



128th MAINE LEGISLATURE

SECOND REGULAR SESSION-2018

Legislative Document

No. 1669

H.P. 1155

House of Representatives, December 6, 2017

An Act Regarding Levies Placed on Accounts at Financial Institutions for Unpaid State Income Taxes

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 4, 2017. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative FECTEAU of Biddeford.

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

2 **Sec. 1. 36 MRS §176-A, sub-§3, ¶A**, as amended by PL 2011, c. 380, Pt. J,
3 §12, is further amended to read:

4 A. Except as otherwise provided in paragraph B, any person who is in possession
5 of, or obligated with respect to, property or rights to property subject to levy upon
6 which a levy has been made shall, upon demand of the assessor, surrender the
7 property or rights or discharge the obligation to the assessor within 21 days after
8 receipt of the notice of levy, except that part of the property or rights that is, at the
9 time of the demand, subject to an attachment or execution under judicial process. It
10 is a defense to the liability imposed by this subsection that the person who fails to
11 comply with the terms of a notice of levy or that person's bailor has a valid claim
12 against the delinquent taxpayer that accrued prior to receipt of the notice of levy or a
13 valid security interest or lien upon the property of the taxpayer that was perfected
14 prior to receipt of the notice of levy; but this defense is available only to the extent of
15 that claim, security interest or lien.

16 Any financial institution chartered under state or federal law, including, but not
17 limited to, trust companies, savings banks, savings and loan associations, national
18 banks and credit unions, shall surrender to the assessor any deposits, including any
19 interest in the financial institution that would otherwise be required to be surrendered
20 under this subsection only after 21 days after receipt of the notice of levy, but not
21 later than 30 days after receipt of the notice of levy. Except as provided in subsection
22 5, paragraph D, with respect to a levy on salary or wages, any person in possession
23 of, or obligated with respect to, property subject to a continuing levy against
24 intangible personal property, which property is first possessed or which obligation
25 first arises subsequent to receipt of a notice of levy by that person, shall, upon
26 demand of the assessor, surrender the property or rights, or discharge the obligation
27 to the assessor within 30 days after the property is first possessed or the obligation
28 first arises.

29 Any financial institution chartered under state or federal law, including, but not
30 limited to, trust companies, savings banks, savings and loan associations, national
31 banks and credit unions, shall surrender to the assessor any deposits subject to levy
32 for the payment of taxes pursuant to Part 8 in the following order:

33 (1) Deposits in accounts held solely by the delinquent taxpayer;

34 (2) Deposits in accounts held jointly by the delinquent taxpayer and the
35 taxpayer's spouse; and

36 (3) Deposits in accounts held jointly by the delinquent taxpayer and a 3rd party.

37 **SUMMARY**

38 This bill requires a financial institution, in a case in which a delinquent taxpayer's
39 accounts have been levied for unpaid state income taxes, to satisfy the levy first from
40 accounts held solely by the delinquent taxpayer, next from accounts held jointly by the

1 delinquent taxpayer and the delinquent taxpayer's spouse and last from accounts held
2 jointly by the delinquent taxpayer and a 3rd party.