

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST REGULAR SESSION - 1989

Legislative Document

No. 1533

H.P. 1100

House of Representatives, May 8, 1989

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads 'Ed Pert'.

EDWIN H. PERT, Clerk

Presented by Representative LEBOWITZ of Bangor.

Cosponsored by Senator COLLINS of Aroostook, Representative DiPIETRO of South Portland and Representative REED of Falmouth.

STATE OF MAINE

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

**An Act Concerning Employment Status Relating to Income Tax and
Unemployment Compensation Laws.**



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

3 Sec. 1. 26 MRSA §1043, sub-§31 is enacted to read:

5 31. Independent contractor. "Independent contractor" means
6 a person who qualifies for federal income tax purposes as an
7 independent contractor relative to an employer.

9 Sec. 2. 36 MRSA §5116 is enacted to read:

11 §5116. Independent contractor

13 A taxpayer who qualifies for federal income tax purposes as
14 an independent contractor relative to an employer shall qualify
15 for the same status for state income tax purposes.

17

19 **STATEMENT OF FACT**

21 Currently, the Federal Government, but not the State, will
22 accept the receipt of a 1099 form, rather than a W-2 form, as
23 proof that the recipient is an independent contractor rather than
24 an employee of the person issuing the form. This will provide
25 that the standard of proof of employment status adequate for the
26 Federal Government is also adequate for state tax purposes.

27

28 This bill also provides that the standard of proof of
29 employment status adequate for the Federal Government will
30 suffice for purposes of the state Bureau of Employment Security
31 in administering the unemployment compensation laws.