

# MAINE STATE LEGISLATURE

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# ONE HUNDRED AND SEVENTH LEGISLATURE

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**Legislative Document**

**No. 43**

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S. P. 11

Office of the Clerk of the House

Filed December 13, 1974 under Joint Rule 6 by Senator Corson of Somerset. To be printed and delivered to the Senate of the 107th Legislature.

E. LOUISE LINCOLN, Clerk

Presented by Senator Corson of Somerset.

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## STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-FIVE

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### AN ACT Relating to a Close Corporation Under the Unemployment Compensation Laws.

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

Sec. 1. 26 MRSA, § 1043, sub-§ 9, ¶ J is enacted to read:

J. For the purposes of this chapter, a close corporation duly organized and existing by the laws of this State, which elects taxable status under subchapter S of the Internal Revenue Code of the United States of America, shall not be considered an employer to the extent that its stockholders and employees are the same individuals. Any employees of such corporation who are not stockholders shall remain subject to this chapter.

Sec. 2. 26 MRSA, § 1043, sub-§ 10, first sentence, is amended to read:

“Employing unit” means any individual or type of organization, including any partnership, association, trust, estate, joint stock company, insurance company or corporation, **except a close corporation as described in subsection 9, paragraph J**, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee or successor thereof, or the legal representative of a deceased person, which has or subsequent to January 1, 1935, had in its employ one or more individuals performing services for it within this State.

### STATEMENT OF FACT

It is the intent of this Act to clarify the status of a close corporation within the meaning of Employer and Employing Unit under the Unemployment Compensation Laws.