

CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, contact name and telephone number		Type of entity <input type="checkbox"/> Partnership/LLC <input type="checkbox"/> S corporation <input type="checkbox"/> Trust <input type="checkbox"/> Other	2004 Form 1099ME	Maine Pass-through Withholding
PAYER'S Federal identification number	RECIPIENT'S identification number	1 Maine income tax withheld		
RECIPIENT'S name		2 Maine income tax withheld by alternate payer		For Recipient If you do not file a required return, interest and penalties may be imposed on you.
Street address (including apt. no.)		3 EIN of alternate payer		
City, state and ZIP code		4 Name of alternate payer		

GENERAL INSTRUCTIONS

For more information on pass-through entity withholding, refer to the MRS Web site at www.maine.gov/revenue

What is this form for? Form 1099ME is used to report Maine pass-through entity withholding for nonresident owners or beneficiaries.

To the recipient of this form: The amounts in boxes 1 and 2 represent Maine income tax withheld from your share of Maine-source income from a pass-through entity (partnership, S corporation, trust, etc.). The total of boxes 1 and 2 should be entered as withholding on your 2004 Maine income tax return. Please note that your pass-through entity income is not reported on this form. The entity income taxable to Maine will be reported to you on federal Schedule K-1 by the pass-through entity of which you are an owner or beneficiary.

To the entity issuing this form: After the calendar year and before February 16, the pass-through entity must supply each affected member with a copy of Form 1099ME (available at www.maine.gov/revenue or by calling 207-624-7894), showing the total Maine income tax withheld for the year. The member must present this form with their income tax return in order to prove the amount withheld for the year and reported on the Form 941P-ME Withholding Detail.

The pass-through entity is not required to submit a copy of this form to Maine Revenue Services. Reconciliation of the information contained in this form will be obtained from other sources.

SPECIFIC INSTRUCTIONS

Payer/Recipient name and address. The payer is the pass-through entity that generates Maine-source income for the member and the recipient is the nonresident member. Enter the demographic information for the payer and the recipient in the appropriate boxes.

Type of entity. Check the appropriate box for the payer's business type.

Box 1. Enter the amount of **Maine** income tax withheld by the pass-through entity. Do not enter amounts withheld with Form REW-1. Only enter the amounts submitted with Form 941P-ME.

Boxes 2, 3 & 4: Alternate Payer. In an alternate payer situation, a tiered entity must exist. A tiered entity is a business structure where one member (or more) of a pass-through entity is a pass-through entity. Normally, the owned (lower-tier) entity is required to withhold for the nonresident owner (upper-tier) entity. If the lower-tier entity withholds for the nonresident upper-tier entity, the lower-tier entity must provide the upper-tier entity a Form 1099ME showing the amount of the withholding during the year. The upper-tier entity then provides each member with a Form 1099ME, showing the member's share of tax withheld by the upper-tier entity in box 1 and the member's share of the tax withheld by the lower-tier entity in box 2.

[Note: In certain circumstances, however, the lower-tier entity may withhold directly for the nonresident members of the upper-tier entity, thereby exempting the upper-tier entity from withholding. An exemption, however, must be specifically granted by MRS for this type of withholding.]

Box 2. If an alternate payer has withheld and remitted Maine income tax for the recipient, enter that amount of withholding in Box 2.

Boxes 3 & 4. If there is an amount entered in Box 2, enter the federal EIN and name of the alternate payer in these boxes.

If there is more than one alternate payer, list each by name and EIN in boxes 3 and 4 and aggregate the withholding amount for all alternate entities in box 2.