

## Income/Franchise:

### Maine: New Law Compels Study on Mandatory Worldwide Combined Reporting with Water's-Edge Election

*L.D. 428 / H.P. 308*, enacted without governor's signature 4/26/22. New law mandates Maine Revenue Services (MRS) to review the impact on Maine's income tax and 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." Specifically, the legislation requires MRS to review Maine'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." MRS must report its findings to the "joint standing committee of the Legislature having jurisdiction over taxation matters" by February 1, 2023, including in its report "an analysis of how such a system would affect conformity of the State's income tax system with the federal income tax system, including changes to the federal system currently being considered by the United States Congress." Please contact us with any questions.

**URL:** <https://legislature.maine.gov/LawMakerWeb/summary.asp?ID=280078686>

— Bob Carleo (Boston)  
Managing Director  
Deloitte Tax LLP  
rcarleo@deloitte.com

Alexis Morrison-Howe (Boston)  
Principal  
Deloitte Tax LLP  
alhowe@deloitte.com

Ian Gilbert (Boston)  
Senior Manager  
Deloitte Tax LLP  
iagilbert@deloitte.com

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