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LR 1634 ( )  
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3/8/22

**PROPOSED COMMITTEE AMENDMENT**  
**Rep. Tepler**

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**Committee Amendment “ “ to LD 428, An Act To Prevent Tax Haven Abuse**

**NEW TITLE: Resolve, Directing a Review and Report Regarding Worldwide Combined Reporting of Certain Corporations for Income Tax Purposes**

**Amend the bill by striking everything after the Title and substituting the following:**

**Sec. 1. Review of worldwide combined reporting by certain corporations for income tax purposes. Resolved:** That Department of Administrative and Financial Services, Maine Revenue Services, referred to in this resolve as Maine Revenue Services, shall review the impact on the Maine income tax and the Maine economy of adopting a system for apportionment of income for purposes of calculating income tax for corporations that are part of an affiliated group with members outside of the United States.:

**Sec. 2. Scope of review; report.** Resolved, that Maine Revenue Services shall:

A. Review the State’s corporate income tax law and identify statutory and administrative changes that would be necessary to adopt a corporate income tax system that requires worldwide combined reporting for income tax purposes and that allows a corporation to elect to compute income on a water’s edge combined report.

B. Report to the joint standing committee of the Legislature having jurisdiction over taxation matters by February 1, 2023 the projected impact and policy considerations of adopting a corporate income tax system that requires worldwide combined reporting for income tax purposes and that allows a corporation to elect to compute income by a water’s edge combined report. Maine Revenue Services shall include in its report a draft of statutory changes necessary to enact such a system including, but not limited to:

(1) Language necessary to define income of a combined group under worldwide combined reporting;

(2) Language necessary to adjust the State’s income tax nexus laws;

(3) Language necessary to adjust the method of apportioning corporate income for income tax purposes;

(4) Language necessary to permit corporations to elect to file a return based on water's edge reporting and conditions under which a corporation may withdraw from that election; and

(5. Language to implement any other statutory changes necessary to implement changes to such a system.

### **Summary**

This amendment changes the Act to a Resolve requiring the Department of Administrative and Financial Services, Maine Revenue Services, to review the impact on the Maine income tax and the Maine economy of adopting a system for apportionment of income for purposes of calculating income tax for corporations that are part of an affiliated group with members outside of the United States and to report the results of its review to the joint standing committee having jurisdiction over taxation matters by February 2023 and include draft legislation to enact such a system.