

MAINE STATE LEGISLATURE

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123rd MAINE LEGISLATURE

FIRST REGULAR SESSION-2007

Legislative Document

No. 1400

S.P. 488

March 14, 2007

An Act To Amend the Laws Governing the Taxation of Partnerships

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 PERRY of Penobscot.

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

2 **Sec. 1. 36 MRSA §5192, sub-§7** is enacted to read:

3 **7. Professional service partnerships.** In the case of a professional service
4 partnership, the aggregate amount of income that may be considered as derived from or
5 connected with sources in this State and allocated to all qualified nonresident partners
6 may not exceed the total income of the partnership, as reduced by the aggregate amount
7 of income allocated to those partners who are residents of this State or nonqualified
8 nonresident partners. A partner is a qualified nonresident partner for purposes of this
9 subsection for a taxable year if the partner is not present in this State performing personal
10 services on behalf of the partnership for more than 10 days in that taxable year. For
11 purposes of this subsection, a professional service partnership is a partnership the
12 principal activity of which is the performance of health, law, engineering, architecture,
13 accounting, actuarial science or consulting services.

14 **Sec. 2. Retroactivity.** This Act applies retroactively to all taxable years beginning
15 on or after January 1, 2001.

16 **SUMMARY**

17 This bill provides that in the case of a professional service partnership, the aggregate
18 amount of income that may be considered as derived from or connected with sources in
19 this State and allocated to all qualified nonresident partners may not exceed the total
20 income of the partnership, as reduced by the aggregate amount of income allocated to
21 those partners who are residents of this State or nonqualified nonresident partners.