



# MAINE TAX ALERT

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## **Maine Now Conforms To Most Federal Tax Law Changes Enacted on or Before March 23, 2018**

Effective September 12, 2018, Public Law 2017, chapter 474 (“PL 2017, c. 474”) was enacted to generally conform Maine’s income and estate tax laws to the federal Internal Revenue Code (“IRC”) as amended through March 23, 2018. This means that, unless otherwise excepted, Maine now conforms to federal tax law changes enacted on or before March 23, 2018, including the federal *Tax Cuts and Jobs Act* (December 22, 2017), the *Bipartisan Budget Act of 2018* (February 9, 2018), and the *Consolidated Appropriations Act, 2018* (March 23, 2018).

Some taxpayers may be required to amend their 2017 Maine income tax return to comply with Maine’s new tax laws because some federal tax changes apply to tax years beginning in 2017. This includes taxpayers who may have previously amended their 2017 Maine income tax return to reflect Maine’s previous non-conformity to which Maine now conforms. Note the updated Maine form instructions (available at [www.maine.gov/revenue/forms](http://www.maine.gov/revenue/forms)) relating to the following:

- Certain itemized deductions (Form 1040ME, Schedule 2 and Form 1041ME); and
- Income modifications associated with bonus depreciation (Form 1040ME, Schedule 1, Form 1041ME, and Form 1120ME).

Also, Maine Revenue Services previously released the *2017 Additional Worksheet to Report Certain “Other” Modifications to Maine Income Related to Federal Tax Law Changes After December 31, 2016* (Form 1040ME, Form 1041ME, and Form 1120ME). This worksheet has been eliminated because Maine now conforms to the federal tax law changes.

**Maine Revenue Services expects to issue additional guidance relative to individual, fiduciary, and corporate taxpayers that are required to file a 2017 Maine income tax return to reflect the effects of federal mandatory repatriation of deferred foreign income (also referred to as deemed repatriated income or IRC Section 965 income).**

Generally, Maine tax law (36 M.R.S. § 5227-A) requires an amended Maine income tax return be filed within 180 days from the date of a change or correction affecting the taxpayer’s Maine income tax liability. Maine Revenue Services will abate interest and penalties that would otherwise apply to 2017 *amended* Maine income tax returns to the extent that the interest and penalties are associated with the federal tax law changes addressed by the recently enacted Maine tax conformity bill (PL 2017, c. 474) and if the amended return is filed no later than

March 11, 2019. To qualify for abatement, affected taxpayers should write “TAX CONFORMITY” across the top of their return.

Maine Revenue Services will also abate interest and penalties that would otherwise apply to 2017 *original* Maine income tax returns to the extent that the interest and penalties are associated with the federal tax law changes addressed by the recently enacted Maine tax conformity bill (PL 2017, c. 474) and if the return is filed no later than October 15, 2018. To qualify for abatement, affected taxpayers should write “TAX CONFORMITY” across the top of their return.

Qualifying taxpayers who may be assessed penalties and interest should contact Maine Revenue Services at (207) 626-8475 to request abatement.

### **Tax years beginning on or after January 1, 2018**

Maine taxpayers are advised to review their Maine income tax withholding and estimated tax liability for 2018 in light of Maine’s recent conformity to numerous federal tax law changes and other Maine tax law changes.

### **Summary of Tax Law Changes**

A summary of tax law changes enacted by the Second Regular and Special Sessions of the 128<sup>th</sup> Legislature, including the tax law changes contained in PL 2017, c. 474, is available at [www.maine.gov/revenue](http://www.maine.gov/revenue). The summary includes some federal tax law changes enacted in 2017 and 2018 to which Maine *does not* conform.

If you have any questions regarding Maine income tax, contact Maine Revenue Services at (207) 626-8475 or go to the MRS website at [www.maine.gov/revenue](http://www.maine.gov/revenue).

## Fraud Alert

If you believe you are a victim of identity theft or that a breach of personally identifiable information has occurred, contact MRS at (207) 626-8475 or email [fraudalert.mrs@maine.gov](mailto:fraudalert.mrs@maine.gov) as soon as possible. Timely notification assists MRS in preventing fraudulent tax refunds.

<u>Department</u>	<u>Telephone Numbers</u>	<u>FAX Numbers</u>	<u>E-mail Addresses</u>
Taxpayer Service Center	(207) 626-8475	(207) 287-5855	
Central Registration	(207) 624-5644	(207) 287-6975	<a href="mailto:taxregistration@maine.gov">taxregistration@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>
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) 624-5625	(207) 287-3618	<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 & Special Taxes	(207) 624-9609	(207) 287-6628	<a href="mailto:fuel.tax@maine.gov">fuel.tax@maine.gov</a>
Forms Request Line	(207) 624-7894		
Individual 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) 624-9694	
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) 624-5600	(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) 624-9595	(207) 287-6627	
Office of Tax Policy	(207) 624-9677	(207) 287-3618	
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?

**Please contact:**  
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**Augusta, Maine 04332-1060**