



BUREAU OF TAXATION
 INCOME TAX SECTION
 STATE OFFICE BUILDING
 AUGUSTA, MAINE 04330-0224

MAINE CORPORATE INCOME TAX

Please list below all members of the Affiliated Group operating in a Unitary Fashion and who are included in the Combined Report.

This Schedule must be attached to your Form 1120-Me.

SCHEDULE CB

FORM 1120-ME

1984

	Federal Identification Number	Corporation Name and Address (City and State)	Does this Corporation have Nexus with Maine?	
			Yes	No
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2.				
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STATE OF MAINE
BUREAU OF TAXATION
INSTRUCTIONS FOR SCHEDULE CB

Effective for tax years ending in 1984 and thereafter, a taxable corporation which is a member of an affiliated group and which operates in a unitary fashion must file a combined return based upon Federal taxable income. Additionally, any open periods may be amended to reflect combined reporting, either by the taxpayer or by the Bureau upon audit. Corporations which may be a part of an affiliated unitary group but are not required to file a Federal income tax return are to be excluded from a combined report.

1. Maine law defines affiliated group to mean a group of two or more corporations in which more than 50% of the voting stock of each member corporation is directly or indirectly owned by a common owner or owners, either corporate or non-corporate or by one or more of the member corporations. Unitary is defined as a business activity which is characterized by unity of ownership, functional integration, centralization of management and economies of scale.

Thus, all corporations required to file Federal returns which are part of an affiliated unitary group are required to be included in the combined report of any taxable corporation with Maine nexus even though they have no nexus with the State of Maine.

Any taxable corporation with Maine nexus which is a member of an affiliated, unitary group as defined by Maine law must complete a Schedule CB. All members of the group must be listed except those members who are not required to file a Federal income tax return. List the Federal Employer Identification Number, name and address of each member corporation and check the appropriate "yes" or "no" block for the following question:

Does this Corporation have nexus with Maine?

2. Taxable Income. The corporations listed on Schedule CB then form the basis for the Maine Corporate Income Tax Return which must be filed by each group member which has nexus with Maine. The Federal taxable income to be reported on Line 1 of Form 1120-Me. is the combined Federal taxable income of all members listed on Schedule CB, including those which do not have nexus with Maine. Likewise, entries on Lines 2 and 4 are to be combined so that the result on Line 5 is the combined adjusted federal taxable income. This figure will be common to all members of the group filing a Maine return.

3. Allocation and Apportionment. A filing corporation which is a member of an affiliated unitary group must include the sales, payroll and property figures of all members listed on Schedule CB in Column 2 (Everywhere) on Lines 1, 3, 5 of Schedule A, Form 1120-Me. These figures will be common to all members of the group filing a Maine return. The amounts entered in Column 1 (in Maine) are to be those of the member filing the return. There may be intercompany sales, rentals, dividends, or other transactions which, if included, would result in duplication or distortion in the income or the apportionment factors. These amounts should be eliminated. Thus the factor listed on Line 8 in Schedule A represents the activity in Maine of this one member as compared to the total activity everywhere of the combined group. See the General Instructions for Schedule A on page 3 of the Instructions for Maine Corporate Income Tax Return, Form 1120-Me. for a general discussion of allocation and apportionment.

These instructions are general and are intended to only briefly outline combined reporting in Maine. Specific questions should be directed to the Bureau of Taxation, Income Tax Section, State Office Building, Augusta, Maine 04333. Phone (207) 289-3695.