

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1291

S.P. 521

In Senate, March 25, 2025

Resolve, to Establish the Commission to Study the Apportionment of Service Revenue

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read "D M Grant", is positioned above the printed name of the Secretary of the Senate.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator BICKFORD of Androscoggin.
Cosponsored by Representative PERKINS of Dover-Foxcroft.

1 **Sec. 1. Commission established. Resolved:** That the Commission to Study the
2 Apportionment of Service Revenue, referred to in this resolve as "the commission," is
3 established.

4 **Sec. 2. Commission membership. Resolved:** That, notwithstanding Joint Rule
5 353, the commission consists of 12 members appointed as follows:

6 1. Five members of the Senate appointed by the President of the Senate, including 3
7 members from the party holding the largest number of seats in the Legislature and 2
8 members from the party holding the 2nd largest number of seats in the Legislature;

9 2. Six members of the House of Representatives appointed by the Speaker of the
10 House, including 3 members from the party holding the largest number of seats in the
11 Legislature and 3 members from the party holding the 2nd largest number of seats in the
12 Legislature; and

13 3. The State Tax Assessor, or the State Tax Assessor's designee.

14 **Sec. 3. Chairs. Resolved:** That the first-named Senate member is the Senate chair
15 and the first-named House of Representatives member is the House chair of the
16 commission.

17 **Sec. 4. Appointments; convening of commission. Resolved:** That all
18 appointments must be made no later than 30 days following the effective date of this
19 resolve. The appointing authorities shall notify the Executive Director of the Legislative
20 Council once all appointments have been completed. After appointment of all members,
21 the chairs shall call and convene the first meeting of the commission. If 30 days or more
22 after the effective date of this resolve a majority of but not all appointments have been
23 made, the chairs may request authority and the Legislative Council may grant authority for
24 the commission to meet and conduct its business.

25 **Sec. 5. Duties. Resolved:** That the commission shall study:

26 1. The apportionment of service revenue in the calculation of corporate taxes and tax
27 rates in the State;

28 2. The need for fair representation of taxpayers' business activities in the State and
29 whether business activities that are apportioned to the State for tax purposes represent an
30 accurate picture of where those business activities are occurring;

31 3. The effect of adopting so-called look-through apportionment for certain types of
32 services to determine where sales are sourced; and

33 4. The availability of reasonable approximation safe harbor provisions that allow
34 corporations to calculate tax liability by using an estimate of where a general group of
35 customers are located to determine where revenue is sourced instead of determining where
36 each individual customer is located.

37 **Sec. 6. Staff assistance. Resolved:** That the Legislative Council shall provide
38 necessary staffing services to the commission, except that Legislative Council staff support
39 is not authorized when the Legislature is in regular or special session.

40 **Sec. 7. Report. Resolved:** That, no later than December 3, 2025, the commission
41 shall submit a report that includes its findings and recommendations, including suggested

1 legislation, to the Joint Standing Committee on Taxation. The commission shall also report
2 on whether existing tax laws authorize the Department of Administrative and Financial
3 Services, Maine Revenue Services to adopt any proposed rules and whether additional
4 legislation is needed to effectuate the commission's recommendations. The Joint Standing
5 Committee on Taxation may submit legislation related to the report to the Second Regular
6 Session of the 132nd Legislature.

7 **SUMMARY**

8 This resolve establishes the Commission to Study the Apportionment of Service
9 Revenue, which is directed to study the apportionment of service revenue for Maine
10 corporate income tax purposes, including the need for fair representation of taxpayers'
11 business activities in the State, the effect of adopting look-through apportionment for
12 certain types of services and the availability of reasonable approximation safe harbor
13 provisions. The commission is required to submit a report and suggested legislation by
14 December 3, 2025 to the Joint Standing Committee on Taxation, which is authorized to
15 report out legislation based on the report to the Second Regular Session of the 132nd
16 Legislature.