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Maine Tax Alert August 2016

Maine Revenue Services

Maine Department of Administrative & Financial Services

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MAINE TAX ALERT

A Publication of Maine Revenue Services for Tax Professionals

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August 2016

Maine Revenue Services Rulemaking Activity

Amendments to Rule 104, “Filing of Maine Tax Returns.” MRS is proposing to amend 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 is proposing to amend 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 is also proposing to remove section .03(3) as the waiver provisions are provided elsewhere in the rule.

Amendments to Rule 803, “Withholding Tax Reports and Payments.” MRS is proposing to amend 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 is proposing to move 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 is also proposing to update 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 are being made.

Proposed Rules 104 and 803 can be found on the MRS website at www.maine.gov/revenue/rules/homepage.html. Comments are due by September 2, 2016 and should be directed to Heather Popadak, Maine Revenue Services, 24 State House Station, Augusta, Maine 04333, (207) 624-9999, heather.o.popadak@maine.gov.

Amendments to Rule 205, “Certification of Assessors.” Rule 205 (Certification of Assessors) is being amended to expand the levels of assessor certification to recognize advanced professional education and make other, housekeeping, changes. Certification and the continuing education of property tax assessors in the State of Maine is the responsibility of the State Tax Assessor. This rule governs the nature and content of the certification examinations as well as the enforcement of the continuing education requirements required under 36 M.R.S. § 311.

The proposed changes to Rule 205 can be seen at www.maine.gov/revenue/rules/, under Proposed Changes. Comments on the proposed changes are due by August 26, 2016 and should

be directed to David P. Ledew, Director of the Property Tax Division at david.p.ledew@maine.gov, 207-624-5600 or Maine Revenue Services, P.O. Box 9106, Augusta, Maine 04332-9106.

Amendments to Rule 301, “Sales for Resale and Sales of Packaging Materials” and Rule 308, “Direct Pay Permits.” Maine Revenue Services is proposing to amend Rule 301 (“Sales for Resale and Sales of Packaging Materials”) and Rule 308 (“Direct Pay Permits”). Minor amendments to these two rules are being proposed primarily in order to bring them into conformity with statutory changes recently enacted by the Maine Legislature.

Repeal of Rule 504, “Shrinkage Allowance for Retail Gasoline Dealers” and Rule 703 “Exempt Sales of Cigarettes.” Maine Revenue Services is proposing to repeal Rule 504 (“Shrinkage Allowance for Retail Gasoline Dealers”) and Rule 703 (“Exempt Sales of Cigarettes”). The rules are unnecessary since all content in each rule is either obsolete or covered by the relevant statute.

Proposed changes in Rules 301 and 308 and proposed repeal of Rules 504 and 703 are purely technical in nature and are not intended to result in any change whatsoever in MRS policy and practice. These Rules can be found on the MRS website at www.maine.gov/revenue/rules/homepage.html. Comments are due by September 9, 2016 and should be directed to David E. Bauer, Esq. at Maine Revenue Services, 24 State House Station, Augusta, Maine 04333 or via e-mail to david.e.bauer@maine.gov.

2016 Maine Sales & Use Tax Symposiums

The Sales, Fuel and Special Tax Division at Maine Revenue Services is pleased to announce the dates for this fall’s Sales & Use Tax Symposiums:

- October 11 – Augusta Elks Lodge, *Augusta, Maine*
- October 20 – Italian Heritage Center, *Portland, Maine*
- October 26 – Caribou Inn and Convention Center, *Caribou, Maine*
- October 27 – Spectacular Event Center, *Bangor, Maine*

Additional information and the registration form can be found at www.maine.gov/revenue under “Featured Links” (click on Sales Tax Symposium Fall 2016).

2016 Maine Tax Practitioner Institute 2016 Maine Tax Forum (presented by SCORE Maine)

The full agenda, including program speakers and registration materials for the **2016 Maine Tax Practitioner Institute** are now available on the SCORE Maine website at www.scoremaine.org/tax-practitioner-institute/ and for the **2016 Maine Tax Forum** at

www.scoremaine.org/maine-tax-forum/.

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 (TPI)** 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 federal and state tax law, will benefit from the in-depth presentations at this event.

<u>Department</u>	<u>Telephone Numbers</u>	<u>FAX Numbers</u>	<u>E-mail Addresses</u>
Taxpayer Service Center	(207) 626-8475	(207) 287-5855	
Central Registration	(207) 624-5644	(207) 287-6975	taxregistration@maine.gov
Collections & Compliance	(207) 624-9595	(207) 287-6627	compliance.tax@maine.gov
Corporate Tax	(207) 624-9670	(207) 624-9694	corporate.tax@maine.gov
E-file Help Desk (1040 ONLY)	(207) 624-9730	(207) 287-6628	efile.helpdesk@maine.gov
Electronic Funds Transfer	(207) 624-5625	(207) 287-3618	efunds.transfer@maine.gov
Estate & Fiduciary Tax	(207) 626-8480	(207) 624-9694	estatetax@maine.gov
Fuel & Special Taxes	(207) 624-9609	(207) 287-6628	fuel.tax@maine.gov
Forms Request Line	(207) 624-7894		
Individual Income Tax Assistance	(207) 626-8475	(207) 624-9694	income.tax@maine.gov
Insurance Premium Tax	(207) 624-9753	(207) 624-9694	
NexTalk (TTY Service)	(888) 577-6690		
Payment Plan/Income Tax	(207) 621-4300	(207) 621-4328	compliance.tax@maine.gov
Payment Plan/Other	(207) 624-9595	(207) 287-6627	compliance.tax@maine.gov
Practitioners' Hotline	(207) 626-8458	(207) 624-9694	
Property Tax	(207) 624-5600	(207) 287-6396	prop.tax@maine.gov
Public Communications	(207) 626-8478	(207) 624-9694	
Sales Tax	(207) 624-9693	(207) 287-6628	sales.tax@maine.gov
Tax Clearance Letters	(207) 624-9628	(207) 287-6627	
Office of Tax Policy	(207) 624-9789	(207) 287-3618	
Taxpayer Advocate	(207) 624-9649	(207) 287-3618	taxpayer.advocate@maine.gov
Withholding Tax	(207) 626-8475	(207) 624-9694	withholding.tax@maine.gov
Tax Violations Hot Line	(207) 624-9600		

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

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Augusta, Maine 04332-1060