

**§5195. Definitions**

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 2019, c. 380, §2 (NEW).]

**1. Administrative adjustment request.** "Administrative adjustment request" means an administrative adjustment request filed by a partnership pursuant to the Code, Section 6227.

[PL 2019, c. 380, §2 (NEW).]

**2. Audited partnership.** "Audited partnership" means a partnership subject to a partnership-level audit resulting in a federal adjustment.

[PL 2019, c. 380, §2 (NEW).]

**3. Composite return.** "Composite return" means a Maine income tax return filed by a partnership or pass-through entity on behalf of some or all of its partners, beneficiaries or shareholders under rules adopted by the assessor.

[PL 2019, c. 380, §2 (NEW).]

**4. Corporate partner.** "Corporate partner" means a partner that is subject to tax pursuant to chapter 817.

[PL 2019, c. 380, §2 (NEW).]

**5. Direct partner.** "Direct partner" means a partner that holds an interest directly in a partnership or pass-through entity.

[PL 2019, c. 380, §2 (NEW).]

**6. Exempt partner.** "Exempt partner" means a partner that is subject to the tax imposed by chapter 819 or exempt from the taxes imposed by chapters 803, 809 and 817, except to the extent of unrelated business taxable income.

[PL 2019, c. 380, §2 (NEW).]

**7. Federal adjustment.** "Federal adjustment" means an adjustment to an item or amount determined under the Code that affects the computation of a taxpayer's Maine tax liability resulting from a partnership-level audit or other action by the IRS or an amended federal return, refund claim or administrative adjustment request filed by a taxpayer. A federal adjustment is positive to the extent that it increases taxable income and is negative to the extent that it decreases taxable income, as determined under this Part.

[PL 2021, c. 181, Pt. A, §6 (AMD).]

**8. Federal adjustments report.** "Federal adjustments report" means a method or form required by the assessor for use by a taxpayer to report final federal adjustments, including an amended tax return and an information return. A federal adjustments report is a return for purposes of this Title, including for the purpose of determining refund and assessment periods, interest and penalties.

[PL 2019, c. 380, §2 (NEW).]

**9. Federal partnership representative.** "Federal partnership representative" means the person designated by a partnership or appointed by the IRS to act on behalf of a partnership pursuant to the Code, Section 6223(a) for the reviewed year.

[PL 2019, c. 380, §2 (NEW).]

**10. Final determination date.** "Final determination date" has the same meaning as in section 5227-A, subsection 2.

[PL 2019, c. 380, §2 (NEW).]

**11. Final federal adjustment.** "Final federal adjustment" means a federal adjustment for which the final determination date has passed.

[PL 2019, c. 380, §2 (NEW).]

**12. Indirect partner.** "Indirect partner" means a partner in a partnership or pass-through entity that itself holds an interest directly, or through another indirect partner, in a partnership or pass-through entity.

[PL 2019, c. 380, §2 (NEW).]

**13. IRS.** "IRS" means the United States Internal Revenue Service.

[PL 2019, c. 380, §2 (NEW).]

**14. Nonresident partner.** "Nonresident partner" means an individual, trust or estate partner that is not a resident partner.

[PL 2019, c. 380, §2 (NEW).]

**15. Partner.** "Partner" means a person that holds an interest directly or indirectly in a partnership or pass-through entity.

[PL 2019, c. 380, §2 (NEW).]

**16. Partnership.** "Partnership" means an entity subject to taxation under the Code, Subtitle A, Chapter 1, Subchapter K other than a financial institution subject to tax pursuant to chapter 819.

[PL 2019, c. 380, §2 (NEW).]

**17. Partnership-level audit.** "Partnership-level audit" means an examination by the IRS at the partnership level pursuant to the Code, Subtitle F, Chapter 63, Subchapter C that results in federal adjustments.

[PL 2019, c. 380, §2 (NEW).]

**18. Pass-through entity.** "Pass-through entity" means an entity, other than a partnership, that is not subject to tax under chapter 817 or 819.

[PL 2019, c. 380, §2 (NEW).]

**19. Resident partner.** "Resident partner" means a partner that is a resident individual or a resident estate or trust under this Part

[PL 2019, c. 380, §2 (NEW).]

**20. Reviewed year.** "Reviewed year" means the taxable year of a partnership that is subject to a partnership-level audit from which federal adjustments arise.

[PL 2019, c. 380, §2 (NEW).]

**21. State partnership representative.** "State partnership representative" means a partnership's federal partnership representative for the reviewed year unless the partnership designates in writing another person as its state partnership representative.

[PL 2019, c. 380, §2 (NEW).]

**22. Taxpayer.** "Taxpayer" has the same meaning as in section 111, subsection 7 and includes a partnership subject to a partnership-level audit or a partnership that has made an administrative adjustment request, as well as a tiered partner of that partnership.

[PL 2019, c. 380, §2 (NEW).]

**23. Tiered partner.** "Tiered partner" means a partner that is a partnership or pass-through entity.

[PL 2019, c. 380, §2 (NEW).]

**24. Unrelated business taxable income.** "Unrelated business taxable income" has the same meaning as in the Code, Section 512.

[PL 2019, c. 380, §2 (NEW).]

#### SECTION HISTORY

PL 2019, c. 380, §2 (NEW). PL 2021, c. 181, Pt. A, §6 (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 Second Regular Session of the 131st Maine Legislature and is current through January 1, 2025. 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.