



CHIEF COUNSEL

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

December 15, 2023

Kirsten LC Figueroa, Commissioner
Department of Administrative and Financial Services
State of Maine
Burton M. Cross Building, 3rd Floor
78 State House Station
Augusta, ME 04333-0078

Dear Ms. Figueroa,

Thank you for your letter of December 12. We understand Maine's concerns regarding the federal income tax treatment of the \$450 payments made to Maine residents in the early months of this year under Maine's Winter Energy Relief Program. While the payments do not qualify for the exclusion from income under the general welfare exception because the payments were not limited to low-income individuals, the payments do qualify for the exclusion from income for qualified disaster relief payments under Internal Revenue Code section 139(b)(4). As you point out in your letter, the legislation, which specifically references the need to address the impact of the Covid-19 pandemic, was enacted on January 4, 2023, and over 99% of the payments were made by March 31, 2023, which was before the Covid pandemic emergency declaration expired in May.

Please let me know if I can be of any further assistance.

Sincerely,

William M. Paul
Acting Chief Counsel
Internal Revenue Service