

# Your Rights As A Taxpayer

Most people understand they have a duty to pay all taxes imposed by the State of Maine when taxes are due. Many people, however, do not know that the law gives them some important rights as taxpayers and places important obligations on the state in its dealings with them.

We at Maine Revenue Services believe that everyone benefits when taxpayers know their rights under the tax laws. To help you understand what you may expect of us, we have prepared this brochure describing your rights and our obligations.

Our goal is to collect all taxes that are legally due to the State of Maine. You can help us achieve that goal by understanding your rights as a taxpayer. Please read the following information carefully and feel free to call us if you have any questions. You'll find our phone numbers at the end of this brochure.

## **I've received an assessment, but I don't agree that I owe the tax. What should I do?**

You have thirty days from the day you receive an assessment to ask us to reconsider our decision. See Title 36 of the Maine Revised Statutes, section 151 (36M.R.S.A. §151). You must make this request in writing and make sure it is postmarked or delivered before the thirty day time period runs out. Be sure to clearly state the reason for your request and whether or not you want a conference. Your request should be mailed to the Maine Revenue Services division that made the assessment or to:

**State Tax Assessor  
Maine Revenue Services  
P.O. Box 1067  
Augusta, Maine 04332-1067**

## **What do I do if I think I'm entitled to a refund?**

If you believe that you have overpaid a tax, you must request a refund in writing within the time period allowed by law (generally three years from the date of overpayment). If we deny your request, you may ask for reconsideration under the same procedures used for assessments.

## **Can I ask to have interest waived?**

Yes. The State Tax Assessor may waive interest in certain unusual circumstances. However, these cases are very rare. You can ask for reconsideration of interest charges by filing a petition for reconsideration in the same manner as filing for reconsideration of tax, as explained above.

### **Can I ask to have penalties waived?**

Yes. The State Tax Assessor may waive penalties for reasonable cause as provided by 36 M.R.S.A. §187-B (7). You can ask for reconsideration of penalty charges by filing a petition for reconsideration in the same manner as filing for reconsideration of tax and interest, as explained above.

### **After I file my request for reconsideration, do I still have to pay the tax?**

No. You don't have to pay the tax while your case is under review by us or by the court system on appeal. We will not attempt to collect the tax while your case is under appeal.

However, if it is finally determined that you owe the tax, you will owe additional interest and may owe additional penalties. You can avoid unnecessary interest and penalties being added to your bill by working with us to decide your case as quickly as possible. For example, if you have any documents that you want us to consider, you should attach them to your reconsideration request. You should also be as specific as possible in explaining why you believe the assessment is not correct. If you have received a special kind of assessment called a jeopardy assessment, then you must pay the requested amount, or file a bond or other security, in order to prevent immediate collection proceedings. You may still ask for reconsideration within thirty days as with any other tax assessment.

### **Can we set up a conference?**

Yes. If you think a conference would be helpful, just ask for one in your letter requesting reconsideration of the tax assessment. We will try to schedule a conference at a convenient time for you, and we will always give you at least ten working days notice of the time and place of the conference.

### **Is a conference required?**

No. Conferences are useful when we must go over documents with you, but we will handle your reconsideration by mail or, in some cases, by telephone if you prefer. However, if you wish to meet with us, you must write to request a conference.

### **What should I expect at the conference?**

The conference is your opportunity to give us any information you believe would be helpful in reconsidering your case. You are also welcome to ask us questions about how we determined your tax liability. Our representatives might ask you some questions or ask you to provide more information if they believe the additional information is necessary to reach a correct decision.

### **May I bring someone with me?**

Yes. You may bring an attorney, an accountant, a bookkeeper, or any other representative you believe would be helpful to you during the conference. To safeguard the confidentiality of your tax information, Maine law requires that you provide us with a document, which must be signed by you, authorizing us to communicate with your representative regarding your tax matter. You may use the Maine Revenue Services Power

of Attorney form (Form 2848ME available at [www.maine.gov/revenue/forms](http://www.maine.gov/revenue/forms) then select "General Forms"), although a simple written letter of authorization is sufficient.

### **May I record the conference?**

Yes. At any time you meet with one of our representatives concerning the determination or collection of tax, you may at your own expense make an audio recording of the interview. If you want to make a recording, please let us know before the conference.

### **What if I decide that I need to talk to an attorney or accountant after the conference has started?**

You can stop the conference at any time if you want to consult with an attorney, accountant, or other representative. We will then select a date within the next ten working days to finish the conference.

### **Who makes the decision on my case after I have explained my position to you?**

A hearing officer or other representative of the State Tax Assessor will be assigned to review your petition and any additional evidence presented and render a reconsideration decision, subject to the direction of the assessor. The hearing officer or other representative will not be the same person who initially determined that you owe the tax.

### **How will I be notified of your decision?**

We will mail you or your representative a letter setting forth the issues we have considered and explaining the basis for our decision.

### **What can I do if your decision says that I still owe the tax?**

You may contact Maine Revenue Services to make arrangements to pay the amount due. If you still don't agree that you owe the tax, you have thirty days from the date you receive our decision to appeal your case to the Maine Superior Court. Proceedings before the Superior Court are governed by court rules. At the Superior Court level, your case essentially becomes a lawsuit filed by you against the State Tax Assessor, who will be represented by the Attorney General.

### **How can I stop interest from accruing?**

At any point during the reconsideration and appeal process, you may pay the tax, penalty, and interest that we claim is due. If all the tax and interest is paid, you will not owe us any more interest on the tax after the date of payment. If we or the courts finally determine that you do not owe the tax, we will refund your payment to you with interest.

### **If I miss the thirty-day deadline to ask for reconsideration, can I still ask you to cancel the assessment?**

Yes. You have three years from the date of the assessment to request the State Tax Assessor to cancel or abate your assessment. See 36 M.R.S.A. §142. The assessor will do so only in the most extreme cases, and there is no right to appeal the decision if the assessor refuses to cancel or abate the assessment and collection efforts may proceed.

## **What happens if I don't pay?**

If the tax is due, and you have no remaining appeal rights, you will receive a letter from us informing you that you have ten days to pay the full amount to avoid enforced collection. The letter will also explain your rights during the enforced collection process. See 36 M.R.S.A. §171. Payment plan arrangements may be available.

## **What does enforced collection mean?**

Enforced collection means that if you do not pay the required amount voluntarily, we can collect it from you by various methods, including seizing and selling your property. We can also attach wages and have professional licenses revoked. Our laws for the collection of taxes are among the toughest in the nation.

## **Is all of my property subject to enforced collection?**

No. There are certain items that we cannot seize and sell, and a portion of your wages is exempt from attachment.

## **What if I have not filed a required return?**

If the return is filed after the due date, a late filing penalty is charged. The penalty is \$25 or 10% of the tax due, whichever is greater. If the return is not filed after the state sends a formal written "demand notice" for the return, the penalty is 100% of the tax due. In addition, interest and penalty are charged for tax payments that are late. The penalty can be as much as 25% of the tax due. See 36 M.R.S.A. §§ 186, 187-B.

## **I've been notified that I am scheduled for an audit. What records may the auditors examine?**

Our auditors may examine any books, records or other property that they believe will be helpful in determining your tax liability. The auditors will work with you to determine a convenient time for the audit and will tell you in advance which records you should arrange to have available. See 36 M.R.S.A. § 112(3),(4).

## **Will the information in my records be kept confidential?**

Yes. Information obtained from taxpayers is kept strictly confidential, unless release is otherwise authorized by law. See 36 M.R.S.A. § 191. In fact, the law imposes criminal penalties on any Maine Revenue Services employee who wrongfully inspects or divulges confidential information.

## **Where can I get more information?**

General information:	(207) 287-2076
Taxpayer Advocate	(207) 624-9649
Sales and Use tax:	(207) 287-2336
Income/Estate tax:	(207) 626-8475
Corporate tax:	(207) 624-9670

Business, motor fuels,  
special and industry  
taxes (207) 624-9745  
Property tax: (207) 287-2013

**Collections, payment arrangements:**

Income tax (Maine): (800) 987-7735  
(outside Maine): (207) 621-4300  
Other taxes: (207) 624-9595

**Maine Revenue Services web site:**

[www.maine.gov/revenue](http://www.maine.gov/revenue)

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