



MAINE TAX ALERT

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Maine Revenue Services Rulemaking Activity

Amendments to Rule 104, “Electronic Filing of Maine Tax Returns.” MRS is proposing to amend Rule 104 (“Electronic Filing of Maine Tax Returns”). The following changes are being made to the proposed Rule. Section .01 is revised to include new definitions of “software developer” and “threshold amount.” Section .08 has specifications for software developers to require 2-D bar codes on returns. A new section .02 is added describing current statutory filing requirements and an exception for individual income tax filers, and adding a new exception to filing requirements for tax years beginning on or after January 1, 2013. An application date is added to the Rule. Revisions are also made to make language more precise and to correct format, including renumbering, correcting references and the title to reflect that the rule no longer covers only electronic filing.

A copy of Proposed Rule 104 can be found on the MRS website at www.maine.gov/revenue (select Laws & Rules). Comments are due by September 24, 2012 and should be directed to Nanette Ardry, Esq., Maine Revenue Services, 24 State House Station, Augusta, Maine 04333, (207) 624-9725, nanette.m.ardry@maine.gov

Adopted Rule 805, “Composite Filing.” Rule 805 was adopted in 1987 and most recently amended in 2008. The rule establishes procedures for filing of composite returns of income by partnerships, estates, trusts, and S corporations on behalf of partners, beneficiaries, or shareholders.

The following changes were made to the proposed Rule. The definition of “eligible person” was reworded to be more precise. Section 3 and Section 5 were amended to make clear that an eligible person cannot join in a composite return and claim a business credit for which an income modification or election is required. Section 2 was amended to strike the mention of a schedule that is no longer available.

A copy of Rule 805 can be found on the MRS website at www.maine.gov/revenue (select Laws & Rules).

Adopted Rule 901, “Maine Residents Property Tax Program.” Rule 901, first adopted in 1997 and most recently amended in 2008, explains the Maine Resident Property Tax Program, also known as “Circuitbreaker.”

The following changes were made to the proposed Rule. Sections .01(A) and .02(A) were amended to reflect recent legislation that allows a claimant to claim a property for which ownership was transferred pursuant to an agreement to remain in possession of the property. A definition of “dwelling” was added to section .02(A). Section .04 was amended to exclude property taxes abated for infirmity or poverty from the definition of “property taxes accrued” in

response to recent legislation and to add a section on parts of larger units to reflect existing statutory language. Language related to exclusions from rent in section .05 was revised and first time claimants with rent above \$9,000 annually must provide proof of rent in response to recent legislation requiring rulemaking.

A copy of Rule 901 can be found on the MRS www.maine.gov/revenue (select Laws & Rules).

Maine Residents Property Tax and Rent Refund “Circuitbreaker” Program

The Maine Residents Property Tax and Rent Refund “Circuitbreaker” Program began on August 1, 2012. Applications for refunds of property tax assessed or rent paid during 2011 will be accepted through May 31, 2013.

Income guidelines for the program are the same as last year.

The General portion of the program provides refunds of up to \$1,600 to persons of any age whose household income for 2011 was not more than \$64,950 for single-member households and not more than \$86,600 for those who lived with a spouse or dependent(s). To qualify for a refund, the 2011 property tax must be more than 4 percent of household income or the rent paid must be more than 20 percent of household income.

Senior program refunds are available to applicants who were at least 62 in 2011 (55 or over if disabled). In addition, for persons living alone, the household income for 2011 cannot be more than \$14,700; for a single person living with a dependent, or a married person who lived with a spouse, the 2011 household income cannot be more than \$18,200.

Applicants who qualify for both the Senior and General refunds will receive the larger of the two.

Applications may be filed by computer using I-file at www.maine.gov/revenue/netfile/TNRIfile.htm. Applications may also be filed by mail.

Circuitbreaker application booklets were mailed on July 30, 2012 to more than 81,000 Maine households who received program benefits last year and filed a paper application printed by MRS or requested that an application booklet be mailed to them by use of the check-off on Maine income tax returns filed this year. Additionally, program information, including the complete application booklet, program summary and frequently asked questions, is posted on the Maine Revenue Services website at www.maine.gov/revenue/taxrelief/tnr.htm.

Business Equipment Tax Reimbursement Program

The application period for the Business Equipment Tax Reimbursement program (BETR) began August 1, 2012. The program reimburses local property taxes paid on most qualified business property. Qualified business property must have been first placed in service in Maine after April 1, 1995. An annual application must be filed between August 1, 2012 and December 31, 2012 for eligible property taxes paid during calendar year 2011.

BETR application booklets are no longer being printed or mailed. Therefore, postcards were mailed on July 17, 2012 to businesses that have previously applied for reimbursement informing them how they may obtain applications and instructions. Businesses interested in applying for the program may access downloadable forms and instructions on the MRS website at www.maine.gov/revenue/forms or call the MRS forms line at (207) 624-7894, available 24/7 to order printed copies.

<u>Department</u>	<u>Telephone Numbers</u>	<u>FAX Numbers</u>	<u>E-mail Addresses</u>
Taxpayer Service Center	(207) 287-2076	(207) 287-5855	
Appellate	(207) 624-9854	(207) 287-3618	
Audit	(207) 822-0450	(207) 822-0453	
Central Registration	(207) 621-5129	(207) 287-3733	division.uctax@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) 287-8276	(207) 287-6975	efunds.transfer@maine.gov
Estate & Fiduciary Tax	(207) 626-8480	(207) 624-9694	estatetax@maine.gov
Fuel Tax	(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) 287-2013	(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?

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