. General.** A claim for credit or refund of an overpayment of any tax imposed by
27 this Part must be filed by the taxpayer within 3 years from the time date the return was
28 filed, whether or not the return was timely filed, or 3 years from the time date the tax was
29 paid, whichever ~~of such periods~~ period expires ~~the~~ later. A credit or refund ~~is not allowed~~
30 ~~or~~ may not be ~~made~~ allowed after the expiration of the period of ~~limitation~~
31 this subsection ~~for the filing of a claim for credit or refund~~, unless a claim for credit or
32 refund is filed by the taxpayer within ~~such a~~ that period. For purposes of this subsection,
33 ~~any~~ a return filed before the last day prescribed for the filing of a return is ~~considered as~~
34 deemed to be filed on that last day.

35 **2. Limit on amount of claim or refund.** If the claim is filed by the taxpayer during
36 the ~~3-year~~ period prescribed in subsection 1, the amount of the credit or refund may not
37 exceed the portion of the tax that was paid within the 3 years immediately preceding the
38 filing of the claim plus the period of any extension of time for filing the return. If ~~no~~ a
39 claim is not filed, any credit or refund allowed upon an audit of the taxpayer may not

1 exceed the amount that would be allowable under this subsection; if a claim had been
2 filed by the taxpayer on the date the credit or refund is allowed.

3 **3. Extension of time by agreement.** If an agreement for an extension of the period
4 for assessment of income taxes is made within the period prescribed in subsection 1 ~~for~~
5 ~~the filing of a claim for credit or refund~~, the period for filing a claim for credit or refund
6 or for ~~making~~ allowing a credit or refund if ~~no~~ a claim is not filed, ~~shall~~ may not expire
7 ~~prior to~~ earlier than 6 months after the expiration of the period ~~within~~ during which an
8 assessment may be made pursuant to the agreement or any extension ~~thereof~~ of the
9 agreement. The amount of ~~such~~ the credit or refund ~~shall~~ may not exceed the sum of the
10 portion of the tax paid after the execution of the agreement and before the filing of the
11 claim or the making of the credit or refund, ~~as the case may be, plus~~ and the portion of the
12 tax paid within the period ~~which~~ that would be applicable under subsection 1 if a claim
13 had been filed on the date the agreement was executed.

14 **4. Notice of change or correction.** If a taxpayer is required by section 5227-A to
15 file an amended Maine return, a claim for credit or refund of any resulting overpayment
16 of the tax must be filed by the taxpayer within ~~2~~ 3 years from the ~~time~~ date the filing of
17 the amended return was required. The claim for credit or refund is limited to issues
18 included in the federal amendment or adjustment and the amount of the credit or refund
19 may not exceed the amount of the reduction in tax attributable to the federal amendment
20 or adjustment. This subsection does not affect the time within which or the amount for
21 which a claim for credit or refund may be filed apart from this subsection.

22 **5. Special rules.** The following rules ~~shall~~ apply to claims for credit or refund
23 pursuant to this section:

24 A. If the claim for credit or refund relates to an overpayment of tax on account of
25 the deductibility by the taxpayer of a debt as a debt ~~which~~ that became worthless or a
26 loss from worthlessness of a security or the effect that the deductibility of a debt or of
27 a loss has on the application to the taxpayer of a carry-over, the claim may be made;
28 ~~under regulations prescribed by the assessor~~, within 7 years from the date prescribed
29 by law for filing the return for the year with respect to which the claim is made; and

30 B. If the claim for credit or refund relates to an overpayment attributable to a net
31 operating loss carry-back arising from a tax year beginning before January 1, 2002 or
32 a credit carry-back, the claim may be made, under rules adopted by the assessor,
33 within the period that ends with the 15th day of the 40th month following the end of
34 the taxable year of the net operating loss or the unused credit that resulted in the
35 carry-back or the period prescribed in subsection 3 in respect of that taxable year,
36 whichever expires later. With respect to any portion of a credit carry-back from a
37 taxable year that is attributable to a net operating loss carry-back or a capital loss
38 carry-back from a subsequent taxable year, the period within which the claim may be
39 made ends with the 15th day of the 40th month following the end of the subsequent
40 taxable year or the period prescribed in subsection 3 in respect of that taxable year,
41 whichever expires later.

42 **Sec. DD-4. Effective date.** This Part takes effect July 1, 2011.

1

SUMMARY

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PART DD

3

This Part extends the period during which certain tax refunds may be requested to 3

4

years from the date of filing or payment, whichever is later.

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

2 **PART EE**

3 **Sec. EE-1. 36 MRSA §4074**, as amended by PL 1991, c. 846, §35, is further
4 amended to read:

5 **§4074. Authority of State Tax Assessor**

6 The State Tax Assessor shall collect all taxes, interest and penalties provided by
7 chapter 7 and by this chapter and may institute proceedings of any nature necessary or
8 desirable for that purpose, including ~~such proceedings as may be necessary or desirable~~
9 for the removal of personal representatives and trustees who have failed to pay the taxes
10 due from estates in their hands.

11 The ~~State Tax Assessor~~ assessor may enforce the collection of ~~any~~ taxes secured by
12 bond in a civil action brought on the bond regardless of the fact that ~~some other~~ another
13 official may be named as obligee in the bond.

14 ~~If any overpayment of tax imposed by this chapter is refunded within 3 months after~~
15 ~~the date last prescribed, or permitted by extension of time, for filing the return of that tax~~
16 ~~or within 3 months after the return is filed or within 3 months after a return requesting a~~
17 ~~refund of the overpayment is filed, whichever is later, no interest may be paid by the State~~
18 ~~Tax Assessor.~~

19 **Sec. EE-2. 36 MRSA §4075-A, sub-§2**, as enacted by PL 1995, c. 281, §23, is
20 amended to read:

21 **2. Limitation on payment of interest.** ~~Notwithstanding subsection 1, if any Interest~~
22 ~~may not be paid by the assessor on an overpayment of the tax imposed by this chapter~~
23 ~~that is refunded within ~~3 months~~ 60 days after the date prescribed or permitted by~~
24 ~~extension of time for filing the return of that tax or within ~~3 months~~ 60 days after the~~
25 ~~return is filed or within ~~3 months~~ 60 days after a return requesting a refund of the~~
26 ~~overpayment is filed, whichever is later, no interest may be paid by the assessor.~~

27 **Sec. EE-3. 36 MRSA §5279**, as amended by PL 1991, c. 546, §37, is further
28 amended to read:

29 **§5279. Interest on overpayment**

30 **1. General.** Interest, at the rate determined pursuant to section 186, ~~shall~~ must be
31 ~~paid upon~~ on any refund of an overpayment ~~in respect~~ of the tax imposed by this Part
32 from the date the return requesting a refund of the overpayment was filed or the date the
33 payment was made, whichever is later. ~~No interest shall be allowed or paid if the amount~~
34 ~~thereof is less than \$1.~~

35 **2. Date of return or payment.** For purposes of this section:

1 A. ~~Any A~~ return that is filed before the last day prescribed for the filing thereof
2 ~~shall be considered as of a return is deemed to be filed on such that~~ last day,
3 determined without regard to any extension of time granted the taxpayer; and

4 B. ~~Any A~~ tax that is paid by the taxpayer before the last day prescribed for its
5 payment, ~~any income tax withheld from the taxpayer during any calendar a taxable~~
6 year ~~and any amount or~~ paid by the taxpayer as estimated income tax for a taxable
7 year ~~shall be~~ is deemed to have been paid ~~by him~~ on the last day prescribed for ~~the~~
8 ~~paying thereof its payment.~~

9 ~~3. Return and payment of withholding tax.~~ For purposes of this section with
10 respect to any withholding tax:

11 A. ~~If a return for any period ending with or within a calendar year is filed before~~
12 ~~April 15th of the succeeding calendar year, such return shall be considered filed on~~
13 ~~April 15th of such succeeding calendar year; and~~

14 B. ~~If a tax with respect to remuneration paid during any period ending with or~~
15 ~~within a calendar year is paid before April 15th of the succeeding calendar year, such~~
16 ~~tax shall be considered paid on April 15th of such succeeding calendar year.~~

17 **4. Exceptions.** ~~If any~~ Notwithstanding subsection 1, interest may not be paid by the
18 assessor on an overpayment of the tax imposed by this Part that is refunded within ~~3~~
19 ~~months~~ 60 days after the last date prescribed, or permitted by extension of time, for filing
20 the return of that tax or within ~~3 months~~ 60 days after the date the return ~~listing~~
21 requesting a refund of the overpayment was filed, whichever is later, ~~no interest is~~
22 allowed under this section. In addition, ~~no interest is allowed~~ may not be paid with
23 respect to ~~the~~ a period during which a refund is delayed pending resolution of a proposed
24 setoff under section 5276-A.

25 **Sec. EE-4. Effective date.** This Part takes effect July 1, 2011.

26 **SUMMARY**

27 **PART EE**

28 This Part reduces from 3 months to 60 days the period during which the State may
29 not pay interest on certain overpayments of tax that are refunded to the taxpayer.