

# MAINE STATE LEGISLATURE

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# 127th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2015

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Legislative Document

No. 341

H.P. 235

House of Representatives, February 10, 2015

### An Act To Prevent Tax Haven Abuse

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Reference to the Committee on Taxation suggested and ordered printed.

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

ROBERT B. HUNT  
Clerk

Presented by Representative TIPPING-SPITZ of Orono.  
Cosponsored by Senator LIBBY of Androscoggin and  
Representatives: ALLEY of Beals, MOONEN of Portland, STANLEY of Medway,  
STUCKEY of Portland, TEPLER of Topsham, Senators: HASKELL of Cumberland,  
MIRAMANT of Knox, VALENTINO of York.

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

2 **Sec. 1. 36 MRSA §5200, sub-§5**, as enacted by PL 2005, c. 457, Pt. FFF, §1 and  
3 affected by §2, is repealed and the following enacted in its place:

4 **5. Net income.** For purposes of this section, "net income" means for any taxable  
5 year the total of the following as modified by section 5200-A:

6 A. The taxable income of the taxpayer for that taxable year under the laws of the  
7 United States; and

8 B. The taxable income or loss of any corporation that is a member of a unitary group  
9 and that is incorporated in any of the following jurisdictions: the Principality of  
10 Andorra, Anguilla, Antigua and Barbuda, Aruba, the Commonwealth of the  
11 Bahamas, the Kingdom of Bahrain, Barbados, Belize, Bermuda, the British Virgin  
12 Islands, the Cayman Islands, the Cook Islands, the Republic of Cyprus, the  
13 Commonwealth of Dominica, Gibraltar, Grenada, the Bailiwick of Guernsey, the  
14 Republic of Ireland, the Isle of Man, the Bailiwick of Jersey, the Republic of Liberia,  
15 the Principality of Liechtenstein, the Grand Duchy of Luxembourg, Malta, the  
16 Republic of the Marshall Islands, the Republic of Mauritius, the Principality of  
17 Monaco, Montserrat, the Republic of Nauru, the Caribbean Netherlands, Niue, the  
18 Independent State of Samoa, the Republic of San Marino, the Republic of Seychelles,  
19 the Federation of St. Christopher and Nevis, St. Lucia, St. Vincent and the  
20 Grenadines, the Turks and Caicos Islands, the United States Virgin Islands and the  
21 Republic of Vanuatu.

22 **Sec. 2. Rules.** The State Tax Assessor shall adopt rules to determine the income or  
23 loss for a corporation that is a member of a unitary group that is not otherwise required to  
24 file a consolidated federal return and to prevent double taxation or double deduction of  
25 any amount included in the computation of net income under the Maine Revised Statutes,  
26 Title 36, section 5200, subsection 5. Rules adopted pursuant to this section are major  
27 substantive rules as described in Title 5, chapter 375, subchapter 2-A.

28 **Sec. 3. Application.** This Act applies to tax years beginning on or after January 1,  
29 2016.

30 **SUMMARY**

31 This bill requires corporations that file unitary income tax returns in Maine to include  
32 income from certain jurisdictions outside the United States in net income when  
33 apportioning income among tax jurisdictions. The State Tax Assessor is required to  
34 adopt major substantive rules to determine the income or loss attributable to such  
35 corporations and to prevent double taxation or deduction of income.