



MAINE TAX ALERT

A Publication of Maine Revenue Services for Tax Professionals

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Correction

An article in the April, 2011 edition of the Maine Tax Alert included an incorrect date regarding the automatic federal extension of estate tax returns for 2010 decedents. The automatic extension applies to estates of decedents dying after December 31, 2009 and before **December 17, 2010**. The April article misstated the second date as September 17, 2010. All other dates are correct as reported. Following is a reprint of the article with the correct dates.

Extended Due Date for 2010 Estate Tax Returns

Federal Treatment

The federal Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (PL 111-312) enacted several changes to the estate tax laws, including a retroactive change for estates of decedents dying in calendar year 2010. The retroactive change restores the estate tax for 2010 decedents, with a top rate of 35% and an exclusion of \$5 million. Personal representatives have the option of filing estate tax returns under the new law or electing the prior law, which imposed no estate tax on 2010 decedents.

Personal representatives also are allowed an automatic extension of time to file estate tax returns for decedents who died after December 31, 2009 and before December 17, 2010. The extended due date is September 17, 2011 and applies to the filing of returns, the payment of taxes and the qualified disclaimers of interest in property under IRC § 2518.

Maine Treatment

Maine imposes a tax on the estate of each 2010 decedent with assets valued at greater than \$1 million (including gifts made within one year of death), whether or not a federal estate tax return is filed. If a personal representative elects to file a federal estate tax return for a 2010 decedent, using the automatic extension date, Maine will adjust the state tax return due date to match the federal due date. Maine will also accept the extended due date for making a qualified disclaimer of interest in property. **Payment of 90% of the estate tax, however, must be made by the original due date of the return in order to avoid interest and penalties.** Maine does not accept the extended federal date for payment of tax.

Maine Residents Property Tax and Rent Refund "Circuitbreaker" Program

The Maine Residents Property Tax and Rent Refund "Circuitbreaker" Program began on August

1, 2011. Applications for refunds of property tax assessed or rent paid during 2010 will be accepted through May 31, 2012.

The General portion of the program provides refunds of up to \$1,600 to persons of any age whose household income for 2010 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 2010 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 2010 (55 or over if disabled). In addition, for persons living alone, the household income for 2010 cannot be more than \$14,700; for a single person living with a dependent, or a married person who lived with a spouse, the 2010 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 29, 2011 to more than 145,000 Maine households who applied for the program last year 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 web site 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, 2011. 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, 2011 and December 31, 2011 for eligible property taxes paid during calendar year 2010.

BETR application booklets have been mailed to businesses that have previously applied for reimbursement. Downloadable versions of the forms and instructions are also available on the MRS web site at www.maine.gov/revenue/forms. Other businesses wanting to take advantage of the program can order the application booklet by calling the forms line at (207) 624-7894.

Maine Sales Tax General Information Bulletin

The Maine Sales Tax General Information Bulletin #101 has been published to explain the recent legislative changes made during the 1st Session of the 125th Legislature to sales, use, service provider and fuel taxes. The revised bulletin can be viewed at www.maine.gov/revenue/salesuse/salestax/bulletinssales.htm.

<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	
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
Economic Research	(207) 624-9789	(207) 287-3618	
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		
Income Tax Assistance	(207) 626-8475	(207) 624-9694	income.tax@maine.gov
Insurance Premium Tax	(207) 624-9753	(207) 624-7729	
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	
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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