

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 Amend the Tax Laws

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

Sec. 1. 30-A MRSA §706, as enacted by PL 1987, c. 737, Pt. A, §2 and Pt. C, §106 and amended by PL 1989, c. 6; c. 9, §2; and c. 104, Pt. C, §§8 and 10, is further amended to read:

§ 706. Apportionment of county tax; warrants

~~When a county tax is authorized, the county commissioners, within 30 days of that authorization, shall apportion it upon the municipalities, unorganized territory and other places in that county according to the lastmost recent state valuation and fix the date for the payment of the tax. This date may not be earlier than the first day of the following September. They may add that sum above to the sum so authorized; an amount not exceeding 2% of that sum, as if a fractional division necessitates that addition and if they demonstrate that necessity in the record of that apportionment, and issue their warrant to the assessors requiring them to immediately assess the sum apportioned to their municipality or place, and to commit their assessment to the constable or collector for collection. The county treasurer shall immediately certify the millage rate to the State Tax Assessor. The State Tax Assessor shall separately assess this millage rate upon the real and personal property in the unorganized territory within the appropriate county. The county commissioners shall establish the date for the payment of the tax. The date may not be earlier than the first day of the following September.~~

No later than the 15th of July preceding the date established for payment of the tax, the county commissioners shall issue their warrant to the assessors of the municipalities and other places and to the State Tax Assessor for the unorganized territory within that county. Those officers shall assess the sum apportioned to their tax jurisdiction and commit their assessment for collection in the same manner as other amounts to be raised by the property tax during the tax year to which the county tax warrant applies.

If a municipality or place or the State Tax Assessor must make a supplemental assessment due to failure by the county commissioners to issue their warrant by July 15th, the county must bear the costs of that supplemental assessment. Those costs may be recovered by the tax jurisdiction through an offset against the county tax that the tax jurisdiction would otherwise be required to pay over to the county.

The county may collect delinquent county taxes and charge interest on delinquent county taxes as provided under Title 36, sections 891, 892 and 892-A.

Sec. 2. 36 MRSA §111, sub-§5, as amended by PL 2009, c. 434, §4, is further amended to read:

5. Tax. "Tax" means the total amount required to be paid, withheld and paid over or collected and paid over with respect to estimated or actual tax liability under this Title, any credit or reimbursement allowed or paid pursuant to this Title that is recoverable by the assessor and any amount assessed by the State Tax Assessor assessor pursuant to this Title, including any interest or penalties provided by law. For

purposes of this chapter, "tax" also means any fee, fine, penalty or other debt owed to the State provided for by law if ~~this~~that fee, fine, penalty or other debt is subject to collection by the assessor pursuant to statute or transferred to the bureau for collection pursuant to section 112-A.

Sec. 3. 36 MRSA §186, as amended by PL 2003, c. 673, Pt. KK, §1 and affected by §3, is further amended to read:

§ 186. Interest

~~Any~~A person who fails to pay any tax, other than a tax imposed pursuant to chapter 105, on or before the last date prescribed for payment is liable for interest on the tax, calculated from that date and compounded monthly. The rate of interest for any calendar year equals the highest prime rate as published in the Wall Street Journal on the first day of September of the preceding calendar year or, if the first day of September falls on a weekend or holiday, on the next succeeding business day, rounded up to the next whole percent plus 3 percentage points. For purposes of this section, the last date prescribed for payment of tax must be determined without regard to any extension of time permitted for filing a return. A tax that is upheld on administrative or judicial review bears interest from the date on which payment would have been due in the absence of review. ~~Any tax, interest or penalty imposed by this Title~~amount that has been erroneously refunded and is recoverable by the assessor bears interest at the above rate determined pursuant to this section from the date of payment of the refund. A credit or reimbursement that has been allowed or paid pursuant to this Title and is recoverable by the assessor bears interest at the rate determined pursuant to this section from the date it was allowed or paid. Interest accrues automatically, without being assessed by the assessor, and is recoverable by the assessor in the same manner as if it were a tax assessed under this Title. If the failure to pay a tax when required is explained to the satisfaction of the assessor, the assessor may abate or waive the payment of all or any part of that interest.

Except as otherwise provided in this Title, and except for taxes imposed pursuant to chapter 105, ~~interest, at the rate determined by the assessor for underpayments pursuant to this section, must be paid on overpayments of tax from the date the return listing the overpayment was filed, or the date payment was made, whichever is later.~~

Sec. 4. 36 MRSA §1760, sub-§45, ¶A, as amended by PL 2007, c. 438, §45, is further amended to read:

A. If the property is an automobile, as defined in Title 29-A, section 101, subsection 7, and if the owner is an individual who was, at the time of purchase, a resident of the other state ~~and either employed or registered to vote there;~~

Sec. 5. 36 MRSA §2513, first ¶, as amended by PL 2007, c. 627, §52, is further amended to read:

Every insurance company or association that does business or collects premiums or assessments including annuity considerations in the State, including surety companies and companies engaged in the business of credit insurance or title insurance, shall, for the privilege of doing business in this State and in addition to any other taxes imposed for that privilege, pay a tax upon all gross direct premiums including annuity considerations, whether in cash or otherwise, on contracts written on risks located or resident in the State for insurance of life, annuity, fire, casualty and other risks at the rate of 2% a year. Every

surplus lines insurer that does business or collects premiums in the State shall, for the privilege of doing business in this State and in addition to any other taxes imposed for that privilege, pay a tax upon all gross direct premiums, whether in cash or otherwise, on contracts written on risks located or resident in the State at the rate of 3% a year. The producer of those contracts must collect the tax and report and pay the tax to the State Tax Assessor as provided in section 2521-A, except that an insurance agency may elect to collect and pay the tax on surplus lines premiums on behalf of all of its employees who are surplus lines producers. For purposes of this section, the term "annuity considerations" includes amounts paid to an insurance company ~~when received~~ for the purchase of a contract that may result in an annuity, even ~~when~~if the annuitization never occurs or does not occur until some time in the future and the amounts are in the meantime applied to an investment vehicle other than an annuity. This section does not apply to mutual fire insurance companies subject to tax under section 2517 or to captive insurance companies formed or licensed under Title 24-A, chapter 83 or under the laws of another state.

Sec. 6. 36 MRSA §2903, sub-§4, ¶A, as enacted by PL 1997, c. 738, §4, is amended to read:

A. Sold wholly for exportation from this State by a licensed distributor or an exporter;

Sec. 7. 36 MRSA §3204-A, sub-§5, as enacted by PL 1995, c. 271, §7, is amended to read:

5. Exportation. Special fuel sold only for exportation from this State by a licensed supplier;

Sec. 8. Application. That section of this Act that amends the Maine Revised Statutes, Title 36, section 2513 applies to tax periods beginning on or after January 1, 2010.

SUMMARY

This bill makes the following changes to the laws governing taxation.

The bill clarifies the procedure for apportionment of county taxes in the unorganized territory, requires the county commissioners to issue their warrant for county taxes by July 15th and provides that the county must bear the cost of a supplemental assessment if they fail to do so.

The bill provides that a credit or reimbursement allowed or paid that is recoverable by the State Tax Assessor is a tax for purposes of the administrative provisions of the Maine Revised Statutes, Title 36.

The bill imposes interest on credits and reimbursements allowed or paid that are recoverable by the State Tax Assessor.

The bill repeals the requirement that a nonresident purchaser must have been employed or registered to vote in another state in order to qualify for exemption from Maine use tax on an automobile purchased and used in the other state.

The bill provides that an insurance agency may elect to collect and pay the tax on surplus lines premiums on behalf of its employees who are surplus lines producers.

The bill limits the exemption for internal combustion engine fuel sold wholly for exportation from the State to sales by a licensed distributor or an exporter.

The bill limits the exemption for special fuel sold only for exportation from the State to sales by a licensed supplier.