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FORM REW-1-1041

2020

MAINE REVENUE SERVICES

REAL ESTATE WITHHOLDING RETURN FOR TRANSFER OF REAL PROPERTY

By sellers that are trusts or estates

99

1209800

TO BE COMPLETED BY THE BUYER OR OTHER TRANSFEREE REQUIRED TO WITHHOLD

For **MULTIPLE SELLERS**, complete a separate **Form REW-1** for each seller receiving proceeds.

1. Check box below to indicate whether the seller is: Grantor Trust ☐ Other Trust ☐ Estate ☐ | Check here if installment sale ☐

2. Name of **seller** subject to withholding. Trusts must enter Federal ID Number on line 3.

Seller's Last Name (estates) | First Name | M.I.

If seller is a trust, enter Trust Name

3. Seller's social security number (estate) or federal ID Number (trust).

Social security number | Federal ID Number

4. Address of seller

Number and street

City | State | ZIP Code

5. Date of transfer

6. Total consideration $ .00

7. Percentage of total gross proceeds received by this seller %

8. Physical location and use of property

Map | Block | Lot | Sub-lot

Street address | Municipality/Township | Use of property

9. Date property acquired by seller

10. Rate of withholding

☐ a. 2.5% of sales price

☐ b. Less than 2.5% - attach withholding certificate (Enter certificate number:)

11. Amount withheld for this seller

$ .00

DO NOT SEND CASH - **Make check payable to:** Treasurer, State of Maine. Write seller's social security number or federal ID number on the check.

12. Name of buyer (**withholding agent or other transferee**)

13. Address of buyer/withholding agent

Number and street

City | State | ZIP Code

14. Social security number/federal ID number of withholding agent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct and complete.

Signature of buyer | Date | Signature of buyer's spouse if property held jointly | Date

Signature of real estate escrow person | Date | Real estate escrow person's EIN or social security number

Real estate escrow person's daytime phone number | Real estate escrow person's address

Seller's daytime phone number

NOTE: Payments received by Maine Revenue Services will not be refunded prior to filing of the taxpayer's Maine income tax return.

(Any claim for refund of an overpayment of this withholding must be filed within three years from the time the return was filed or three years from the time the tax was paid, whichever expires later.)

Mail this form and check to: Maine Revenue Services, Income/Estate Tax Division - REW, P.O. Box 9101, Augusta, ME 04332-9101

Overnight delivery address: Maine Revenue Services, Income/Estate Tax Division - REW, 51 Commerce Drive, Augusta, ME 04330

Telephone: 207-626-8473 **Fax: 207-624-5062** ***realestate.withholding@maine.gov***

GENERAL INSTRUCTIONS

PURPOSE OF FORM: 36 M.R.S. § 5250-A requires a buyer to withhold state income tax when real property located in Maine is acquired from a nonresident of Maine. The buyer must withhold and remit to the state tax assessor 2.5% of the consideration received by the transferor (seller) on the transfer. A completed Form REW-1-1041 (for sellers that are trusts or estates), Form REW-1-1040 (for sellers who are individuals or sole proprietors), and/or Form REW-1-1120 (for sellers that are corporations) must accompany the remittance.

WHO MUST FILE: A buyer (individual, firm, partnership, association, society, club, corporation, estate, trust, business trust, receiver, assignee or any other group or combination acting as a unit) of a Maine real property interest who is required to withhold tax must file the appropriate REW-1 forms. If two or more persons are joint transferees, each must withhold the required amount. However, the obligation of each will be met if one of the joint transferees withholds and remits to Maine Revenue Services the total amount required.

If there are multiple sellers, complete a separate REW-1 form for each seller receiving proceeds from the sale. For example, if the seller is a partnership, complete a separate REW-1 form for each partner receiving proceeds from the disposition. If the partners are individuals, complete forms REW-1-1040. Be sure to complete the appropriate REW-1 form for each seller: REW-1-1040 (individuals, sole proprietors), REW-1-1041 (trusts, estates), REW-1-1120 (corporations).

EXCEPTIONS: The buyer is not required to withhold or file this return if any of the following applies:

a. The seller furnishes to the buyer written certification stating, under penalty of perjury, that as of the date of transfer the seller is a resident of Maine;

b. The seller or the buyer has received from the state tax assessor a certificate of waiver stating that no tax is due on the gain from the transfer or that the seller has provided adequate security to cover the liability;

c. The consideration for the property is less than $50,000; or,

d. Written notification of the withholding requirements has not been provided to the buyer. The real estate escrow person is liable for the withholding tax unless it is shown that the failure to notify is due to reasonable cause.

WITHHOLDING CERTIFICATE ISSUED BY THE STATE TAX ASSESSOR: A withholding certificate may be issued by the state tax assessor to reduce or eliminate withholding on transfers of Maine real property interests by nonresidents. The certificate may be issued if:

1. No tax is due on the gain from the transfer; or,
2. Reduced withholding is appropriate because the 2.5% amount exceeds the seller's maximum tax liability.

If one of the above is applicable, apply for the certificate no later than five business days prior to closing.

WHEN TO FILE: A buyer must report and remit the tax withheld to Maine Revenue Services with this form within 30 days of the date of transfer of the property.

WHERE TO FILE: Send Form REW-1-1041 with payment directly to: Maine Revenue Services, Income/Estate Tax Division - REW, P.O. Box 9101, Augusta, ME 04332-9101 (do not send payment or Form REW-1-1041 with the real estate transfer tax declaration). Provide one copy of Form REW-1-1041 to the real estate escrow person, one copy to the buyer, and two copies to the seller.

SPECIFIC INSTRUCTIONS

Block 1. Check the appropriate box to indicate the type of seller.

Block 2. Enter the name of the seller.

Block 3. Enter seller's social security number or federal ID number, whichever applies.

Block 4. Enter the address of the seller.

Block 5. Enter the date of this transfer.

Block 6. Enter the total consideration (see 36 M.R.S. § 5250-A(1)(A) for definition).

Block 7. Enter the percentage of total proceeds received by this seller.

Block 8. Enter the location of the property, including map, block, lot, and sub-lot numbers, as well as town and street address. Specify use before the transfer, such as principal residence, vacation home, rental property, commercial, or vacant land.

Block 9. Enter the date the property was acquired by the seller.

Block 10. Check the appropriate space to indicate the amount withheld. If the parties obtained a withholding certificate from the state tax assessor authorizing a reduced rate of withholding, enter the certificate number and attach a copy of the certificate to this return.

Block 11. Enter the dollar amount withheld for the seller in block 2.

Block 12. Enter the name of the withholding agent (buyer).

Block 13. Enter the address of the withholding agent (buyer).

Block 14. Enter the social security number or federal ID number of the withholding agent (buyer).

Seller's Filing Requirement. Generally, a seller that is a nonresident estate or trust must file a Maine income tax return for the tax year during which the sale of the Maine property occurred. Certain filing exceptions apply. See 36 M.R.S. § 5220(4). The seller must attach a copy of the REW-1 form to the Maine income tax return to ensure proper credit for real estate withholding paid. For more information on the Maine filing requirements, see the instructions for Form 1041ME at **www.maine.gov/revenue**.