

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 14

H. P. 21

Office of the Clerk of the House

Submitted by the Department of Finance and Administration pursuant to Joint Rule 24.

EDWIN H. PERT, Clerk

Presented by Mr. Cox of Brewer.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Clarify the Definition of Resident Individual in the Income Tax Law.

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

Sec. 1. 36 MRSA § 5102, sub-§ 5, as last amended by PL 1979, c. 649, § 1, is further amended to read:

5. **Resident individual.** "Resident individual" ~~shall mean~~ means an individual:

A. Who is domiciled in Maine, ~~unless he maintains no permanent place of abode in this State and does maintain a permanent place of abode elsewhere and spends in the aggregate not more than 30 days of the taxable year in this State;~~

B. Who is not domiciled in Maine, but maintains a permanent place of abode in this State and spends in the aggregate more than 183 days of the taxable year in this State, ~~unless he is in the Armed Forces of the United States.~~

~~For purposes of this subsection, a Maine domiciled individual who is absent from Maine because of his compliance with orders of the Armed Forces of the United States may not be deemed to maintain a permanent place of abode in any state, territory or possession of the United States, other than Maine, or in the District of Columbia.~~

Sec. 2. **Effective date.** This Act shall become effective with regard to tax years beginning on or after January 1, 1981.

STATEMENT OF FACT

This bill would provide greater equality in the income tax treatment of Maine domiciliaries by subjecting to the Maine income tax those domiciliaries who maintain a permanent place of abode abroad and, therefore, are not subject to the equivalent of a state income tax in the jurisdictions in which they reside. The bill would also provide for the continued taxation of Maine servicemen stationed in other states, who, because of the Soldiers' and Sailors' Civil Relief Act, cannot be taxed by their host states. Civilian domiciliaries living in other states are protected from multiple taxation by the income tax credit provided in Title 36, section 5127, subsection 1 for income tax paid to another taxing jurisdiction.