

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)

SAI
ROFS

Date: 3-11-21

(Filing No. H-41)

Reproduced and distributed under the direction of the Clerk of the House.

STATE OF MAINE
HOUSE OF REPRESENTATIVES
130TH LEGISLATURE
FIRST REGULAR SESSION

HOUSE AMENDMENT "H" to COMMITTEE AMENDMENT "A" to H.P. 155, L.D. 220, "An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2021"

Amend the amendment by inserting after Part CC the following:

PART DD

Sec. DD-1. Study of global intangible low-taxed income deduction add-back. For the purposes of studying the effectiveness of encouraging economic activity in this State, the Department of Administrative and Financial Services shall study the income modification required pursuant to the Maine Revised Statutes, Title 36, section 5200-A, subsection 1, paragraph FF of prior tax years beginning on or before December 31, 2020 regarding a taxpayer's foreign-derived intangible income deduction, referred to in this section as "the deduction," claimed pursuant to the federal Internal Revenue Code of 1986, Section 250(a)(1)(B) and the effect of decoupling from that deduction.

In performing the study, Maine Revenue Services shall determine:

1. Whether the deduction is being used by any Maine-based businesses;
2. The effectiveness of the deduction in meeting the goal of encouraging corporations to file their taxes domestically;
3. The annual cost in revenue to the State by that deduction;
4. The annual revenue that would be generated by decoupling from the deduction; and
5. Whether there is some other deduction or incentive that would fulfill the purpose of the deduction in a more effective or efficient manner.

Maine Revenue Services shall report, with suggested legislation, to the Joint Standing Committee on Taxation no later than January 15, 2022. The joint standing committee may report out a bill related to the report to the Second Regular Session of the 130th Legislature.

PART EE

HOUSE AMENDMENT

ROFS

1 **Sec. EE-1. Transfer from General Fund unappropriated surplus; Maine**
2 **Budget Stabilization Fund.** Notwithstanding any provision of law to the contrary, the
3 State Controller shall transfer \$8,000,000 during fiscal year 2020-21 from the General Fund
4 unappropriated surplus to the Maine Budget Stabilization Fund established in the Maine
5 Revised Statutes, Title 5, section 1532.'

6 Amend the amendment by relettering or renumbering any nonconsecutive Part letter or
7 section number to read consecutively.

8 **SUMMARY**

9 The amendment adds 2 new Parts to Committee Amendment "A."

10 Part DD requires Maine Revenue Services within the Department of Administrative
11 and Financial Services to study the income modification that requires the add-back for
12 Maine tax purposes of a taxpayer's deduction claimed pursuant to the federal Internal
13 Revenue Code of 1986 from federal taxation for foreign-derived intangible income. Maine
14 Revenue Services is required to determine the cost of the deduction, whether it effectively
15 meets the purpose for the deduction, the revenue that would be generated without the
16 deduction and whether there is another more effective or efficient manner of encouraging
17 the domestic filing of taxes by corporations. Maine Revenue Services is required to provide
18 a report, along with suggested legislation, to the Joint Standing Committee on Taxation.

19 Part EE requires the transfer of \$8,000,000 in fiscal year 2020-21 from the
20 unappropriated surplus of the General Fund to the Maine Budget Stabilization Fund.

21
22 SPONSORED BY: 

23 (Representative PIERCE, T.)

24 TOWN: Falmouth

FISCAL NOTE REQUIRED
(See Attached)



130th MAINE LEGISLATURE

LD 220

LR 1970(21)

An Act To Make Supplemental Appropriations and Allocations for the Expenditures of State Government and To Change Certain Provisions of the Law Necessary to the Proper Operations of State Government for the Fiscal Year Ending June 30, 2021

Fiscal Note for House Amendment "H" to Committee Amendment "A"

Sponsor: Rep. Pierce of Falmouth

Fiscal Note Required: Yes

Fiscal Note

	FY 2020-21	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
Net Cost (Savings)					
General Fund	\$8,000,000	\$0	\$0	\$0	\$0
Transfers					
General Fund	(\$8,000,000)	\$0	\$0	\$0	\$0

Fiscal Detail and Notes

This amendment requires the transfer of \$8,000,000 in fiscal year 2020-21 from the unappropriated surplus of the General Fund to the Maine Budget Stabilization Fund. Any additional costs to the Department of Administrative and Financial Services associated with performing the study of the foreign-derived intangible income deduction and reporting the results can be absorbed within available budgeted resources.