

# MAINE STATE LEGISLATURE

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# 122nd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2005

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Legislative Document

No. 740

S.P. 238

In Senate, February 10, 2005

### An Act To Amend Maine's Nonresident Income Tax Provisions

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Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script, reading 'Joy J. O'Brien'.

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator MAYO of Sagadahoc.

Cosponsored by Representative CUMMINGS of Portland and

Senators: COWGER of Kennebec, PERRY of Penobscot, WESTON of Waldo, Representative:  
CRAVEN of Lewiston.

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

4 **Sec. 1. 36 MRSA §5142, sub-§8, ¶C** is enacted to read:

6 C. For purposes of this subsection, "personal services" does not include the following:

8 (1) Personal services performed in connection with presenting or receiving training or education; and

10 (2) Personal services performed in connection with a site inspection, review, analysis of management or any other supervision of a Maine-based affiliate or subsidiary by a representative from a parent company not headquartered in this State.

12 The performance of the personal services described in subparagraphs (1) and (2) may not be counted towards the 10-day threshold.

14 **Sec. 2. 36 MRSA §5220, sub-§2**, as amended by PL 2003, c. 673, Pt. E, §2 and affected by §3, is further amended to read:

16 **2. Nonresident individuals.** Every nonresident individual who, pursuant to this Part, has a Maine individual income tax liability for the taxable year. An individual whose only Maine-source income is ~~compensation--for--personal--services performed--in--Maine--that--is~~ excluded from Maine adjusted gross income by the threshold contained in section 5142, subsection 8 is not subject to taxation under this Part and need not file a return;

20 **SUMMARY**

22 **36** Current law requires a nonresident who performs personal services in Maine for more than 10 days per year to pay tax on income from the performance of those services.

24 This bill exempts from Maine income tax the personal services performed by a nonresident in connection with training or education or in connection with a site inspection, review, analysis of management or any other supervision of a Maine-based affiliate or subsidiary by a representative from a parent company not headquartered in Maine.