



130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 1067

S.P. 335

In Senate, March 11, 2021

**An Act To Institute a State Tax Amnesty Program To Increase
General Revenue Collections**

Reference to the Committee on Taxation suggested 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 Senators: CURRY of Waldo, President JACKSON of Aroostook,
Representatives: COLLINGS of Portland, SACHS of Freeport.

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 **2021 TAX AMNESTY PROGRAM**

5 **§6621. 2021 Maine Tax Amnesty Program established**

6 There is established the 2021 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 law 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 law.

12 **§6622. Administration**

13 The assessor shall administer the 2021 Maine Tax Amnesty Program. The tax amnesty
14 program applies to tax liabilities delinquent as of September 30, 2021, including tax due
15 for which a return has not been filed. A taxpayer may participate in the tax amnesty
16 program whether or not the taxpayer is under audit and without regard to whether the
17 amount due is subject to a pending administrative or judicial proceeding, except that this
18 does not include pending criminal action or debts for which the State has secured a warrant
19 or civil judgment in its favor in Superior Court. A taxpayer may participate in the tax
20 amnesty program to the extent of the uncontested portion of an assessed liability.
21 Participation in the program is conditioned upon the taxpayer's agreement to forgo the right
22 to protest or pursue an administrative or judicial proceeding with regard to returns filed
23 under the tax amnesty program or to claim any refund of money paid under the tax amnesty
24 program. A taxpayer with a tax liability within the limitations of this chapter is absolved
25 from criminal or civil prosecution or civil penalties plus 1/2 of the interest associated with
26 any such liability except as otherwise provided in this chapter if the taxpayer:

27 **1. Return filed.** Properly completes and files a 2021 amnesty tax return as described
28 in section 6625 and as required by the assessor;

29 **2. Tax and interest paid.** Pays all tax and interest as determined on the 2021 amnesty
30 tax return, described in section 6625, before the end of the amnesty period;

31 **3. No criminal action pending.** Is not currently charged with, and has not been
32 accepted by the Attorney General for criminal prosecution arising from, a violation of the
33 state tax law as provided in this Title or Title 17-A, or is not applying for relief on a debt
34 that is the result of a criminal conviction; and

35 **4. No collection by warrant or civil action.** Is not applying for relief with respect to
36 a tax liability for which the State has secured a warrant or civil judgment in its favor in
37 Superior Court.

38 **§6623. Undisclosed liabilities**

39 Nothing in this chapter may be construed to prohibit the assessor from instituting civil
40 or criminal proceedings against any taxpayer with respect to any amount of tax that is not

1 disclosed either on the 2021 amnesty tax return, described in section 6625, or on any other
2 return filed with the assessor.

3 **§6624. Amnesty period**

4 The time period during which a 2021 amnesty tax return, described in section 6625,
5 may be filed is October 1, 2021 to December 31, 2021.

6 **§6625. Amnesty tax return**

7 The assessor shall prepare and make available the 2021 amnesty tax return, referred to
8 in this chapter as "the amnesty tax return." The return and associated guidelines prepared
9 by the assessor that govern participation in the 2021 Maine Tax Amnesty Program are
10 exempt from the Maine Administrative Procedure Act. The application requires the
11 approval of the assessor. The assessor may deny any application not consistent with the
12 tax amnesty program.

13 **§6626. Preamnesty settlements**

14 Notwithstanding any provision of this chapter to the contrary, the assessor shall, during
15 the period beginning on the effective date of this chapter to October 1, 2021, make a
16 settlement offer that requires full payment of tax and 1/2 of the accrued interest to any
17 taxpayer that has a recorded and recognized delinquent state tax liability as of the effective
18 date of this chapter. The settlement offer authorized under this section does not apply to a
19 taxpayer whose liability is the result of a criminal conviction or is currently charged with a
20 criminal offense arising from a violation of the state tax law as provided in this Title or
21 Title 17-A or has been referred to the Attorney General for criminal prosecution.

22 **Sec. 2. Preamnesty collections; legislative intent.** The Legislature finds that it
23 is in the best interest of the State and public welfare of the people of Maine to ensure that
24 there is no delay in the payment of delinquent state tax liabilities as a result of the 2021
25 Maine Tax Amnesty Program established in the Maine Revised Statutes, Title 36, chapter
26 914-E. The Legislature further finds that many taxpayers are likely to defer payment of
27 delinquent tax liabilities in order to take advantage of lower interest and penalty amounts
28 available under the 2021 Maine Tax Amnesty Program. Therefore, to ensure the timely
29 collection of state tax revenue prior to the effective date of the 2021 Maine Tax Amnesty
30 Program, the Legislature encourages the State Tax Assessor to use the full extent of the
31 State Tax Assessor's authority under Title 36, including the abatement of interest and
32 penalty consistent with the provisions of the 2021 Maine Tax Amnesty Program.

33 **SUMMARY**

34 This bill, for the purposes of encouraging delinquent taxpayers to comply with the law,
35 collecting unreported taxes and accelerating the collection of certain delinquent state tax
36 liabilities, enacts the 2021 Maine Tax Amnesty Program. Under the program, a person
37 with a tax delinquency as of September 30, 2021 may pay the taxes owed, plus half the
38 accrued interest, without incurring any other criminal or civil liability. The period during
39 which a delinquency may be paid under the 2021 Maine Tax Amnesty Program is from
40 October 1, 2021 to December 31, 2021. The program is not available for debts for which
41 the State has secured a warrant or civil judgment in the State's favor.

42 From the effective date of this legislation until September 30, 2021, the State Tax
43 Assessor is required to offer a delinquent taxpayer the same benefits of the 2021 Maine

1 Tax Amnesty Program in order to avoid having a taxpayer wait until October 1, 2021 or
2 later to pay the delinquent taxes.