Maine Revenue Services (“MRS”) Rulemaking Activity

Rule 805 amended. MRS has amended Rule 805 (“Composite Filing”). The Rule establishes procedures for filing of composite returns of income by partnerships, estates, trusts, and S corporations on behalf of partners, beneficiaries, or shareholders. In addition to technical, nonsubstantive changes, the Rule is revised to reflect the decrease in the individual income tax rate as established in 36 M.R.S. § 5111(1-E) for tax years beginning in 2016.

Rule 806 amended. MRS has amended Rule 806 (“Nonresident Individual Income Tax”). The Rule, last amended in 2012, provides comprehensive definitions and explanations of statutory terms and procedures for nonresident individual income tax filers. The Rule is edited to include minor formatting changes to be consistent with other Bureau of Revenue Services Rules and to update references to M.R.S.A. and MRSA to M.R.S. New section .03(G) is added to reflect that compensation or income earned by nonresident taxpayers that is directly related to a declared state disaster or emergency is exempt from Maine tax if the taxpayer’s only presence in Maine is for the sole purpose of providing disaster relief. The remaining provisions are renumbered accordingly. The application date of the amended Rule is changed to accommodate the effective date of the exemption of disaster relief income.

Rule 807 amended. MRS has amended Rule 807 (“Residency”). The Rule, last amended in 2012, explains standards for determining Maine residency for income tax purposes. The following changes are made to the proposed Rule. Section .08 is reformatted, clarifies that military pay earned by a Maine resident servicemember for active duty service performed outside Maine under written military orders is not taxed in Maine and makes a technical change to correct an erroneous reference.

Rules 805, 806, and 807 can be found on the MRS website at www.maine.gov/revenue/rules/.
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?

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