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An Act To Require Review of Certain Changes to Sales Tax Policy Application or Practice prior to Implementation

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

Sec. 1. 36 MRSA §112, sub-§1, as repealed and replaced by PL 1999, c. 127, Pt. A, §47, is amended to read:

1. General powers and duties. The assessor shall administer and enforce the tax laws enacted under this Title and under Title 29-A, and may adopt rules and require such information to be reported as necessary. The assessor may investigate, enforce and prosecute activities defined as crimes in this Title and in Title 17-A, sections 358, 751 and 903. The assessor shall provide, at the time of issuance, to one or more entities that publish a monthly state tax service all rules, bulletins, taxpayer notices or alerts, notices of rulemaking, any other taxpayer information issued by the assessor, and all substantive amendments or modifications of the same, for publication by that entity or entities. When a significant change has occurred in bureau policy application or practice or in the interpretation by the bureau of any law, rule or instruction bulletin that will result in additional assessment, interest or penalty to any business or entity, the assessor shall, within 60 days of the change, provide to the same publishing entity or entities written notice, suitable for publication, of the change.

If a change in policy application, practice or interpretation of the sales and use tax law will result in additional revenue, prior to implementing the change the assessor shall submit a report to the joint standing committee of the Legislature having jurisdiction over taxation matters regarding the change, the rationale for the change and the effect of the change on revenue. In response to that report, the joint standing committee of the Legislature having jurisdiction over taxation matters may report out legislation reversing or modifying the change in policy application, practice or interpretation.

The bureau may not issue any additional assessments against a business based on the change until the joint standing committee of the Legislature having jurisdiction over taxation matters reviews the change resulting in the additional assessment, interest or penalty.

SUMMARY

This bill requires the State Tax Assessor to report to the joint standing committee of the Legislature having jurisdiction over taxation matters prior to implementing any change in policy application or practice of the Department of Administrative and Financial Services, Bureau of Revenue Services regarding the sales and use tax if that change will result in additional revenue. The joint standing committee of the Legislature having jurisdiction over taxation matters is authorized to report out legislation reversing or modifying the change.