



MAINE TAX ALERT

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Maine Revenue Services Rulemaking Activity

Adoption of Revised Rule 601, “Estate Tax.” The revised Rule may be viewed on the MRS web site at www.maine.gov/revenue/rules/. Among other things, Rule 601 provides comprehensive definitions and explanations of statutory terms and procedures for Maine estate tax returns. Specifically, the proposed Rule is updated to conform with recent law changes as follows. The proposed Rule discusses the ongoing application of the tax, includes the prior taxable gifts in the decedent’s Maine taxable estate, updates the definition of the final federal determination, and clarifies the discharge of a personal representative personal liability for estate tax. The proposed Rule also clarifies the requirements for the release of an estate tax lien. Additional changes were made to mirror statutory language and make editorial corrections and deletions.

Maine Revenue Services Criminal Tax Cases

October 2009 – February 2010 Maine Criminal Tax Convictions:

On October 6, 2009, Daniel Kinney of Augusta, Maine, who worked as a self-employed drywall installer, pled guilty in Augusta Superior Court to four (4) counts of Failure to Make and File Maine Income Tax Returns, all Class D offenses, for the years 2002-2005. Mr. Kinney was sentenced to ninety (90) days in jail with all but ten (10) days suspended on count one; in regards to count two, he was sentenced to serve additional 90-day jail sentence, all suspended; for counts three and four, he was sentenced to serve 10-day jail sentences for each violation, concurrent to count one. In addition, Mr. Kinney was ordered to serve two (2) years of probation and pay restitution in the amount of \$28,528.57, at a minimum rate of \$100 per month.

On November 9, 2009, Kenneth Cash of South Portland, Maine pled guilty to six counts of Failure to Make and File Maine income tax returns for the years 2002-2007. On February 12, 2010, Mr. Cash was ordered to pay \$23,115 in restitution for these years, over a two-year probationary period. The defendant mainly worked as a self-employed furniture installer, who was responsible for setting up cubicle partitions for a large company. Because of his poor medical condition, he was sentenced to a suspended jail sentence as follows: On count one- 270 days in jail, all suspended; on count two- 180 days in jail, all suspended; on counts three, four, five, six- separate 270-day jail sentences, each concurrent with count one. Mr. Cash was also

ordered to serve two (2) years of probation and must pay restitution of \$23,115 at the minimum rate of \$100 per month.

On January 8, 2010, Stephen Brett, an attorney from York Beach, Maine, was sentenced by Justice Arthur Brennan in York County Superior Court to 30 days in jail for failing to file his Maine income tax returns for 2004, 2005 and 2006; he will report to jail on February 19th. The defendant also pled no contest to a charge that he had commingled \$3,625 entrusted to him in a real estate closing with his personal funds and used the money for personal purposes. Mr. Brett has also been placed on a deferred disposition following his plea of no contest to the charge of misuse of entrusted property. Under the terms of the deferred disposition, he will pay restitution of \$611 and file his outstanding state tax returns by April 15, 2010. If the defendant complies with the terms, the state will permit him to withdraw his no contest guilty plea and will dismiss the charge of misuse of entrusted property. Prior to the indictment, Mr. Brett had already repaid the \$3,625. Mr. Brett will also be required to pay restitution for unpaid taxes and interest up to \$3,315. The charges all arose from a time when the defendant was practicing as an attorney. Mr. Brett's law license is currently under suspension.

On January 21, 2010, Timothy Cook, a commercial fisherman from Bernard, Maine, pled guilty in Ellsworth Superior Court to five (5) counts of Class C Failure to File Maine Income Tax Returns, with respect to the tax years 2003 through 2007. Since the defendant was previously prosecuted for similar offenses in 2003 (Failure to File Maine Income Tax Returns, 1999 through 2001), his second conviction elevated the charges to felonies. The defendant was sentenced in Ellsworth Superior Court to serve two (2) years in jail, with all but six (6) months suspended and must serve two (2) years of probation, during which he must pay restitution in the amount of \$15,000.

On February 8, 2010, James Day, a commercial fisherman from Portland, Maine, pled guilty to five (5) Counts of Failure to Make and File Tax Returns for the years 2002-2006. The defendant was sentenced to 180 days in jail, with all but thirty (30) days suspended on count one; for count two, he was sentenced to an additional 180 days in jail, all suspended; on counts three, four, five and six, he was sentenced to a concurrent 30-day jail sentence on each violation. The defendant will serve two (2) years of probation and is ordered to pay restitution of \$11,461 by the 23rd month.

<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 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.

STATE OF MAINE

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Suggestions for the Tax Alert?

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