

# 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)



# 119th MAINE LEGISLATURE

## FIRST REGULAR SESSION-1999

---

Legislative Document

No. 1983

---

H.P. 1376

House of Representatives, March 23, 1999

---

**An Act to Assist Independent Contractors to Comply with State Tax Laws.**

---

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative HATCH of Skowhegan.  
Cosponsored by Senator CAREY of Kennebec and  
Representatives: GAGNON of Waterville, MATTHEWS of Winslow, SAMSON of Jay,  
STANLEY of Medway.

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

2

Sec. 1. 36 MRSA §5250, sub-§1, as amended by PL 1987, c. 504,  
§37, is further amended to read:

4

6           1. **General.** Every employer maintaining an office or  
transacting business within this State and making payment of any  
8 wages taxable under this ~~part~~ Part to a resident or nonresident  
individual shall, if required to withhold federal income tax from  
10 such wages, deduct and withhold from such wages for each payroll  
period a tax computed in such manner as to result, so far as  
12 practicable, in withholding from the employee's wages during each  
calendar year an amount substantially equivalent to the tax  
14 reasonably estimated to be due from the employee under this ~~part~~  
Part with respect to the amount of such wages included in ~~his~~ the  
16 employee's adjusted gross income during the calendar year. The  
method of determining the amount to be withheld shall ~~must~~ be  
18 prescribed by regulations of the assessor. The assessor shall  
use the same criteria for determining whether an individual is an  
20 employee or an independent contractor as is used by the federal  
Internal Revenue Service. This section shall ~~does~~ not apply to  
22 shares of a lobster boat's catch apportioned by a lobster boat  
operator to a sternman. This section does not apply to wages from  
24 which a tax is required to be deducted and withheld under the  
Code, Sections 1441 and 1442.

26

28

**SUMMARY**

30

This bill clarifies that the State must use the same  
criteria for determining status as an employee or independent  
32 contractor as is used by the federal Internal Revenue Service.

32