



Bruce Bickford  
Senator, District 20

THE MAINE SENATE  
132<sup>nd</sup> Legislature

3 State House Station  
Augusta, Maine 04333

**LD 1291 "Resolve, to Establish the Commission to Study the  
Apportionment of Service Revenue."  
Joint Standing Committee on Taxation  
April 9, 2025**

Senator Grohoski, Representative Cloutier, and members of the Joint Standing Committee on Taxation: I am Senator Bruce Bickford and I represent District 20. I am before you today to introduce LD 1291, a "Resolve, to Establish the Commission to Study the Apportionment of Service Revenue."

As the title suggests, this bill will create a commission to examine how service revenue is apportioned to Maine and other states. This commission will play an important role in ensuring that Maine's tax system adapts to the changing ways businesses operate, especially in the growing service sector and both inside and outside the state's borders.

As our state's business portfolio continues to move toward service-based companies, the process of calculating taxes on those services has become more complex. Right now, there are concerns about whether the current system accurately reflects where business activities are actually taking place, especially for services that may be performed remotely over the internet or across state lines. This commission will take a close look at how service revenue is currently apportioned for tax purposes and whether it fairly represents the true location of these activities.

This is important because we want to ensure that revenue subject to Maine's jurisdiction is accurately reflected and reported. On the other hand, we also don't want to penalize companies that want to do business in Maine by forcing them to pay the State an amount higher than the actual revenue earned here.

The commission will examine several important issues, including the current approach to apportioning service revenue and whether it is a fair and effective system. It will also explore the potential benefits of using a "look-through" method to determine where services are provided, which could offer a more accurate way of sourcing tax revenue. In addition, the commission will look at the possibility of allowing businesses to estimate where their customers are located, which could simplify the tax calculation process and make it more predictable for businesses.

The commission will consist of 12 members from both the Senate and the House, as well as the State Tax Assessor or their designee. This broad representation will ensure that a variety of perspectives are brought to the table as we work to modernize Maine's tax system.

By December 2025, the commission will submit a report with its findings and recommendations, which may include proposed changes to the law. This report will inform lawmakers of whether any changes are necessary to ensure our tax system remains fair and effective for businesses and taxpayers alike.



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I believe that creating this commission is a crucial step to ensure Maine's tax code reflects the realities of today's economy. I urge you to support this bill and help us move toward a more efficient and fair tax system.

Thank you for your time and consideration.