



# MAINE TAX ALERT

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## Maine Revenue Services Rulemaking Activity

**Adopted Rule 110, “Requests for Advisory Rulings.”** Rule 110, which took effect on August 13, 2011, establishes specific requirements for advisory ruling requests. The rule provides that advisory ruling requests must state in writing the ruling requested (either in paper letter form or by email), and must include the following:

1. A statement of material facts;
2. The legal basis for the requested ruling;
3. A statement of whether the taxpayer is currently under MRS examination, audit, administrative reconsideration or judicial review with respect to the issue(s) raised by the request for an advisory ruling; and
4. A statement by the taxpayer or the taxpayer’s authorized representative that is substantially in the following form:

“I declare that I have examined this request for an advisory ruling and to the best of my knowledge and belief the information presented in support of the requested ruling is true and complete.”

Taxpayers and taxpayer representatives may also submit copies of any relevant supporting documentation. Rule 110 may be seen on the MRS web site at [www.maine.gov/revenue](http://www.maine.gov/revenue) (select Laws and Rules).

**Proposed Repeal of Rule 101, “Standard Interest Rate.”** Maine Revenue Services (MRS) has determined that Rule 101 is unnecessary because the standard interest rate charged on overdue tax payments is established pursuant to statute: Title 36, Section 186 provides that the rate of interest for any calendar year equals the prime rate rounded up to the next whole percent, plus 3 percentage points. MRS can adequately establish this rate each year, and provide timely and effective notice to taxpayers and taxpayer representatives, without going through the formal rulemaking process.

**Proposed Repeal of Rule 313, “Classified Permits.”** MRS has determined that Rule 313 is unnecessary because Title 36 Section 1951-A has been amended to repeal the authority of the State Tax Assessor to issue classified permits (whereby certain small retailers were granted a waiver of the requirement to report all of their nontaxable sales, and instead allowed to establish a “default” percentage of taxable vs. exempt sales on their sales tax returns); see Chapter 285, PL

2011, Chapter 285, effective September 28, 2011. The handful of remaining classified permit holders have been administratively “grandfathered” and these permits will continue to be honored.

The deadline for comments on the proposed repeal of Rules 101 and 313 is November 23, 2011. Comments should be directed to David E. Bauer, Esq. at Maine Revenue Services, 24 State House Station, Augusta, Maine 04333 or via e-mail to [david.e.bauer@maine.gov](mailto:david.e.bauer@maine.gov).

## Sales Tax News

Legislative changes made earlier this year but which took effect on September 28<sup>th</sup> and October 1st required a number of changes to certain sales/use tax affidavits and bulletins.

The following affidavits were issued/revised and can be found at:

[www.maine.gov/revenue/forms/sales/salesforms.htm](http://www.maine.gov/revenue/forms/sales/salesforms.htm)

- Affidavit Regarding Lease of Automobile for Service Customer (new)
- Farm/Fish Affidavit (revised)
- Exemption Certificate For Packaging Material (revised)

The following bulletins have been revised and can be reviewed at:

[www.maine.gov/revenue/salesuse/salestax/bulletinssales.htm](http://www.maine.gov/revenue/salesuse/salestax/bulletinssales.htm)

- Bulletin #20 “Lease and Rental Transactions”
- Bulletin #24 “Vehicle Dealers”
- Bulletin #44 “Commercial Fishing”
- Bulletin #53 “Warranties, Service Contract and Maintenance Agreements”

## 2012 Maine Individual Income Tax Rates

Below are the individual income tax rate schedules for tax years beginning in 2012. The rate schedules for 2011 are found at [www.maine.gov/revenue/forms/1040/2011/RateSched\\_11.pdf](http://www.maine.gov/revenue/forms/1040/2011/RateSched_11.pdf).

Note: The 2012 tax rate schedule dollar bracket amounts are adjusted by multiplying the cost-of-living adjustment, 1.219, by the dollar amounts of the tax rate tables specified in 36 MRSA §5111 subsections 1-B, 2-B and 3-B (see 36 MRSA §5403). The personal exemption amount is not subject to an inflation adjustment for tax year 2012.

**Do not use these tax rate schedules to determine income tax withholding from wages.**

### Tax Rate Schedule #1

For Single Individuals and Married Persons Filing Separate Returns

If the taxable income is:	The tax is:
Less than \$5,100	2.0% of the taxable income
\$ 5,100 but less than \$10,150	\$ 102 plus 4.5% of excess over \$ 5,100
\$ 10,150 but less than \$20,350	\$ 329 plus 7.0% of excess over \$ 10,150
\$20,350 or more	\$1,043 plus 8.5% of excess over \$20,350

### Tax Rate Schedule #2

For Unmarried or Legally Separated Individuals who Qualify as Heads-of-Households

If the taxable income is:	The tax is:
Less than \$7,650	2.0% of the taxable income
\$ 7,650 but less than \$15,200	\$ 153 plus 4.5% of excess over \$ 7,650
\$15,200 but less than \$30,500	\$ 493 plus 7.0% of excess over \$15,200
\$30,500 or more	\$1,564 plus 8.5% of excess over \$30,500

### Tax Rate Schedule #3

For Married Individuals and Surviving Spouses Filing Joint Returns

If the taxable income is:	The tax is:
Less than \$10,200	2.0% of the taxable income
\$10,200 but less than \$20,350	\$ 204 plus 4.5% of excess over \$10,200
\$20,350 but less than \$40,700	\$ 661 plus 7.0% of excess over \$20,350
\$40,700 or more	\$2,086 plus 8.5% of excess over \$40,700

**Personal Exemption:** \$2,850

**Standard Deduction:** Single - \$5,950

Head-of-Household - \$8,700

Married Filing Jointly - \$11,900

Married Filing Separate - \$5,950

**Additional Amount for Age or Blindness:**

\$1,150 if married (whether filing jointly or separately) or a qualified surviving spouse. The additional amount is \$2,300 if one spouse is 65 or over and blind, \$2,300\* if both spouses are 65 or over, \$4,600\* if both spouses are 65 or over and blind, etc.

\*If married filing separately, these amounts apply only if you can claim an exemption for your spouse.

\$1,450 if unmarried (single or head-of-household). The additional amount is \$2,900 if the individual is both 65 or over and blind.

Note: If taxpayer can be claimed as a dependent on another person's return, the standard deduction is the greater of \$950 or earned income plus \$300 (up to the standard deduction amount).

<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	<a href="mailto:division.uctax@maine.gov">division.uctax@maine.gov</a>
Collections & Compliance	(207) 624-9595	(207) 287-6627	<a href="mailto:compliance.tax@maine.gov">compliance.tax@maine.gov</a>
Corporate Tax	(207) 624-9670	(207) 624-9694	<a href="mailto:corporate.tax@maine.gov">corporate.tax@maine.gov</a>
Economic Research	(207) 624-9789	(207) 287-3618	
E-file Help Desk (1040 ONLY)	(207) 624-9730	(207) 287-6628	<a href="mailto:efile.helpdesk@maine.gov">efile.helpdesk@maine.gov</a>
Electronic Funds Transfer	(207) 287-8276	(207) 287-6975	<a href="mailto:efunds.transfer@maine.gov">efunds.transfer@maine.gov</a>
Estate & Fiduciary Tax	(207) 626-8480	(207) 624-9694	<a href="mailto:estatetax@maine.gov">estatetax@maine.gov</a>
Fuel Tax	(207) 624-9609	(207) 287-6628	<a href="mailto:fuel.tax@maine.gov">fuel.tax@maine.gov</a>
Forms Request Line	(207) 624-7894		
Income Tax Assistance	(207) 626-8475	(207) 624-9694	<a href="mailto:income.tax@maine.gov">income.tax@maine.gov</a>
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	<a href="mailto:compliance.tax@maine.gov">compliance.tax@maine.gov</a>
Payment Plan/Other	(207) 624-9595	(207) 287-6627	<a href="mailto:compliance.tax@maine.gov">compliance.tax@maine.gov</a>
Practitioners' Hotline	(207) 626-8458	(207) 624-9694	
Property Tax	(207) 287-2013	(207) 287-6396	<a href="mailto:prop.tax@maine.gov">prop.tax@maine.gov</a>
Public Communications	(207) 626-8478	(207) 624-9694	
Sales Tax	(207) 624-9693	(207) 287-6628	<a href="mailto:sales.tax@maine.gov">sales.tax@maine.gov</a>
Tax Clearance Letters	(207) 624-9628	(207) 287-6627	
Taxpayer Advocate	(207) 624-9649	(207) 287-3618	<a href="mailto:taxpayer.advocate@maine.gov">taxpayer.advocate@maine.gov</a>
Withholding Tax	(207) 626-8475	(207) 624-9694	<a href="mailto:withholding.tax@maine.gov">withholding.tax@maine.gov</a>
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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