

# MAINE TAX ALERT

A Publication of Maine Revenue Services for Tax Professionals

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Public Communications Tel: (207) 287-6838

## GET REFUNDS QUICKER

Maine Revenue Services encourages taxpayers to take advantage of the direct deposit option for refunds. This option allows us to deposit any refund of \$2,000 or less directly into the taxpayer's savings or checking account and reduces the turn around time of the refund by five to seven working days. Before filing the taxpayer should contact the financial institution to make sure the direct deposit will be accepted and to get the correct routing number and account number. The account type should be indicated on the return, but, if left blank, will default to the checking account.

This is a particularly good choice for those taxpayers who will be leaving the state for an extended period during the filing period or who may be moving sometime after filing their state tax return.



Starting January 11, 2000 taxpayers will be able to file their 1999 Maine Individual Income Tax Returns electronically. A preparer or individual taxpayer may e-file by using authorized tax preparation software. This method of filing allows for the direct deposit of a refund or payment of a tax due directly to or from a taxpayers savings or checking account.

The following returns are not eligible for e-file and must file a paper return:

- W A decedent's return, including joint returns filed by the surviving spouse
- W Returns with a power of attorney currently in effect for the refund to be sent to a third party
- W Returns claiming any Maine Schedule A credits, other than "Credit for the Elderly" or "Child & Dependent Care Credit"
- W Amended or corrected returns
- W Returns claiming a Schedule 3 "Credit for Taxes Paid to Another Jurisdiction"
- W Returns for tax years other than 1999
- W Returns with more than twenty W-2 and 1099 forms, in any combination
- W Fiscal year returns

You may check the developer's site for Maine E-File at <http://janus.state.us/revenue/developers> for updated information.

## FILE YOUR DECEMBER 1999 SALES/USE TAX RETURN OVER THE INTERNET AND WIN!!!

All eligible retailers who file their December 1999 sales/use tax return online will be entered into a drawing to receive one of many prizes to be awarded. The number of winners will be determined by the number of online filers versus the number of prizes available.

Online filing is easy! Just go to <http://janus.state.me.us/revenue>, click on "Internet Filing" and follow the user-friendly prompts to take the four easy steps to file online. Promotional and instructional information will be mailed with all sales/use tax returns for the December filing period.

Prizes include: lunch with Governor King; day passes to Maine's parks; mouse pads; "Reference Guide to the Sales/Use Tax Law" books; and lots more!!! But you have to file online to be eligible.

- Out of State Delivery Affidavit
- ICC Affidavit – Retail Sale
- ICC Affidavit – Casual Sale
- Sales Tax Refund Application
- Industrial Users Exemption Certificate

## COMPOSITE FILING

Maine Revenue Services has proposed amendments to Rule 805, "Composite Filing." The proposed amendments (1) broaden the definition of "eligible person" to include Electing Small Business Trusts; (2) clarify the method of apportionment of entity income to Maine; (3) stipulate that "entity" includes estates, trusts, limited partnerships, limited liability partnerships, and certain limited liability companies; (4) permit the State Tax Assessor to reserve the right to require an eligible person who was included in a composite return to file an individual nonresident return; (5) clarify that an eligible person included in a composite return can claim the appropriate share of the entity's business tax credits; (6) permit partners or shareholders involved in a tiered partnership to be included in a composite return; and (7) to make minor editorial changes. The deadline for comments is December 20, 1999. Contact David Bauer for details or a copy of the proposed amendments at (207) 287-2076.

## DOWNLOAD SALES TAX CERTIFICATES AND AFFIDAVITS

You can now download some frequently required sales tax forms from the MRS homepage on the Internet. Simply go to <http://janus.state.me.us/revenue> then click on "Sales Tax Certificates & Affidavits". The following forms are available and more will be added in the future:

- Resale Certificate
- Farm/Fish Affidavit

## MAINE FORM W-4ME

Maine Revenue Services (MRS) has designed Form W-4ME to be used for calculation of employee withholding allowances for state income tax purposes. The form became necessary because of the addition of a personal allowance on federal Form W-4 for taxpayers who meet the federal guidelines for the child tax credit. Because the credit is not available at the state level, employees claiming the allowance would be under withheld for state income tax purposes. Form W-4ME accommodates the exclusion of this allowance for Maine purposes.

The form allows employees to claim fewer allowances for state tax purposes and request additional Maine income tax withheld as needed. Employees wishing to claim a greater number of allowances on the state Form W-4ME than what is claimed on the federal W-4 will need to get special permission granted by the Executive Director of Maine Revenue Services. In such cases, the employee will provide a copy of the "Withholding Exemption Variance Certificate" issued by the Executive Director.

Beginning January 1, 1999, all new employees and all employees who make changes to their federal W-4 must also complete Form W-4ME. In the future, all employees may be required to complete Form W-4ME. You may photocopy the attached form W-4ME as needed. The form is also located on the MRS web site at: <http://janus.state.me.us/revenue>. Rule 803, withholding tax reports and payments, has been updated to reflect the new Maine Form W-4ME requirements and is also located on the MRS web site.

**MAINE REVENUE SERVICES:** <http://janus.state.me.us/revenue>  
 ....Order tax forms through the WebPage.....

**Suggestions for the Tax Alert?**  
**Please contact: Public Communications**

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.

**STATE OF MAINE**

**Angus S. King, Governor**

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

**Anthony J. Neves, Executive Director  
 Maine Revenue Services**

<u>Department</u>	<u>Telephone Numbers</u>	<u>FAX Numbers</u>	<u>E-mail Addresses</u>
Taxpayer Service Center	(207) 287-2076	(207) 287-5855	
Central Registration	(207) 287-2338	(207) 287-3733	
Collections & Compliance	(207) 287-3301	(207) 287-6627	<a href="mailto:tax_compliance@state.me.us">tax_compliance@state.me.us</a>
Corporate Tax	(207) 624-9670	(207) 287-6627	<a href="mailto:corporate_tax@state.me.us">corporate_tax@state.me.us</a>
Electronic Funds Transfer	(207) 287-8276	(207) 287-6627	<a href="mailto:electronic_funds_transfer@state.me.us">electronic_funds_transfer@state.me.us</a>
Estate Tax	(207) 626-8480	(207) 624-9694	<a href="mailto:income_estate_tax@state.me.us">income_estate_tax@state.me.us</a>
Excise Tax	(207) 287-3851	(207) 287-6628	<a href="mailto:sales_tax@state.me.us">sales_tax@state.me.us</a>
Forms Request Line	(207) 624-7894	(207) 622-3517	
Income Tax Assistance	(207) 626-8475	(207) 624-9694	<a href="mailto:income_estate_tax@state.me.us">income_estate_tax@state.me.us</a>
Paym't Plan/Income Tax	(207) 621-4300	(207) 621-4328	
Payment Plan/Other	(207) 287-3301	(207) 287-6627	
Practitioners' Hotline	(207) 626-8458	(207) 624-9694	
Property Tax	(207) 287-2011	(207) 287-6396	<a href="mailto:property_tax@state.me.us">property_tax@state.me.us</a> <a href="mailto:abandoned_property@state.me.us">abandoned_property@state.me.us</a>
Public Communications	(207) 287-6838	(207) 287-3618	
Sales Tax	(207) 287-2336	(207) 287-6628	<a href="mailto:sales_tax@state.me.us">sales_tax@state.me.us</a>
Taxpayer Advocate	(207) 287-4562	(207) 287-3294	
TTY Service	(207) 287-4477	-----	
Withholding Tax	(207) 626-8475	(207) 624-9694	<a href="mailto:withholding_tax@state.me.us">withholding_tax@state.me.us</a>

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