

# Maine Revenue Services Filing for Maine Income Tax Withholding Form 941ME

2019



**IMPORTANT:** Maine Form W-4ME (Employee's Withholding Allowance Certificate for Maine) has been changed to assist employees in determining the number of allowances they should claim for Maine income tax withholding purposes, especially with respect to the number allowances claimed for children and dependents. Employers should encourage employees to review the updated Form W-4ME in order to determine whether the number of Maine withholding allowances should be changed. The updated Form W-4ME is available at <https://www.maine.gov/revenue/forms/homepage.html> (select Employment Taxes, then 2019).

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Electronic Filing

Electronic Payments

[www.maine.gov/revenue](http://www.maine.gov/revenue)



Use this booklet to report employee or payee income tax withholding. Do not use this booklet to report nonresident member withholding for pass-through entities. For more information regarding withholding for nonresident members of pass-through entities, go to the MRS web site at [www.maine.gov/revenue/incomeestate](http://www.maine.gov/revenue/incomeestate) (select Pass-Through Entity Withholding (941P-ME) and Returns).

## Electronic Filing and Payment Requirements

**Electronic Filing.** MRS Rule 104 generally requires all employers and non-wage payers registered for Maine income tax withholding to electronically file Maine quarterly tax returns and annual reconciliation of Maine income tax withholding. Waivers are available if the requirement causes undue hardship. See MRS Rule 104 at [www.maine.gov/revenue/rules](http://www.maine.gov/revenue/rules) and page 6 for details.

**Electronic Payments Required.** Taxpayers that have a combined tax liability for all Maine taxes of \$10,000 or more during the lookback period ending in 2018 must remit all Maine tax payments electronically. Thus, in addition to other entities affected by the requirement, employers and non-wage payers required to remit on a semiweekly basis must do so electronically. Waivers from this requirement for good cause may be requested. See MRS Rule 102 at [www.maine.gov/revenue/rules](http://www.maine.gov/revenue/rules) and page 6 of this booklet for details.

For questions on filing income tax withholding returns electronically, call 626-8475, select option 4 or email [withholding.tax@maine.gov](mailto:withholding.tax@maine.gov).

## MISSION STATEMENT

The mission of Maine Revenue Services is to serve the citizens of Maine by administering the tax laws of the State effectively and professionally in order to provide the revenues necessary to support Maine government. To accomplish this mission, we will:

- Foster voluntary compliance with the tax laws by providing clear, complete, accurate, and timely guidance to taxpayers to help them understand and meet their responsibilities under the law.
- Maintain the highest standards of integrity, fairness, confidentiality and courtesy in everything we do.

## MAINE REVENUE SERVICES PRIVACY POLICY

Maine Revenue Services (“MRS”) maintains the highest standards in handling personally identifiable taxpayer information. Taxpayers have the right to know what information is kept on file about them, to have reasonable access to it, and to receive a copy of their file. Under penalty of law, employees and agents of MRS are prohibited from willfully inspecting information contained on any tax return for any purpose other than the conduct of official duties. In addition, MRS employees and agents are prohibited from disclosing tax information to anyone other than the taxpayer except in a limited number of very specific circumstances. No unassociated third parties may receive information pertaining to tax returns without written permission from the affected taxpayer except as allowed under 36 M.R.S. § 191. Communications that do not meet the definition of tax information are subject to the general confidentiality and public inspection provisions of Maine’s “Freedom of Access” laws. When confidential taxpayer information is stored by MRS, it is kept in a secure location where it is accessible only to authorized employees and agents of MRS. If you have any questions regarding the Privacy Policy, please contact MRS at (207) 626-8475.

## PAYROLL PROCESSORS

### DOs and DON'Ts for Clients of Payroll Processors in Maine:

Using the services of a payroll processor can be a convenient and economical way for an employer or non-wage filer to file and pay withholding taxes. However, employers or non-wage filers face certain risks associated with the use of a processor, including possible lack of compliance and the risk of loss of funds that are under the control of the processor. Ultimately, it is the employer or non-wage filer who bears the responsibility for meeting its payroll tax obligations. **If you are an employer or non-wage filer that uses the services of a payroll processor, you should take the following precautions:**

- ✓ Educate yourself to understand your filing requirements and the risks associated with using a payroll processor.
- ✓ Verify with the Bureau of Consumer Credit Protection, (207) 624-8527 or [www.credit.maine.gov](http://www.credit.maine.gov), that the processor is licensed and has provided proof of fidelity insurance to protect payroll funds, including coverage for crimes such as fraud and theft. If the processor has access to your company's tax funds, verify with the state that the company has also posted a surety bond or letter of credit, or is enrolled in the state's Payroll Processor Recovery Fund.
- ✓ Obtain verification from the payroll processor and its insurer that the processor's liability insurance will remain in effect for a specified period of time.
- ✓ Read your contract with your processor carefully.
- ✓ **Ensure that the agreement/contract and any power of attorney that your processor has with you specifically requires that all notices sent by the IRS and state tax agencies be sent directly to you.**
- ✓ Never hesitate to contact tax authorities or the Bureau of Consumer Credit Protection directly when you feel it necessary.
- ✓ Check with the appropriate tax agency periodically to ensure that returns and payments are filed in a timely manner.
- ✓ Insist on verification from your processor that any problem for which the employer has received a tax agency notice has been resolved.
- ✓ Never assume that everything is fine solely because you have not received notice of any problems from the IRS or MRS.
- ✓ Never sign a tax return before it is completed.
- ✓ **Require that the processor provide copies of returns, not just summaries, at the time of filing.**
- ✓ If you are using a nationwide payroll service, be sure you are assigned a direct contact person and telephone number.

A payroll processor is an entity that performs the following services for one or more employers or non-wage filers: prepares and issues payroll checks, prepares and files state or federal income tax withholding reports or unemployment insurance contribution reports or collects, holds and turns over to the State Tax Assessor or to Federal tax authorities income tax withholding or unemployment insurance contributions. By January 31st of each year, all payroll processing companies must obtain a license from the Maine Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection ([www.credit.maine.gov](http://www.credit.maine.gov)).

All payroll processors must provide proof of fidelity insurance equal to twice the highest gross weekly payroll processed by the business in the preceding year or \$5,000,000, whichever is less. For fidelity insurance coverage, the processor may choose from a fidelity bond, employee dishonesty bond, third-party fidelity coverage or liability insurance that includes crime coverage.

Payroll processors who have authority to access, control, direct, transfer or disburse a client's funds must also provide evidence of a surety bond in an amount equal to the total of all local, state and federal tax payments and unemployment contributions remitted by the payroll processor on behalf of employers in this state in the three consecutive month period of highest volume during the

previous calendar year or \$50,000, whichever is greater. The bond need not exceed \$500,000. A letter of credit or participation in the state's Payroll Processor Recovery Fund can be substituted for a surety bond. A payroll processor must provide certain information to each client at least every quarter. Such information includes an accounting of funds received and disbursed, contact information for state and federal tax agencies to verify payments have been made, and notice that bonding does not necessarily ensure that all claims will be covered if the payroll processor fails to comply with its responsibilities.

**A payroll processor may not designate itself as the sole recipient of notices from state or federal authorities for nonpayment of taxes or unemployment contributions. A payroll processor shall ensure that such notices are provided directly to the affected employers or non-wage filers.**

Failure to license or abide by all statutory requirements will subject a payroll processor to certain civil penalties. Further information and applications may be obtained from the Bureau of Consumer Credit Protection. Call (207) 624-8527 or visit the web site at [www.credit.maine.gov](http://www.credit.maine.gov) (select “Who We Regulate”, then go to Payroll Processors and click on “Licensing Information”).

## WITHHOLDING FORMS

### SEMIWEEKLY PAYMENTS OF WITHHELD INCOME TAXES:

If your withholding tax remittance frequency is semiweekly and wages or non-wage payments are paid on Wednesday, Thursday or Friday, payment of withheld income taxes is due the following Wednesday. If the wages or non-wage payments are paid on Saturday, Sunday, Monday or Tuesday, the payment of withheld income taxes is due the following Friday. **If you are required to make semiweekly payments, you must make the payments electronically. However, waivers from electronic payments for good cause may be requested. See Rule 102 at [www.maine.gov/revenue/rules](http://www.maine.gov/revenue/rules) and page 6 for details.**

**FORMS W-2, 1099, AND OTHER INFORMATIONAL FORMS.** Employee income and withholding statements

must be furnished to payees on or before the date that the related federal statements must be furnished. If employment ends before December 31, you may furnish copies to the employee at any time after employment ends, but no later than January 31. If a terminated employee requests Form W-2 in writing, you must give the employee completed copies within 30 days of the request or within 30 days of the final wage payment, whichever is later. A person/employer who furnishes a false or fraudulent statement or fails to furnish a statement commits a civil violation subject to a fine of \$50 for each failure.

**FOR INFORMATION ON FILING THE ABOVE FORMS ELECTRONICALLY, SEE PAGE 6.**

## REPORTING THIRD-PARTY SICK PAY

Many employers that provide wage protection for employees who miss work due to illness or injury often do so through a third party, such as an insurance company. Sick pay paid by a third party that is considered wages for federal purposes is treated as wages for Maine purposes and subject to voluntary withholding as requested by the employee.

A third party that withholds Maine income tax from sick pay is required to remit payment and file withholding returns under the same rules that apply to employers. The third party must

file returns under its own EIN and include all Maine income tax withheld for the quarter. The return must include, on Schedule 2, the amount withheld from each employee/payee, even if the Wage Statement (Form W-2) reflecting the sick payments will be issued by the employer and not the third party.

**Employers: Do not include on Form 941ME any Maine income tax withheld and remitted by a third party from sick pay payments.**

## NEW HIRE REPORTING REQUIREMENTS

Maine employers are required by law to report certain information to the Department of Health and Human Services ("DHHS") within seven days of the date an employee is newly hired, rehired or terminated. Employers are also required to report the hiring of an independent contractor when reimbursement is anticipated to equal or exceed \$2,500. Employers must report the employee's full name, address, social security number, date of birth and date of hire, rehire or termination, the most recent date that services for remuneration were first performed, as well as the employer's name, address, telephone number, Maine Department of Labor Number and federal Employers Identification Number ("FEIN"). If reporting the hiring of an independent contractor, the report must also include the date a contract is executed (or, if no contract, the date payments equal or exceed \$2,500), the total dollar amount of the contract (if any), and the expiration date of the contract (if any).

The required New Hire information may be reported in the following ways, but note that submission via the internet web portal is preferred:

**Internet:** New Hire Portal: <https://portal.maine.gov/newhire> (Internet Explorer is the preferred browser.)

**FAX:** FAX a New Hire Report Form to (207) 287-6882 (local call) or the toll free number, 1-800-437-9611 (in-state only). Obtain a New Hire Report Form either by calling (207) 624-4100 or downloading it from the web site at <http://www.maine.gov/dhhs/ofi/dser/employer/new-hire.html>.

**Regular mail:** Mail your report to:

Division of Support Enforcement and Recovery  
New Hire Reporting Program  
11 State House Station, Augusta, ME 04333-0011

New Hire information provided by Maine employers has resulted in collections of approximately \$70 million annually. This has made a great difference in the lives of many children who otherwise might not have received the financial support to which they are entitled. For more information about New Hire Reporting, call the Department of Health and Human Services, Division of Support Enforcement and Recovery at (207) 624-4100 or access the web site at [www.maine.gov/dhhs/ofi/dser/employer/index.html](http://www.maine.gov/dhhs/ofi/dser/employer/index.html).

## UNCLAIMED PROPERTY REPORTING REQUIREMENTS

Maine businesses are required to identify, report and remit unclaimed property to the Office of the State Treasurer in accordance with 33 M.R.S., Chapter 41. Information on how to report unclaimed property is available on the Maine State Treasurer's web site at [www.maine.gov/unclaimed](http://www.maine.gov/unclaimed).

The report must be filed May 1st for life insurance property and gift cards/certificates and November 1st for all other property, such as bank accounts, uncashed checks and securities.

Visit <https://maineunclaimedproperty.gov/> or call (207) 624-7470 for more information.

## GENERAL INSTRUCTIONS

Returns must be completed and filed with Maine Revenue Services each quarter according to the following schedule:

Quarter	Period Covered	Due Date
Quarter 1	01-01-19 to 03-31-19	04-30-19
Quarter 2	04-01-19 to 06-30-19	07-31-19
Quarter 3	07-01-19 to 09-30-19	10-31-19
Quarter 4	10-01-19 to 12-31-19	01-31-20

**Note:** A return must be filed for each quarter, even if you had no income tax withheld for that period. Each page submitted must have your Withholding Account Number clearly printed at or near the top of the page. Do not write notes on the withholding listing pages.

Form 941ME is used to report or correct total income tax withheld for the quarter and to reconcile semiweekly withholding payments made during the quarter.

Complete Form 941BN-ME when the business terminates or the requirement to withhold permanently ceases, or if there has been a change in the business name, address or telephone number.

**Do not make changes on Form 941ME.**

When using a paid preparer or payroll processor, enter their federal employer identification number ("EIN") and Maine payroll processor license number in the designated fields.

If your current Federal Employer Identification Number (Maine Withholding Account Number) changes, call the Central Registration Unit at (207) 624-5644.

**Amended Returns.** If it is necessary to correct a withholding amount you reported or made for a particular employee or payee in a previous quarter in the current year, submit an amended Form 941ME for that period, check box B and provide an explanation of the change on line 4. We will correct your account for the period

involved. Do not make prior period adjustments on subsequent filings.

Amended returns may be used to: correct a reporting error; report and remit additional withholding due; and obtain a refund of excess income tax withheld and remitted to Maine Revenue Services in the current year. Do not use a future Form 941ME to correct income tax withholding reported on a prior year return.

Do not correct over-withheld Maine income tax from an employee or payee if the end of the year has passed. Instead, the employee/payee should claim the withholding when filing his/her personal income tax return and receive the over-withheld portion directly from Maine Revenue Services in the form of an income tax refund.

If an amended return is filed after the end of the year that requests a refund, you must certify that the overpayment does not include amounts actually withheld from employees or payees. See instructions for line 4. You must also attach copies of original or corrected annual statements (e.g. Forms W-2, W-2C, 1099) that reflect the corrected amount of withholding for the employees or payees listed on Schedule 2.

If an amended return is filed after filing the annual Form W-3ME, an amended Form W-3ME must also be filed.

Direct any questions regarding this form or income tax withholding in general to Maine Revenue Services at (207) 626-8475, select option 4.

**Interest and Penalties.** Beginning January 1, 2019, the interest rate is 6% per annum, compounded monthly. The penalty for failure to pay the withholding tax on time is 1% per month up to a maximum of 25%. The penalty for failure to file the return on time is 10% of the tax liability or \$25, whichever is greater. If the return is filed more than 60 days after demand, the penalty is the greater of \$25 or 25% of the tax due.

## SPECIFIC INSTRUCTIONS

Enter the quarter number, quarterly period covered beginning and ending dates, return due date, company's withholding account number, entity name and address in the spaces provided.

**Line A. For non-wage withholding filers only.** Check this box if you have received written permission to exclude Schedule 2. Checking this box requires you to report Maine withholding data by electronically filing forms 1099 directly with Maine Revenue Services. **This box must be checked every quarter for which the permission is effective.**

**Line B. For amended returns.** Check this box if this is an amended return.

**Line C. To close your income tax withholding account.** Check this box if this is your last return and you wish to close your Maine income tax withholding account.

**Line 1.** Enter the total amount of Maine income tax withheld from Schedule 2 – Income Tax Withholding Listing, line 7a. If amended, enter the corrected withholding amount for the quarter from Schedule 2, line 8b. **Unless line a is checked, all taxpayers filing Form 941ME showing tax withheld must complete Schedule 2.**

**Line 2a.** Enter the total amount of semiweekly payments remitted during the quarter from Schedule 1 - Reconciliation of Semiweekly Payments of Income Tax Withholding, line 5. If you did not make

payments of income tax withholding during the quarter, enter zero. For information about who is required to make semiweekly payments of income tax withholding, see instructions for Schedule 1 below. If amended, also include on this line any payments made with the original return, or any payments made after the original return was filed.

**Line 2b.** If amended, enter any overpayment claimed on the original return or on the return as most recently adjusted.

**Line 3a.** If line 1 is greater than line 2c, enter line 1 minus line 2c. If line 2c is negative, treat this as a positive number and add it to the amount on line 1. Enclose the amount due with the return.

**Line 3b.** If line 2c is greater than line 1, enter line 2c minus line 1. A refund will be sent to you.

If line 1 equals line 2c, leave lines 3a and 3b blank.

**Line 4.** For amended returns, check all boxes that apply. In the space provided, explain the adjustments being made. If you need more space, attach an additional sheet. Attach documentation to support the changes. Overpayments will not be refunded without sufficient explanation. NOTE: Pursuant to 36 M.R.S. § 5276, if there is an overpayment of tax required to be deducted and withheld under § 5250, a refund will be made to the employer only to the extent that the overpayment was not deducted and withheld by the employer.

## SPECIFIC INSTRUCTIONS, continued

### Schedule 1

#### Reconciliation of Semiweekly Payments of Income Tax Withholding

Taxpayers who reported Maine income tax withholding of \$18,000 or more for the 12 months ending June 30, 2018 are required to make payments of income tax withholding on a semiweekly schedule. These payments are required to be paid electronically. Taxpayers who reported Maine income tax withholding of less than \$18,000 for the 12 months ending June 30, 2018 are required to make payments quarterly.

If you are required to pay income tax withholding on a semiweekly basis, you must complete Schedule 1. Complete one line of the schedule for each payroll during the quarter

Semiweekly Schedule	
<b>Day Wages Paid</b>	<b>Remittance Due</b>
<b>Wednesday, Thursday, or Friday</b> .....	<b>On or before the following Wednesday</b>
<b>Saturday, Sunday, Monday, Tuesday</b> .....	<b>On or before the following Friday</b>

Enter the payroll date in the Date Wages or Non-wages Paid column and enter the amount of corresponding withholding paid to Maine Revenue Services for that payroll period in the Amount of Withholding Paid column.

**Line 5.** Add the subtotals for the payment amount columns and enter the total payment amount for this quarter. Also enter the total payment amount on line 2a. The payment amount includes all payments made during the quarter.

### Schedule 2

#### Income Tax Withholding Listing

**If this is an amended return, see instructions below for amended returns before completing this schedule.**

**All filers reporting income tax withheld on Form 941ME, line 1 must complete Schedule 2, lines 6 and 7.** If you paid wages or made non-wage payments during the quarter, complete all information in columns A, B and C and line 6 on each withholding listing page submitted. Complete column D only if this is an amended return.

Use as many pages as necessary to report all employees/payees. Include backup withholding, pension withholding, non-wage payments withholding, etc. If you did not pay wages or make non-wage payments during the quarter, complete only lines 6 and 7.

**Column A.** Enter the last name, first name and middle initial of each payee who received wages or non-wage payments during the quarter.

**Column B.** Enter the full social security number of each payee who received wages or non-wage payments during the quarter.

All nine digits must be entered; entry of XXX-XX-NNNN or entry of only the last four digits is invalid.

**Column C.** Enter the total Maine income tax withheld for each payee who received wages or non-wage payments during the quarter. If a payee's withholding is greater than \$999,999.99, enter the withholding on two or more lines to add up to the total withholding for the payee. Also include all other withholding such as backup withholding, pension withholding, and distribution withholding. For amended returns, include the Maine income tax withholding as originally reported for the quarter being amended. Do not leave this line blank; if no income tax withholding was originally reported, enter zero (\$0).

**Column D.** If this is an amended return, enter the correct withholding amount for the quarter being amended. Do not leave this line blank; if there was no withholding for the quarter, enter zero (\$0).

**Line 6.** Enter the total Maine income tax withheld for payees listed in column C on line 6a and the total listed in column D on line 6b on the page. If no income tax was withheld, enter zero (\$0).

**Line 7. On the last Schedule 2 page only,** enter the total of line 6 amounts for all pages. If no income tax was withheld, enter zero (\$0). For original returns, enter the amount from box 7a on line 1.

**Amended returns:** If this is an amended return, complete columns A, B, C and D listing only the employees/payees and related information for whom the withholding amount is being corrected. Exclude employees/payees for whom there are no changes. In column C, enter the withholding as originally reported or previously adjusted. Enter in column D the correct withholding amount for the period.

**Line 8. On the last Schedule 2 page only,** if filing an amended return, enter on line 8a the total withholding reported on the original or previously adjusted return. Enter the total adjusted withholding liability for the quarter on line 8b (that is, the result of line 8a minus line 7a plus line 7b). Enter the adjusted withholding amount from line 8b on Form 941ME, line 1.

Note: an amended return must also be filed to report corrections to employee or payee identification numbers. The following steps must be followed for each quarter being corrected:

Step 1: List the employee or payee under the incorrect ID number used on the original return. In column C enter the original amount withheld. In column D, enter zero (\$0).

Step 2: On a separate line, list the employee or payee under the correct ID number. Enter zero (\$0) in column C and the correct withholding amount in column D.

## ELECTRONIC FILING REQUIRED FOR ALL EMPLOYERS/PAYERS



MRS Rule 104 (Electronic Filing of Maine Tax Returns) generally requires all employers and non-wage payers to electronically file Maine income tax withholding returns and annual reconciliation of Maine income tax withholding. Employers/payers unable to meet the electronic filing requirement because of undue hardship may request a waiver from the State Tax Assessor. The request must be in writing and must include the name, address and withholding account number of the business, a detailed explanation of why filing electronically poses a significant hardship and the length of time for which you are requesting a waiver. Mail requests to: Maine Revenue Services, Withholding Unit, P.O. Box 1060, Augusta, ME 04332-1060. To view Rule 104, go to [www.maine.gov/revenue](http://www.maine.gov/revenue) (select "Laws & Rules").

The **Maine Employers Electronic Tax Reporting System (MEETRS)** allows employers and non-wage withholders to file multiple forms with a single login, including quarterly returns

and the annual reconciliation (Form W-3ME). Employers/payers using software capable of producing a file that conforms to the Maine Revenue Services ICESA specifications may upload that file to MRS via the web. Quarterly return file specifications are available to view or download from the Maine Revenue Services web site at [www.maine.gov/revenue](http://www.maine.gov/revenue) (select "Electronic Services" and scroll to "Payroll Taxes").

The quarterly return and Form W-3ME may also be filed via the MRS Internet filing program (Maine I-file), which does not require any special software. For your convenience, you may upload wage listing spreadsheet files via the Maine I-file program.

Experienced personnel can walk you through your initial registration and answer any questions you may have. **Call (207) 626-8475, select option 4** to speak with someone in the Maine Business Tax Unit. For more information, see [www.maine.gov/revenue](http://www.maine.gov/revenue).



## ELECTRONIC PAYMENT OPTIONS

**Electronic Payment Required.** MRS Rule 102 requires that taxpayers with an annual total combined tax liability for all taxes of \$10,000 or more must pay electronically. Payroll processing companies must remit electronically for all clients, even if clients are not mandated to pay electronically. MRS also encourages voluntary participation by those not required to pay electronically. You may request a waiver from this requirement for good cause. To obtain a waiver request form, see contact information in the last paragraph below.

MRS accepts electronic payments by ACH credit and ACH debit methods. There are several options for making payments by ACH debit. Each of these options is described below. ACH Credit and ACH Teledebit (phone payment system) require the submission of an EFT application prior to use.

**ACH Debit.** A taxpayer may make payments using this method by authorizing MRS to electronically transfer tax payments from the taxpayer's deposit account to the MRS deposit account. Most electronic filing systems used by Maine Revenue Services provide an option to pay by ACH debit by simply including your account information with the electronically filed return. In addition, ACH debit payments can be made using the Maine EZ Pay system or the Maine Teledebit system.

**Maine EZ Pay.** Maine Revenue Services offers a convenient web based payment option called **EZ Pay**. You can access **EZ Pay** on our web site at <https://portal.maine.gov/ezpay/welcome>. Almost any type of tax payment can be made, including withholding taxes. To use **EZ Pay**, simply register online at the time you want to make your first payment. Once registered, the system will ask you to select the tax type you want to pay. If you are making a pre-payment or semiweekly

payment of only the withholding tax portion, select "Withholding Semiweekly Payment." If you are paying a tax balance due on your quarterly return, select "941ME Quarterly Withholding Only Return Payment." If you are paying a balance due from a bill or notice that you received from MRS, select "Bill Payment."

**ACH Teledebit.** Payments by Teledebit are initiated through a telephone call to the MRS electronic withdrawal payment system (855-880-8168). This telephone payment system allows taxpayers to arrange for debit payments with effective dates up to 15 days in the future.

**ACH Credit.** A taxpayer may make payments using this method by authorizing their bank to withdraw the tax payment from the taxpayer's deposit account and transfer it to the state's account. You must have previously established a relationship with a bank that provides this service (generally larger commercial banks) and you must have previously registered with the MRS EFT Unit as a credit method payer.

**Penalty for Insufficient Funds.** The penalty for insufficient funds applies to electronic funds transfers. The penalty is \$20 or 1% of the payment amount, whichever is greater.

**Penalty for Failure to Pay by Electronic Funds Transfer.** Any person required to pay by electronic funds transfer who fails to do so is liable for a penalty equal to the lesser of 5% of the tax due or \$5,000.

For more information about electronic payment requirements, an application, a waiver request form or a copy of Rule 102, visit [www.maine.gov/revenue](http://www.maine.gov/revenue) and select Electronic Services; send an email to [efunds.transfer@maine.gov](mailto:efunds.transfer@maine.gov); send a fax to (207) 287-3618; call (207) 624-5625; or write to: EFT Unit, Maine Revenue Services, PO Box 1060, Augusta, ME 04332-1060.