

# MAINE STATE LEGISLATURE

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**LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED BY THE  
ONE HUNDRED AND TWELFTH LEGISLATURE

**SECOND REGULAR SESSION**  
January 8, 1986 to April 16, 1986

**SECOND SPECIAL SESSION**  
May 28, 1986 to May 30, 1986

AND AT THE

**THIRD SPECIAL SESSION**  
October 17, 1986

PUBLISHED BY THE DIRECTOR OF REVISOR OF STATUTES IN  
ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,  
TITLE 3, SECTION 163-A, SUBSECTION 4.

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J.S. McCarthy Co., Inc.  
Augusta, Maine

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**PUBLIC LAWS**  
OF THE  
**STATE OF MAINE**

AS PASSED AT THE  
SECOND REGULAR SESSION  
of the  
ONE HUNDRED AND TWELFTH LEGISLATURE  
1985

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Sec. 1. 30 MRSA §5102, sub-§9, as enacted by PL 1979, c. 592, §1, is amended to read:

9. Water or sewer system. Providing for the acquisition, construction, reconstruction, improvement, extension, enlargement, equipment, repair, maintenance and operation of a water or sewer system or part thereof, within or without, or partly within and partly without, the corporate limits of the municipality.

Sec. 2. 30 MRSA §5103, sub-§6, as enacted by PL 1965, c. 88, is repealed and the following enacted in its place:

6. Water or sewer district. Providing financial assistance to a water or sewer district which is a quasi-municipal corporation, within or without, or partly within or without, the corporate limits of the municipality to the extent that the assisted district serves the municipality providing assistance.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective April 14, 1986.

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## CHAPTER 675

H.P. 1254 - L.D. 1764

AN ACT to Limit Preferential Taxation within  
a Unitary Business.

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

Sec. 1. 36 MRSA §5200, as repealed and replaced by PL 1983, c. 477, Pt. F, sub-pt. 3, §1, is amended by adding at the end a new paragraph to read:

In the case of an affiliated group of corporations engaged in a unitary business, the respective preferential rates provided in this section shall be applied only to the first \$250,000 of Maine net income of the entire group and shall be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment.

tionment. The balance of the Maine net income of the entire group shall be taxed at 8.93%.

Sec. 2. 36 MRSa §5220, sub-§5, as repealed and replaced by PL 1983, c. 571, §24, is repealed and the following enacted in its place:

5. Certain taxable corporations. Every taxable corporation which is required to file a federal income tax return. A taxable corporation which is a member of an affiliated group and which is engaged in a unitary business with one or more other members of that affiliated group shall file, in addition, a combined report, in accordance with section 5244. The State Tax Assessor may allow 2 or more taxable corporations which are members of an affiliated group and which are engaged in a unitary business to file a single return on which the aggregate Maine income tax liability of all those corporations is reported.

Sec. 3. 36 MRSa §5244 is enacted to read:

§5244. Combined report

The combined report required by section 5220, subsection 5, shall include, both in the aggregate and by corporation, a list of the federal taxable income, the modifications provided by section 5200-A, the property, payroll and sales in Maine and everywhere as defined in chapter 821 and the Maine net income of the unitary business. Neither the income nor the property, payroll and sales of a member corporation which is not required to file a federal income tax return may be included in the combined report.

Sec. 4. Allocation. The following funds are allocated from the Local Government Fund to carry out the purposes of this Act.

1986-87

TREASURER OF STATE,  
OFFICE OF

State-municipal Revenue Sharing	
All Other	\$5,100

Sec. 5. Application. This Act shall apply to tax years beginning on or after January 1, 1986.