

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)



# 116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

---

Legislative Document

No. 1024

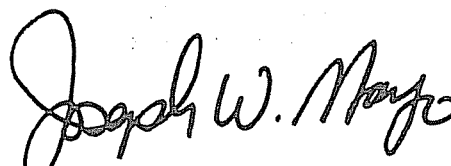
H.P. 757

House of Representatives, March 25, 1993

**An Act to Amend the Laws Regarding Taxation of Workers'  
Compensation Self-insurers.**

---

Reference to the Committee on Taxation suggested and ordered printed.

  
JOSEPH W. MAYO, Clerk

Presented by Representative DiPIETRO of South Portland.  
Cosponsored by Representatives: CARON of Biddeford, DUTREMBLE of Biddeford,  
PLOURDE of Biddeford, REED of Dexter, TARDY of Palmyra, VIGUE of Winslow.

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

2  
4       **Sec. 1. 36 MRSA §5102, sub-§4, ¶C**, as amended by PL 1991, c. 148, §1, is further amended to read:

6       C. A trust created by, or consisting of property of, a  
8       person domiciled in this State but excluding any trust or  
10       other funding mechanism authorized pursuant to Title 39-A,  
12       section 403 to self-insure workers' compensation coverage; or

14       **Sec. 2. 36 MRSA §5102, sub-§6**, as amended by PL 1985, c. 783,  
16       §18, is further amended to read:

18       **6. Corporation.** "Corporation" means any business entity  
20       subject to income taxation as a corporation under the laws of the  
22       United States, excepting corporations subject to tax under  
24       sections 2512 to 2522 and section 5206 and excepting any trust or  
26       other funding mechanism authorized pursuant to Title 39-A,  
28       section 403 to self-insure workers' compensation coverage.

#### STATEMENT OF FACT

30       Maine law requires that self-insurers fund self-insured  
trusts to a financial level well beyond the break-even point.  
These funds are intended to earn interest to pay claims. This  
interest income, otherwise intended to pay benefits to injured  
employees, is subject to state and federal income taxation. This  
bill removes the state income tax obligations on such funds.