



MAINE TAX ALERT

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Maine Revenue Services Rulemaking Activity

Repeal and Replace Rule 302, “Sales to Government Agencies and Exempt Organizations.” The proposed new rule establishes clear procedures that Maine retailers would have to follow in order to document sales that are exempt by law from sales tax. Specific recordkeeping requirements are broken down by category of purchaser (government agency and nongovernmental exempt entity) and by method of payment (purchase order, cash, check, credit/debit card). The rule requires some additional recordkeeping to exempt certain sales but the State Tax Assessor believes the proposed new rule is necessary in order to properly administer the statutory sales tax exemptions. There may be some minor administrative compliance costs for certain retailers, although it is likely that many or most of the affected retailers already retain the information required by the proposed new rule and that the increased clarity will be helpful to them.

The proposed changes may be seen on the MRS web site at www.maine.gov/revenue (select Laws & Rules). The deadline for comments is April 30, 2010. Comments should be directed to Ed Charbonneau, Esq. at Maine Revenue Services, 24 State House Station, Augusta, Maine 04333 or via e-mail to edward.charbonneau@maine.gov.

Maine Revenue Services Criminal Tax Cases

Restaurant Worker Sentenced to Jail for Tax Fraud

Michael Rice, age 40, of Windham, Maine, was sentenced Friday to nine months and a day in prison for aggravated forgery, theft by deception and misuse of identification. Rice applied for rent and property tax refunds online under the names of former co-workers at the Tortilla Flats Restaurant. Rice then had refunds of more than \$5,000 directly deposited into his personal bank account. In addition, Rice fraudulently completed an online Maine income tax return for another individual without that person’s knowledge and then diverted the refund to his personal account.

Rice pled guilty in Cumberland County Superior Court and was sentenced by Judge Mary Gay Kennedy to two years with all but nine months and one day suspended. In addition to the prison sentence, Rice will be on probation for two years and will be required to pay back the money he stole.

Attorney General Janet Mills commented on the case, "Not only did Rice victimize the individual taxpayers whose identities he stole, he also stole from the honest citizens of Maine who continue to pay their taxes during hard times. My office will take strong action against anyone who steals from Maine citizens by defrauding the state."

This case was investigated by the Maine Revenue Services' Criminal Investigations Unit and was prosecuted by Assistant Attorney General Gregg D. Bernstein.

<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

John Elias Baldacci, Governor

Ryan Low, Commissioner
Administrative and Financial Services

Jerome D. Gerard, Acting Executive
Director, Maine Revenue Services

Suggestions for the Tax Alert?

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