

MAINE STATE LEGISLATURE

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87MG
R08'S

L.D. 784

Date: 5-12-17

(Filing No. H-169)

**MAJORITY
TAXATION**

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
128TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 564, L.D. 784, Bill, "An Act To Prevent Tax Haven Abuse"

Amend the bill in section 1 in subsection 5 in the 6th line from the end (page 1, line 22 in L.D.) by striking out the following: "annually" and inserting the following: 'biennially'

Amend the bill in section 1 in subsection 5 in the 4th line from the end (page 1, line 24 in L.D.) by inserting after the following: "matters" the following: 'by March 1st of each odd-numbered year beginning March 1, 2019'

Amend the bill by adding after section 3 the following:

'Sec. 4. Appropriations and allocations. The following appropriations and allocations are made.

ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF

Revenue Services, Bureau of 0002

Initiative: Provides funding for one Tax Analyst position and 2 Staff Attorney positions and related All Other to administer the inclusion of income from certain jurisdictions outside the United States in net income for state tax purposes.

GENERAL FUND	2017-18	2018-19
POSITIONS - LEGISLATIVE COUNT	3,000	3,000
Personal Services	\$276,937	\$291,136
All Other	\$122,952	\$15,252
GENERAL FUND TOTAL	<u>\$399,889</u>	<u>\$306,388</u>

COMMITTEE AMENDMENT

ROFS

COMMITTEE AMENDMENT "A" to H.P. 564, L.D. 784

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SUMMARY

This amendment changes the schedule for the State Tax Assessor's review of tax-haven jurisdictions to a biennial review.

The amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)



128th MAINE LEGISLATURE

LD 784

LR 343(02)

An Act To Prevent Tax Haven Abuse

Fiscal Note for Bill as Amended by Committee Amendment *A(H-169)*

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2017-18	FY 2018-19	Projections FY 2019-20	Projections FY 2020-21
Net Cost (Savings)				
General Fund	\$399,889	(\$3,613,612)	(\$3,769,878)	(\$3,950,882)
Appropriations/Allocations				
General Fund	\$399,889	\$306,388	\$315,122	\$324,118
Revenue				
General Fund	\$0	\$3,920,000	\$4,085,000	\$4,275,000
Other Special Revenue Funds	\$0	\$80,000	\$215,000	\$225,000

Fiscal Detail and Notes

The bill requires corporations who file unitary income tax returns to include income from certain jurisdictions outside the United States in net income when apportioning income among tax jurisdictions. This will increase General Fund and Local Government Fund revenues by \$3,920,000 and \$80,000, respectively, in fiscal year 2018-19. The bill includes General Fund appropriations of \$399,899 in fiscal year 2017-18 and \$306,388 in fiscal year 2018-19 for one Tax Analyst position and 2 Staff Attorney positions and related All Other to administer the new tax.