10-2016

Maine Tax Alert October 2016

Maine Revenue Services

Maine Department of Administrative & Financial Services

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Maine Tax Form Due Date Changes

Enacted on July 31, 2015, the federal Surface Transportation and Veterans Health Care Choice Improvement Act of 2015 changed original and extension due dates for federal corporate and partnership returns for tax years beginning on or after January 1, 2016. Maine conforms to the changes in the federal due dates as follows. These changes will be detailed on the applicable Maine tax forms and instructions.

<table>
<thead>
<tr>
<th>Federal Return</th>
<th>Maine Return</th>
<th>Taxpayer Year End Date</th>
<th>Federal Due Date</th>
<th>State Due Date</th>
<th>Federal Extension Due Date</th>
<th>State Extension Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1120</td>
<td>1120ME</td>
<td>December 31</td>
<td>April 15</td>
<td>April 15</td>
<td>September 15</td>
<td>October 15*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>June 30</td>
<td>September 15</td>
<td>September 15</td>
<td>April 15 of the following year</td>
<td>May 15 of the following year</td>
</tr>
<tr>
<td>All Other Year End Dates</td>
<td></td>
<td>15th day of the 4th month following the end of the tax year</td>
<td>15th day of the 4th month following the end of the tax year</td>
<td>Six months</td>
<td>Six months plus 30 days</td>
<td></td>
</tr>
<tr>
<td>1065/1120S</td>
<td>941P-ME</td>
<td>Any</td>
<td>15th day of the 3rd month following the end of the tax year (March 15 for calendar year filers)</td>
<td>15th day of the 3rd month following the end of the tax year (March 15 for calendar year filers)</td>
<td>Six months (September 15 for calendar year filers)</td>
<td>Six months (September 15 for calendar year filers)</td>
</tr>
</tbody>
</table>

*The IRS may allow an extension of up to 6 months in which case the Maine deadline would be the IRS deadline plus 30 days.

To combat identity theft and the release of fraudulent refunds, the federal Consolidated Appropriations Act, 2016, enacted December 18, 2015, changed the due date for submitting Forms W-2 and 1099 information to the IRS to January 31 for calendar years beginning on or after January 1, 2016. Although the due date for submitting the information to MRS remains February 28, employers and payers are encouraged to file directly with MRS as early as possible to help combat identity theft and the release of fraudulent refunds at the state level. **If you**
believe a breach of personal information has occurred, contact MRS at (207) 626-8475, as
soon as possible.

For further information on the due date changes for Forms 1120ME and 941P-ME, please
contact the corporate income tax hotline at (207) 624-9670. For questions on submitting Forms
W-2 and 1099 information to MRS, please contact the withholding tax unit at (207) 626-8475.

Maine Revenue Services Rulemaking Activity

**Rule 104 amended.** MRS has amended Rule 104 (“Filing of Maine Tax Returns”). The rule
describes the requirements for filing certain Maine tax returns, including mandatory electronic
filing of certain Maine tax returns. Along with miscellaneous technical changes, MRS amended
definitions in the rule by: adding “business trust” to the definition of Person; amending the
definition of Software Developer to include a person that develops computer generated forms
used in connection with unemployment compensation laws; and removing an obsolete reference
to the lowest individual income tax bracket in the definition of Threshold Amount. MRS also
removed section .03(3) as the waiver provisions are provided elsewhere in the rule. A copy of
the rule can be found on the MRS website at [http://www.maine.gov/revenue/rules/homepage.html](http://www.maine.gov/revenue/rules/homepage.html).

**Rule 803 amended.** MRS has amended Rule 803 (“Withholding Tax Reports and
Payments”). The rule identifies income subject to Maine withholding and prescribes the
methods for determining the amount of Maine income tax to be withheld. It also explains the
related reporting requirements. MRS has moved the filing due date for pass-through entity
withholding returns from April 30th to March 15th following the end of the calendar year. This
change is based on changes at the federal level and is effective for tax periods beginning on or
after January 1, 2016. MRS also updated references to Maine individual income tax rates based
on recently enacted legislation. In addition, miscellaneous technical changes such as changing
references to employee and employer to payee and payer, respectively, and removing references
to Form 941/C1ME were made. A copy of the rule can be found on the MRS website at

Prepaid Wireless Fee Notice of Intent
Issued by the Maine Public Utilities Commission

The Maine Public Utilities Commission has issued Docket No. 2016-00228 notifying the public
of intent to increase the prepaid wireless fee from $1.01 to $1.16 per transaction.

The prepaid wireless fee collected by wireless carriers and retailers is comprised of amounts for
the Maine Telecommunications Education Access Fund, the Maine Universal Service Fund, and
E-911. The proposal would increase the Maine Universal Service Fund portion of the fee.

Public comments may be filed directly with the Maine Public Utilities Commission through
2016 Maine Educational Opportunities
Tax Practitioner Institutes
Maine Tax Forum
(presented by SCORE Maine)


The dates and locations for this year are as follows:

**Tax Practitioner Institute**
- October 20 – Augusta Civic Center
- October 25 – Brewer, Jeff’s Catering
- October 27 – Portland, Italian Heritage Center, 40 Westland Avenue

**Maine Tax Forum**
- November 2 & 3 – Augusta Civic Center

The **Tax Practitioner Institute** is focused on the practical application of Federal and Maine tax rules and updates in tax law. TPI is a primer for newer practitioners and a refresher for the more experienced.

The **Maine Tax Forum** is especially beneficial to experienced professionals providing tax advice to clients and assisting with more complex tax situations. Maine professionals engaged in tax, accounting and legal client service practices that are impacted by annual changes in the federal and state tax laws, will benefit from the in-depth presentations at this event.
This publication is designed to keep taxpayers, tax practitioners and the general public informed of developments, problems, questions and matters of general interest concerning Maine tax law, policy and procedure. The articles in this newsletter are not designed to address complex issues in detail, and they are not a substitute for Maine tax laws and/or regulations.

Suggestions for the Tax Alert?

Please contact:
Maine Revenue Services
PO Box 1060
Augusta, Maine 04332-1060