



MAINE TAX ALERT

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Public Communications Tel: (207) 626-8478

FORM 706ME

Maine Revenue Services has recently discovered that certain instructions for Form 706ME are incomplete and should be updated to be more accurate. The instructions in question pertain to both resident and nonresident estate returns that include Maine elective property and affect the amounts to be included on lines 1 and 2, gross property taxable to Maine and federal gross estate.

Maine law allows for the estate of a decedent (first decedent) with a surviving spouse (the (future) second decedent) to delay Maine estate tax on the difference between the federal and Maine exclusion amounts, currently equal to \$1 million. The tax delay is implemented through an election of a Maine qualified terminable interest property ("QTIP") on the first decedent's estate tax return. For the second decedent, the value of the Maine QTIP (now referred to as "Maine elective property") must be included in the value of the estate taxable to Maine. The instructions for Form 706ME, lines 1 and 2 did not specify that these amounts were to be included. Elective property must be included in these lines to correctly calculate the ratio of Maine taxable property and, ultimately, Maine tax liability. These instructions have been updated to reflect that both lines must include Maine elective property. The 2006 form, with updated instructions, may be found online at www.maine.gov/revenue/forms.

The 2007 form has been updated to include a separate worksheet that will be required for estates containing Maine elective property. The 2007 form and new worksheet have also been posted to the MRS web site at www.maine.gov/forms. The 2007 Form 706ME will soon be available in printed form; the worksheet, however, is only available through downloading.

CORPORATE TAX BOOKLET MAILING

In previous years, Maine Revenue Services has mailed approximately 15,000 corporate income tax booklets to corporations who filed returns for the prior tax year. However, research indicates that the vast majority of corporations do not use these returns. Instead, they file returns prepared by tax preparation programs. In order to eliminate waste and control processing costs, **corporate booklets will no longer be routinely mailed to corporate filers**. The booklets are available for download from the Maine Revenue Service web site. Corporations who would like to have a copy of the booklet mailed to them may order one using the forms line at 207-624-7894.

TAX PRACTITIONER INSTITUTES

The 2007 Tax Practitioner Institute, hosted by the Service Corps of Retired Executives Association (SCORE), will be held at three locations in Maine on October 30 (Bangor), November 1 (Portland), and November 14 (Augusta).

Federal and state tax specialists will present workshops designed for those interested in keeping abreast of federal and state tax laws and regulations. The Institute provides 8 hours (including one hour of ethics) of CPE credits.

Seating will be limited and registrations will be accepted by mail only. For more information on Institute programs and locations and for registration forms, contact SCORE at (207) 622-8509 or visit the ScoreMaine.org web site at www.scoremaine.org/.

<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) 287-3294	
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) 624-9740	efile.helpdesk@maine.gov
Electronic Funds Transfer	(207) 287-8276	(207) 287-6627	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	(207) 622-3517	
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

Rebecca M. Wyke, Commissioner
Administrative and Financial Services

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

Suggestions for the Tax Alert?

Please contact: Public Communications (207) 626-8478
Maine Revenue Services
24 State House Station
Augusta, Maine 04333-0024