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No. 778

S.P. 334

In Senate, March 4, 2025

An Act to Establish a State Tax Amnesty Program to Increase Revenue Collections

Received by the Secretary of the Senate on February 26, 2025. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator BALDACCI of Penobscot.
Cosponsored by Representative FREDERICKS of Sanford and
Senator: MARTIN of Oxford.

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

2 **Sec. 1. 36 MRSA c. 914-E** is enacted to read:

3 **CHAPTER 914-E**

4 **2025 MAINE TAX AMNESTY PROGRAM**

5 **§6621. 2025 Maine Tax Amnesty Program established**

6 There is established the 2025 Maine Tax Amnesty Program, referred to in this chapter
7 as "the tax amnesty program." The tax amnesty program is intended to encourage
8 delinquent taxpayers to comply with the State's tax laws and to enable the assessor to
9 identify and collect previously unreported taxes and to accelerate collection of certain
10 delinquent tax liabilities. The long-term goal of the tax amnesty program is to improve
11 taxpayer compliance with the State's tax laws.

12 **§6622. Administration; program qualifications; taxpayer immune from prosecution**
13 **and penalties**

14 The assessor shall administer the tax amnesty program. The following provisions
15 govern eligibility for the tax amnesty program.

16 **1. Qualifying tax liabilities.** The tax amnesty program applies to tax liabilities
17 delinquent as of September 30, 2025, including tax due for which a return has not been
18 filed. A taxpayer may participate in the tax amnesty program to the extent of the
19 uncontested portion of an assessed liability.

20 **2. Taxpayer participation while under audit or subject to administrative or**
21 **judicial proceeding.** A taxpayer may participate in the tax amnesty program whether or
22 not the taxpayer is under audit and without regard to whether the amount due is subject to
23 a pending administrative or judicial proceeding, except that the following circumstances
24 disqualify a taxpayer from participation.

25 A. The taxpayer is currently charged with, and has been accepted by the Attorney
26 General for criminal prosecution arising from, a violation of the state tax laws as
27 provided in this Title or Title 17-A, or is applying for relief on a debt that is the result
28 of a criminal conviction.

29 B. The taxpayer is applying for relief with respect to a tax liability for which the State
30 has secured a warrant or civil judgment in its favor in Superior Court.

31 **3. Taxpayer waives right to protest return or seek refund under tax amnesty**
32 **program.** Participation in the tax amnesty program is conditioned upon the taxpayer's
33 agreement to forgo the right to protest or pursue an administrative or judicial proceeding
34 with regard to returns filed under the tax amnesty program or to claim any refund of money
35 paid under the tax amnesty program.

36 **4. Immunity from prosecution and penalties; reduction of interest.** Except as
37 otherwise provided in this chapter, a taxpayer with a tax liability within the limitations of
38 this chapter and who meets the eligibility requirements of this section is immune from
39 criminal or civil prosecution or civil penalties with respect to that tax liability and is
40 required to pay only 1/2 of the interest associated with that tax liability if:

- 1 A. The taxpayer properly completes and files a 2025 amnesty tax return as described
2 in section 6625 in the manner required by the assessor;
- 3 B. The assessor approves the return; and
- 4 C. The taxpayer pays all tax and interest as determined on the return before the end of
5 the amnesty period described in section 6624.

6 **§6623. Undisclosed liabilities**

7 This chapter may not be construed to prohibit the assessor from instituting civil or
8 criminal proceedings against any taxpayer with respect to any amount of tax that is not
9 disclosed either on the 2025 amnesty tax return described in section 6625 or on any other
10 return filed with the assessor.

11 **§6624. Amnesty period**

12 The time period during which a 2025 amnesty tax return described in section 6625 may
13 be filed is October 1, 2025 to December 31, 2025.

14 **§6625. 2025 amnesty tax return**

15 The assessor shall prepare and make available a 2025 amnesty tax return that taxpayers
16 must complete and file to participate in the tax amnesty program. The return and associated
17 guidelines prepared by the assessor that govern participation in the tax amnesty program
18 are exempt from the Maine Administrative Procedure Act. A filed return requires the
19 approval of the assessor. The assessor may deny any return not consistent with the tax
20 amnesty program.

21 **§6626. Preamnesty settlements**

22 Notwithstanding any provision of this chapter to the contrary, the assessor shall, during
23 the period beginning on the effective date of this chapter to September 30, 2025, make a
24 settlement offer that requires full payment of tax and 1/2 of the accrued interest to any
25 taxpayer that has a recorded and recognized delinquent state tax liability as of the effective
26 date of this chapter. The assessor may, through a settlement offer made pursuant to this
27 section, abate the amount of any penalties owed by the taxpayer associated with the tax
28 liability addressed in the settlement offer.

29 A taxpayer is not eligible for a settlement offer authorized under this section if the
30 taxpayer's liability is the result of a criminal conviction or the taxpayer is currently charged
31 with a criminal offense arising from a violation of the state tax laws as provided in this
32 Title or Title 17-A or has been referred to the Attorney General for criminal prosecution.

33 **Sec. 2. Preamnesty collections; legislative intent.** The Legislature finds that it
34 is in the best interest of the State and public welfare of the people of the State to ensure that
35 there is no delay in the payment of delinquent state tax liabilities as a result of the 2025
36 Maine Tax Amnesty Program established in the Maine Revised Statutes, Title 36, chapter
37 914-E. The Legislature further finds it foreseeable that many taxpayers may choose to
38 defer payment of delinquent tax liabilities in order to take advantage of lower interest and
39 penalty amounts available under the 2025 Maine Tax Amnesty Program. Therefore, to
40 ensure the timely collection of state tax revenue prior to the effective date of the 2025
41 Maine Tax Amnesty Program, the Legislature encourages the State Tax Assessor to use the
42 full extent of the State Tax Assessor's authority under Title 36, including the abatement of

1 interest and penalty amounts consistent with the provisions of the 2025 Maine Tax
2 Amnesty Program.

3 **SUMMARY**

4 This bill enacts the 2025 Maine Tax Amnesty Program for the purposes of encouraging
5 delinquent taxpayers to comply with the law, collecting unreported taxes and accelerating
6 the collection of certain delinquent state tax liabilities. Under the program, a person with
7 a tax delinquency as of September 30, 2025 who is approved for participation in the
8 program by the State Tax Assessor after filing a 2025 amnesty tax return may pay the taxes
9 owed plus 1/2 the accrued interest and is immune from criminal or civil prosecution or civil
10 penalties associated with the delinquency. The period during which a delinquency may be
11 paid under the program is from October 1, 2025 to December 31, 2025. A taxpayer is not
12 eligible for the program if the taxpayer is currently being prosecuted for violation of state
13 tax laws or the debt for which the taxpayer is seeking relief is the result of a criminal
14 conviction or the State has secured a warrant or civil judgment in its favor with respect to
15 that debt.

16 In order to discourage taxpayers from delaying until the start of the amnesty period to
17 pay their delinquent taxes, beginning on the effective date of this legislation until
18 September 30, 2025, the State Tax Assessor is required to offer a delinquent taxpayer a
19 preamnesty settlement that requires the taxpayer to make the full payment of the
20 outstanding tax and 1/2 of the interest accrued. The State Tax Assessor is authorized to
21 abate the amount of any penalties owed by the taxpayer associated with the tax liability
22 through a preamnesty settlement. A taxpayer is not eligible for a settlement offer if the
23 taxpayer's liability is the result of a criminal conviction or the taxpayer is currently charged
24 with a criminal offense arising from a violation of the state tax laws as provided in the
25 Maine Revised Statutes, Title 17-A or Title 36 or has been referred to the Attorney General
26 for criminal prosecution.