

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1392

H.P. 914

House of Representatives, April 1, 2025

**An Act to Limit the Applicability of the Laws Regulating Payroll
Processors to Services Provided by Payroll Processors to Employers
with a Legal Address in the State**

(EMERGENCY)

Reference to the Committee on Housing and Economic Development suggested and
ordered printed.

Robert B. Hunt

ROBERT B. HUNT
Clerk

Presented by Representative ROBERTS of South Berwick.

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, payroll processing regulations in this State require immediate modification to clarify what types of employers are covered under the provisions of law governing regulation of payroll processors and by extension clarify how remote workers are treated under these provisions to ensure compliance with state laws and business regulations; and

Whereas, ensuring a clear legal framework for payroll processors and employers is essential for economic stability and the proper administration of business regulations; and

Whereas, without immediate action, businesses may face uncertainty in payroll processing, potentially leading to compliance issues, delayed wage payments and administrative burdens for employers and employees; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

Sec. 1. 10 MRSA §1495, sub-§1, as enacted by PL 1997, c. 495, §1, is amended to read:

1. Employer. "Employer" means a person that maintains an office or otherwise ~~transacts business~~ a legal address in this State and makes payment of wages taxable under Title 36, Part 8 to a resident or nonresident individual. ~~For the purposes of this subsection,~~ "legal address" means the mailing address the employer requesting the payroll processing services uses with the United States Internal Revenue Service.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.

SUMMARY

This bill narrows the applicability of the law regulating payroll processors in this State to services provided by payroll processors to employers that have a legal address in this State.