

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)



122nd MAINE LEGISLATURE

FIRST REGULAR SESSION-2005

Legislative Document

No. 987

S.P. 327

In Senate, February 24, 2005

**Resolve, Directing the Bureau of Revenue Services To Review the
Law Governing the Taxation of Corporate Income**

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator STRIMLING of Cumberland.

Sec. 1. Bureau of Revenue Services; review of corporate income taxes. Resolved:

That the Department of Administrative and Financial Services, Bureau of Revenue Services shall review the law governing the taxation of corporate income to ensure that the share of state tax revenue contributed by corporate income is maximized. In conducting its review, the bureau shall examine whether, under existing law, the State is collecting all taxes to which it is entitled on income that is truly "nonbusiness income," and shall assess whether it would be economically advantageous to restore a distinction in the Maine Revised Statutes, Title 36, chapter 821 between apportionable business income and allocable nonbusiness income, define apportionable income as all income that is apportionable under the United States Constitution, and define allocable nonbusiness income as all other income of a taxable corporation; and be it further

Sec. 2. Report. Resolved:

That the Department of Administrative and Financial Services, Bureau of Revenue Services shall submit its report, along with any necessary implementing legislation, to the Joint Standing Committee on Taxation no later than November 2, 2005. Following its receipt and review of the report, the Joint Standing Committee on Taxation is authorized to report out a bill to the Second Regular Session of the 122nd Legislature.

SUMMARY

This resolve directs the Department of Administrative and Financial Services, Bureau of Revenue Services to review the existing law governing the taxation of corporate income and assess whether it would be economically advantageous to restore a distinction in the state tax law between apportionable business income and allocable nonbusiness income.