

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Eliminate Maine's Estate Tax

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

Sec. 1. 20-A MRSA §11479, as enacted by PL 1997, c. 732, §4, is amended to read:

§ 11479. Tax exemption

The assets of the program fund, all program earnings and any income from operations are exempt from all taxation by the State or any of its political subdivisions. A deposit to any account, transfer of that account to a successor participant, designation of a successor beneficiary of that account, credit of program earnings to that account or distribution from that account used for the purpose of paying higher education expenses of the designated beneficiary of that account pursuant to this chapter does not subject that participant, the estate of that participant or any beneficiary to any state income or estate tax liability. In the event of cancellation or termination of a participation agreement and distribution of funds to a participant, the increase in value over the amount deposited in the program fund by that participant may be taxable to that participant in the year distributed.

Sec. 2. 36 MRSA §135, sub-§1, as amended by PL 2007, c. 438, §7, is further amended to read:

1. Taxpayers. Persons subject to tax under this Title shall maintain such records as the State Tax Assessor determines necessary for the reasonable administration of this Title. Records pertaining to taxes imposed by ~~chapters~~chapter 371 and 575 and by Part 8 must be retained as long as is required by applicable federal law and regulation. Records pertaining to the special fuel tax user returns filed pursuant to section 3209, subsection 2 and the International Fuel Tax Agreement pursuant to section 3209, subsection 1-B must be retained for 4 years. Records pertaining to all other taxes imposed by this Title must be retained for a period of at least 6 years. The records must be kept in such a manner as to ensure their security and accessibility for inspection by the assessor or any designated agent engaged in the administration of this Title.

Sec. 3. 36 MRSA §144, sub-§2, ¶A, as enacted by PL 1997, c. 668, §10, is amended to read:

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.

Sec. 4. 36 MRSA c. 575, as amended, is repealed.

Sec. 5. 36 MRSA §5122, sub-§1, ¶Y, as amended by PL 2007, c. 539, Pt. CCC, §3, is repealed.

Sec. 6. Application. This Act applies to the estates of decedents dying after December 31, 2011.

SUMMARY

This bill repeals Maine's estate tax.