

MAINE STATE LEGISLATURE

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1 SECOND REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 1764

6
7 H.P. 1254 House of Representatives, January 2, 1986
8 Submitted by the Department of Finance and Administration pursuant to
9 Joint Rule 24.

10 Received by the Clerk of the House on January 2, 1986. Referred to the
Committee on Taxation and 1,600 ordered printed pursuant to Joint Rule 14.

EDWIN H. PERT, Clerk

Presented by Representative Cashman of Old Town.

Cosponsored by Representative Mayo of Thomaston, Representative
Nelson of Portland and Senator Twitchell of Oxford.

11
12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-SIX
16

17 AN ACT to Limit Preferential Taxation within
18 a Unitary Business.
19

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

22 Sec. 1. 36 MRSA §5200, as repealed and replaced
23 by PL 1983, c. 477, Pt. F, sub-pt. 3, §1, is amended
24 by adding at the end a new paragraph to read:

25 In the case of an affiliated group of corpora-
26 tions engaged in a unitary business, the respective
27 preferential rates provided in this section shall be
28 applied only to the first \$250,000 of Maine net in-
29 come of the entire group and shall be apportioned
30 equally among the taxable corporations unless those
31 taxable corporations jointly elect a different appor-
32 tionment. The balance of the Maine net income of the
33 entire group shall be taxed at 8.93%.

34 Sec. 2. 36 MRSA §5220, sub-§5, as repealed and
35 replaced by PL 1983, c. 571, §24, is repealed and the
36 following enacted in its place:

1

STATEMENT OF FACT

2 This bill is intended to eliminate the possibili-
3 ty for repetition, because of a multi-corporate
4 structure, of the preferential income tax rates which
5 generally are applicable only to the first \$250,000
6 of Maine net income of a single business. The bill
7 also clarifies the reporting requirements of corpora-
8 tions engaged in a unitary business.

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