**§5200. Imposition and rate of tax**

**1. Imposition and rate of tax prior to 2018.**  For tax years beginning before January 1, 2018, a tax is imposed for each taxable year at the following rates on each taxable corporation and on each group of corporations that derives income from a unitary business carried on by 2 or more members of an affiliated group:

|  |  |
| --- | --- |
| If the income is: | The tax is:  |
| Not over $25,000 | 3.5% of the income |
| $25,000 but not over $75,000 | $875 plus 7.93% of the excess over $25,000 |
| $75,000 but not over $250,000 | $4,840 plus 8.33% of the excess over $75,000 |
| $250,000 or more | $19,418 plus 8.93% of the excess over $250,000 |

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable only by Maine, the rates provided in this subsection are applied only to the first $250,000 of the Maine net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the Maine net income of the entire group is taxed at 8.93%.

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable both within and without this State, the rates provided in this subsection are applied only to the first $250,000 of the net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the net income of the entire group is taxed at 8.93%.

[PL 2017, c. 474, Pt. E, §1 (AMD).]

**1-A. Imposition and rate of tax beginning 2018.**  For tax years beginning on or after January 1, 2018, a tax is imposed for each taxable year at the following rates on each taxable corporation and on each group of corporations that derives income from a unitary business carried on by 2 or more members of an affiliated group:

|  |  |
| --- | --- |
| If the income is: | The tax is:  |
| Not over $350,000 | 3.5% of the income |
| $350,000 but not over $1,050,000 | $12,250 plus 7.93% of the excess over $350,000 |
| $1,050,000 but not over $3,500,000 | $67,760 plus 8.33% of the excess over $1,050,000 |
| $3,500,000 or more | $271,845 plus 8.93% of the excess over $3,500,000 |

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable only by Maine, the rates provided in this subsection are applied only to the first $3,500,000 of the Maine net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the Maine net income of the entire group is taxed at 8.93%.

In the case of an affiliated group of corporations engaged in a unitary business with activity taxable both within and without this State, the rates provided in this subsection are applied only to the first $3,500,000 of the net income of the entire group and must be apportioned equally among the taxable corporations unless those taxable corporations jointly elect a different apportionment. The balance of the net income of the entire group is taxed at 8.93%.

[PL 2017, c. 474, Pt. E, §2 (NEW).]

**2. Business activity only within Maine.**  For purposes of subsections 1 and 1‑A, with respect to a taxable corporation or group of corporations that derive income from a unitary business carried on by 2 or more members of an affiliated group with income from business activity that is taxable only by Maine, "income" means Maine net income.

[PL 2017, c. 474, Pt. E, §3 (AMD).]

**3. Business activity within and outside Maine.**  For purposes of subsections 1 and 1‑A, with respect to a taxable corporation with income from business activity that is taxable both within and without this State, "income" means the corporation's net income. The tax amount computed under subsections 1 and 1‑A must then be apportioned under the provisions of chapter 821 to determine the amount of tax imposed on that corporation.

[PL 2017, c. 474, Pt. E, §3 (AMD).]

**4. Business activity within and outside Maine; unitary business.**  For purposes of subsections 1 and 1‑A, with respect to taxable corporations that derive income from a unitary business carried on by 2 or more members of an affiliated group with business activity that is taxable both within and without this State, "income" means the net income of the entire group. The tax amount computed under subsections 1 and 1‑A must then be apportioned under the provisions of chapter 821 for the entire group to determine the amount of tax imposed on the taxable corporations.

[PL 2017, c. 474, Pt. E, §3 (AMD).]

**5. Net income.**  For purposes of this section, "net income" means, for any taxable year, the taxable income of the taxpayer for that taxable year under the laws of the United States as modified by section 5200‑A.

[PL 2005, c. 457, Pt. FFF, §1 (NEW); PL 2005, c. 457, Pt. FFF, §2 (AFF).]

**6. Taxable in another state.**  For purposes of this section, a taxpayer is taxable in another state if in that state the taxpayer is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax, or that state has jurisdiction to subject the taxpayer to a net income tax regardless of whether, in fact, the state does or does not.

[PL 2005, c. 457, Pt. FFF, §1 (NEW); PL 2005, c. 457, Pt. FFF, §2 (AFF).]

SECTION HISTORY

P&SL 1969, c. 154, §F1 (NEW). PL 1973, c. 580, §2 (AMD). PL 1973, c. 592, §21 (RPR). PL 1973, c. 788, §193 (RPR). PL 1977, c. 686, §12 (RPR). PL 1981, c. 706, §39 (RPR). PL 1983, c. 477, Pt. F, Subpt. 3, §1 (RPR). PL 1985, c. 675, §§1,5 (AMD). PL 2001, c. 396, §35 (AMD). PL 2005, c. 457, §FFF1 (RPR). PL 2005, c. 457, §FFF2 (AFF). PL 2005, c. 618, §6 (AMD). PL 2005, c. 618, §22 (AFF). PL 2017, c. 474, Pt. E, §§1-3 (AMD).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the First Regular and First Special Session of the 131st Maine Legislature and is current through November 1, 2023
 . The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.