

# MAINE STATE LEGISLATURE

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Date: 3-10-21

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

HOUSE AMENDMENT "E" 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 striking out all of Part U and inserting the following:

PART U

Sec. U-1. Study of global intangible low-taxed income deduction add-back.

The Department of Administrative and Financial Services, Maine Revenue Services shall study the effectiveness of the income modification required pursuant to the Maine Revised Statutes, Title 36, section 5200-A, subsection 1, paragraph FF 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 December 1, 2021. The joint standing committee may report out a bill related to the report.'

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

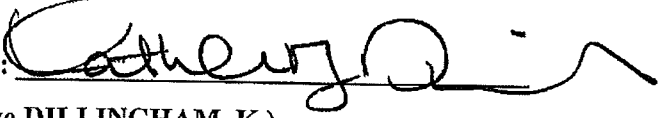
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**SUMMARY**

This amendment strikes Part U, which expands the addition modification for the amount of the global intangible low-taxed income deduction, and replaces it. The amendment requires Maine Revenue Services within the Department of Administrative and Financial Services to study the income modification that requires the add-back for Maine tax purposes of a taxpayer's deduction claimed pursuant to the federal Internal Revenue Code of 1986 from federal taxation for foreign-derived intangible income. Maine Revenue Services is required to determine the cost of the deduction, whether it effectively meets the purpose for the deduction, the revenue that would be generated without the deduction and whether there is another more effective or efficient manner of encouraging the domestic filing of taxes by corporations. Maine Revenue Services is required to provide a report, along with suggested legislation, to the Joint Standing Committee on Taxation.

SPONSORED BY:



(Representative DILLINGHAM, K.)

TOWN: Oxford

FISCAL NOTE REQUIRED  
(See Attached)



# 130th MAINE LEGISLATURE

LD 220

LR 1970(15)

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 "E" to Committee Amendment "A"

Sponsor: Rep. Dillingham of Oxford

Fiscal Note Required: Yes

## Fiscal Note

	FY 2020-21	FY 2021-22	FY 2022-23	Projections FY 2023-24	Projections FY 2024-25
<b>Net Cost (Savings)</b>					
General Fund	\$8,267,875	\$9,547,500	\$10,497,500	\$11,400,000	\$11,875,000
<b>Revenue</b>					
General Fund	(\$8,267,875)	(\$9,547,500)	(\$10,497,500)	(\$11,400,000)	(\$11,875,000)
Other Special Revenue Funds	(\$322,125)	(\$502,500)	(\$552,500)	(\$600,000)	(\$625,000)

### Fiscal Detail and Notes

This amendment conforms to the federal Internal Revenue Code in terms of foreign-derived intangible income deductions and would result in a reduction in General Fund and Local Government Fund revenue of \$8,267,875 and \$322,125, respectively, in fiscal year 2020-21. A balanced budget is maintained.

Additional costs to the Department of Administrative and Financial Services associated with performing the study and reporting the results can be absorbed within available budgeted resources.