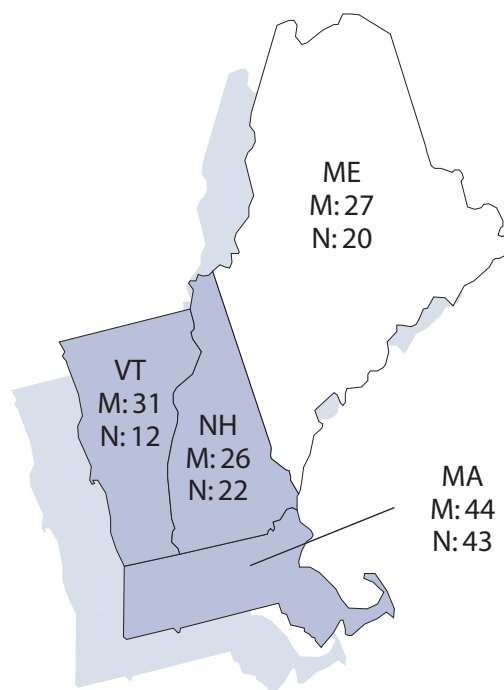


M = Rank for mature firms
N = Rank for new firms



Maine ranks 27th overall for mature operations and 20th overall for newly established operations. Specifically:

- Maine ranks sixth for the mature call center operations. This firm benefits from the state's low 5 percent sales tax and apportionment formula that gives it the third-lowest income tax costs for this type of firm.
- The same factors help the state rank ninth for the mature R&D operation. This operation has a total effective tax rate (TETR) of 8.4 percent, which is 35 percent below the national average.
- Maine ranks ninth for the new retail store, which has a tax burden 23 percent below the national average. Despite facing a high

corporate income tax rate, this establishment is helped by a property tax abatement that gives it one of the lower property tax burdens for this firm type. It also has one of the lower sales tax burdens for new retail establishments.

- The state ranks 45th for the mature capital-intensive manufacturing firm, which has a TETR of 18.2 percent, 44 percent above the national average. The main contributor to this ranking is its 8.93 percent income tax and throwback rule. This operation also has an above-average property tax burden.
- The same factors give the state a 41st-place ranking for mature labor-intensive manufacturing. This firm has the second-highest corporate income tax burden in this category.

Maine

Corporate income tax

Main tax rate	8.930%
Applies to income over	\$250,000
Specific adjustments:	
- s.199 deduction disallowed	
- Throw-out rule applies to sales of goods	

Apportionment	Property	Payroll	Sales
Standard factors	–	–	100.0%
Optional alternative	n/a	n/a	n/a
Throwback applies to tangible property sales			Yes
Interstate services income apportionment			Benefits

Sales and property tax

Metro areas examined		Sales tax	Property tax			
		Main rate ^a	Land	Buildings	Equipment	Inventory
Tier 1	Portland	5.000%	1.792%	1.792%	1.792%	–
Tier 2	Bangor	5.000%	1.920%	1.920%	1.920%	–

a. Manufacturing machinery is exempt from sales tax

Other taxes

Unemployment insurance		State capital tax		Gross receipts tax			Local income tax
Rate	Max. pay			Mfg.	Services	Retail	
3.02%	\$12,000	n/a	Tier 1	n/a	n/a	n/a	n/a
			Tier 2	n/a	n/a	n/a	n/a

Incentives for newly established operations

Type	Incentive value	MC	ML	CC	DC	CO	RD	RT
Investment	10% of investment to \$3.5M max. over 7 years Up to 100% on computers for high tech firms	✓	✓				✓	
Job creation	n/a							
Withholdings	0.6% of new payroll x 5 years			✓	✓	✓	✓	✓
R&D	5% of in-state R&D expenses, per federal concepts						✓	
Property tax	90% abatement on all equipment x 12 years	✓	✓	✓	✓	✓	✓	✓

MC= Capital-Intensive Manufacturing Operation, ML= Labor-Intensive Manufacturing Operation, CC= Call Center, DC= Distribution Center, CO= Corporate Headquarters, RD= Research and Development (R&D) Facility, RT= Retail Store

Results

	Newly established operations								Mature operations									
	Tier 2 operations				Tier 1 operations				AVG	Tier 2 operations				Tier 1 operations				AVG
	MC	ML	CC	DC	CO	RD	RT	MC		ML	CC	DC	CO	RD	RT			
TETR	8.3%	12.5%	19.2%	36.2%	17.1%	10.6%	25.1%		18.2%	14.6%	14.9%	30.7%	15.9%	8.4%	16.4%			
Index	73.2	106.4	76.9	100.0	105.7	71.6	77.1	87.3	143.5	125.3	70.8	100.0	101.2	65.1	97.1	100.4		
Rank	19	32	13	31	28	12	9	20	45	41	6	28	29	9	26	27		

MC= Capital-Intensive Manufacturing Operation, ML= Labor-Intensive Manufacturing Operation, CC= Call Center, DC= Distribution Center, CO= Corporate Headquarters, RD= Research and Development (R&D) Facility, RT= Retail Store