

MAINE STATE LEGISLATURE

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M. M. M.

ROFS

L.D. 433

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Date: 3-29-11

MINORITY

(Filing No. S- 21)

TAXATION

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STATE OF MAINE
SENATE
125TH LEGISLATURE
FIRST REGULAR SESSION

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COMMITTEE AMENDMENT "B" to S.P. 137, L.D. 433, Bill, "An Act To Exempt from Income Tax the Income of Nonresidents Working in Maine Pursuant to an Interlocal Agreement"

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

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Sec. 1. 36 MRSA §5142, sub-§9 is enacted to read:

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9. Compensation for work under interlocal agreement. Compensation received as an employee of a political subdivision of an adjoining state performing service in this State pursuant to an interlocal agreement under Title 30-A, chapter 115 is not considered income derived from sources within this State as long as the services performed under the interlocal agreement do not displace an employee currently performing the service who is a resident of this State or a qualified resident who could be hired to perform the service.

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SUMMARY

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This amendment is the minority report. The amendment reallocates the provision of the bill that provides that compensation received as an employee of a political subdivision of an adjoining state performing service in Maine under an interlocal agreement is not considered Maine-source income, because the provision is an exclusion from Maine-source income and does not impact the minimum taxability threshold for nonresidents. It also provides that this exemption applies only when the service performed does not displace an employee currently performing the service who is a resident of this State or a qualified resident who could be hired to perform the service.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



125th MAINE LEGISLATURE

LD 433

LR 1491(03)

An Act To Exempt from Income Tax the Income of Nonresidents Working in Maine Pursuant to an Interlocal Agreement

Fiscal Note for Bill as Amended by Committee Amendment "B" S-21

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

Minor revenue decrease - General Fund

Fiscal Detail and Notes

Exempting the income of nonresidents working in Maine as employees of a political subdivision of an adjoining state pursuant to an interlocal agreement from taxation as long as a qualified Maine employee or potential qualified Maine employee is not displaced by the agreement may result in a minor decrease to General Fund revenue. Any administrative costs to administer the exemption can be absorbed by Maine Revenue Services within existing budgeted resources.