



MAINE TAX ALERT

A Publication of Maine Revenue Services for Tax Professionals

Volume 8, No. 6

SEPTEMBER 1998

Public Communications Tel: (207) 626-8475

Maine's Internet Web Site Offers Tax Information

If you are looking for the answer's to the most frequently asked questions regarding Business Equipment Tax Reimbursement (BETR), Withholding (CQR), Individual Income Tax, Maine Resident's Property Tax and Rent Refund, and the Elderly Low Cost Drug Card, then you should check out our web site. Also, if you are looking for technical tax information including Maine State Tax Rules, Maine Tax Law, Income Tax Rate Schedules, 1996 Maine Municipal Tax Rates, Income Tax Withholding, Maine Homestead Exemption Program, Electronic Funds Transfer, Sales Tax Instruction Bulletins, Instructional Pamphlets for Individual Income Tax and Business Income Tax then the Maine Revenue Service's web site is the place to look. So visit our web site at <http://janus.state.me.us/revenue>.

Maine's Estate Tax Form Changes

The Maine Estate Tax form 706ME has a new look. The changes made were necessary to accommodate Maine Revenue Services' computer system. Separate lines for federal taxable estate, payment types, interest, failure to file and failure to pay penalties have been added. Even though the check off boxes have been removed, the form still can be used for original, extension, amended and payment filings by indicating so in the top margin. Enclosed with this issue of the Tax Alert is a copy of the new form.

You may also request the 706ME Estate Tax return on the order blank 2333ME at no charge or download a copy off the Internet at <http://janus.state.me.us/revenue>.

Sales Tax Rate Decreases

Effective October 1, 1998 the 6% sales tax rate is decreasing to 5.5%. No reduction has been made to the 7% or the 10% tax rates. This reduction affects sales occurring on or after October 1, 1998. Sales occurring around the effective date will be subject to the reduced rate if the invoice date is on or after October first unless proof can be made that the customer took final delivery on or after October first. Charges for utility services such as water, electricity, telephone, and cable services will be subject to the reduced rate if billed on or after October first.

Public Hearing Regarding Rule 803

Maine Revenue Services has scheduled a public hearing to receive comment on proposed amendments to Rule 803 - Withholding Tax Reports and Payments. The proposed amendments are to respond to a change in federal withholding allowances related to the new credit for each minor child, to require employers to keep a copy of the Personal Allowances Worksheet for the federal Form W-4 in the employer's payroll files, to add a provision for the "Personal Withholding Exemption Variance Certificate" to be obtained from the State by an employee who wants to claim a number of withholding allowances for Maine tax purposes that exceeds the number of federal allowances claimed, and to change references from "State Tax Assessor" to "Executive Director". The hearing is scheduled on September 29, 1998 at 2:00 p.m. in the State Office Building, Room 122, Augusta, Maine. Please contact Anthony P. Gould, Maine Revenue Services, 24 State House Station, Augusta, ME 04333 or call him at (207)626-8460 with any questions.

State of Maine - Individual Income Tax 1998 Rates

Again this year, SCORE, in conjunction with the Internal Revenue Service and Maine Revenue Service is offering their annual TAX PRACTITIONER INSTITUTE.

This year's Institute will include presentations by the IRS District Director and senior managers on:

- Discussion of the current and ongoing reorganization of the IRS.
- Changes in tax law and forms that affect 1998 individual return preparation, and key updates to business, corporate and partnership tax issues.
- Tax benefits for higher education.
- Innocent Spouse Relief, Separate Liability Election, Equitable Relief and Injured Spouse Relief.
- Specific business issues, including Changing Methods of Accounting, Changes to Form 3115, Credit for Employing Long-Term Family Assistance Recipients, Provisions for Amortization of Start-Up Expenses and Automatic Relief for S-Corp Elections.
- A question and answer period will be included, as time permits.

Maine Revenue Service will cover an update on Maine income taxation.

The \$75.00 fee for this full day seminar entitles attendees to a copy of the University of Illinois Tax Book. Attendees will receive eight continuing professional education credits. Lunch will be provided at all sessions.

The 1998 INSTITUTE will be offered at four locations:

- November 5 in Caribou at Husson College
- November 12 in Bangor at Jeff's Convention Center
- November 17 in Augusta at the Augusta Civic Center
- November 19 in Portland at Verrillo's Restaurant

To reserve a seat at the Institute, complete, cut off and mail the accompanying Registration Form today.

1998 TAX PRACTITIONERS INSTITUTE REGISTRATION FORM

Name _____ Telephone Number _____

Address _____

(Street) (City) (State) (Zip)

Circle your desired location: Augusta Bangor Caribou Portland

For questions, contact Roberta Getchell - Phone (207)772-1147 Fax 772-5581

Send Registration Form and check to: TAX PRACTITIONERS INSTITUTE
c/o SCORE, Chapter 53
66 Pearl Street, Suite 211
Portland, ME 04101

MAINE REVENUE SERVICES <http://janus.state.me.us/revenue>

...Order tax forms through the WebPage?...YES!

SUGGESTIONS FOR TAX ALERT?

**Please contact: Maine Revenue Services
Public Communications Director
24 State House Station
Augusta, ME 04333-0024**

STATE OF MAINE

Angus S. King, Governor

**Janet E. Waldron, Commissioner
Administrative and Financial Services**

Brian H. Mahany, Executive Director

TAX QUESTIONS? PLEASE CONTACT US:

Maine Revenue Services	(207)287-2076	FAX (207) 287-4028
Central Registration	(207)287-2338	FAX (207) 287-3733
Collections & Compliance	(207)287-3301	FAX (207) 287-6627
Corporate Tax	(207)287-3301	FAX (207) 287-6627
Electronic Funds Transfer	(207)287-8276	FAX (207) 287-6396
Estate Tax	(207)626-8480	FAX (207) 287-4028
Excise Tax	(207)287-3851	FAX (207) 287-6628
Forms Request Line	(207)624-7894	FAX (207) 622-3517
Income Tax Assistance	(207)626-8475	FAX (207) 287-4028
Paym't Plans/Income Tax	(207)621-4300	FAX (207) 621-4328
Payment Plans/ Other	(207)287-3301	FAX (207) 287-4028
Practitioners' Hotline	(207)626-8458	FAX (207) 287-4028
Property Tax	(207)287-2011	FAX (207) 287-6396
Sales Tax	(207)287-2336	FAX (207) 287-6628
Taxpayer Advocate	(207)287-4562	FAX (207) 287-6627
TTY Service	(207)287-4477	-----
Withholding Tax	(207)626-8475	FAX (207) 287-4028

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24 State House Station

Augusta ME 04333-0024