

MAINE STATE LEGISLATURE

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Date: 6/18/7

(Filing No. H- 602)

Majority
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STATE OF MAINE
HOUSE OF REPRESENTATIVES
123RD LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 490, L.D. 641, Bill, "An Act To Amend the Nonresident Income Tax Filing Requirements"

Amend the bill in section 2 by striking out all of subsection 8-B (page 1, lines 5 to 23 in L.D.) and inserting the following:

'8-B. Minimum taxability threshold. Minimum taxability thresholds for nonresidents are governed by this subsection.

A. Compensation for personal services performed in the State as an employee is Maine-source income, subject to taxation under this Part, if the nonresident taxpayer was present in the State performing personal services for more than 12 days during the taxable year and directly earns or derives more than \$3,000 in gross income during the year in the State from all sources.

B. A nonresident individual who is present for business in the State on other than a systematic or regular basis, either directly or through agents or employees, has Maine-source income derived from or effectively connected with a trade or business in the State and subject to taxation under this Part only if the nonresident individual was present in the State for business more than 12 days during the taxable year and earns or derives more than \$3,000 of gross income during the taxable year from contractual or sales-related activities.

C. Performance of the following personal services for 24 days during a calendar year may not be counted towards the 12-day threshold under paragraph A:

(1) Personal services performed in connection with presenting or receiving employment-related training or education;

(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;

COMMITTEE AMENDMENT

COMMITTEE AMENDMENT "A" to H.P. 490, L.D. 641

10/18

1 certain training, management functions, equipment upgrade and new investment. The
2 amendment also adds an appropriations and allocations section.

3 **FISCAL NOTE REQUIRED**
4 (See attached)



123rd MAINE LEGISLATURE

LD 641

LR 2291(02)

An Act To Amend the Nonresident Income Tax Filing Requirements

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
Net Cost (Savings)				
General Fund	\$3,187,046	\$2,606,986	\$2,684,371	\$2,766,875
Appropriations/Allocations				
General Fund	\$81,444	\$141,318	\$147,409	\$153,804
Revenue				
General Fund	(\$3,105,602)	(\$2,465,668)	(\$2,536,962)	(\$2,613,071)
Other Special Revenue Funds	(\$166,898)	(\$132,507)	(\$139,158)	(\$143,333)

Fiscal Detail and Notes

Changing the minimum taxability threshold for nonresidents will reduce General Fund revenue by an estimated \$3,105,602 in fiscal year 2007-08 and \$2,465,668 in fiscal year 2008-09. This bill also includes a General Fund appropriation of \$81,444 in fiscal year 2007-08 and \$141,318 in fiscal year 2008-09 for Maine Revenue Services' administrative costs.