



MAINE TAX ALERT

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Maine Revenue Services – Computer Assisted Mass Appraisal (CAMA) System

Thomas Walker, Acting Supervisor of Municipal Services in the Property Tax Division has recently co-authored an article published in the April 2006 issue of International Association of Assessing Officers (IAAO) Fair & Equitable magazine. The cover story entitled *Collecting Parcel Data on Handheld Computers* provides a comprehensive explanation of the Unorganized Territory's CAMA project which utilizes handheld field data gathering devices. The handheld PDA based data gathering tool is used by MRS property appraisers to perform field inspections and collect assessment data.

Tom's co-authors include Randy Link from Clearpath Innovations, Inc who built the handheld system for MRS (under subcontract to CAMA vendor MicroSolve), and Edgar Clodfelter from a Vermont based assessing business that has used MicroSolve's CAMA system for a number of years.

Maine Revenue Services to Upgrade Automated Tax System

MRS has initiated an effort to reengineer the Maine Automated Tax System (MATS). The project will include migrating from an IBM mainframe-to a new web-based user interface. This project will be called MERITS, for Maine Revenue Integrated Tax System. The objectives of MERITS are to ensure that MRS data processing technology remains current and reliable into the next decade, to provide additional functionality which will improve productivity, and to ensure that MRS can readily respond to changing tax laws and state initiatives. As such, the MERITS project is mission-critical, to ensure effective tax administration in Maine.

The MERITS project is expected to take approximately three years. During that time, and after the new system is in place, it is likely that most MRS staff will be impacted in some way. Every effort will be made to ensure that the quality of taxpayer service remains at a high level throughout the entire project.

Maine Revenue Services – Staff Change

Susan Smith joined the Tax Processing Center on April 10, 2006 as a Tax Section Manager. Susan is responsible for the Revenue Processing, Problem Resolution and Suspense Units. Susan has 27 years of tax experience with Maine Revenue Services, most recently as a Senior Tax Examiner in the Business Unit of the Income/Estate Tax Division where she was responsible for the administration of Maine corporate income tax, pass through entity reporting, and insurance taxes.

Estates of Maine Residents with Surviving Spouses who are Citizens of Foreign Countries

Federal law requires that the estate of a U.S. citizen with a non-citizen surviving spouse must establish a qualified domestic trust (“QDOT”) in lieu of the unlimited marital deduction. All assets that are designated for transfer to the surviving spouse must be placed in the QDOT. Then, normally when the surviving spouse dies or if part of the QDOT principal is distributed, the assets placed in the QDOT are included in, and taxed as part of, the first decedent’s estate.

Maine Revenue Services (“MRS”) has recently been asked if Maine would apply the federal QDOT requirements to assets placed in a Maine qualified terminable interest property (“QTIP”). At the federal level, amounts included in a Maine QTIP are not subject to the QDOT requirements; this is so because QTIP property is included in the decedent’s federal taxable estate. For Maine purposes, on the other hand, the Maine QTIP election designates a part of the federal taxable estate as a transfer to the surviving spouse and, therefore, removes those amounts from the first spouse’s Maine estate.

As there is no federal requirement for the Maine QTIP to be included in the federal QDOT, and no Maine statute addresses this issue, the federal QDOT requirements do not apply to Maine QTIP property.

Maine Revenue Services – Sales Tax Review Legislative Changes Affecting Resale Certificates

Effective March 29, 2006, the criteria for issuing resale certificates has changed. To qualify for a resale certificate, the minimum annual gross sales threshold has been decreased from \$10,000 to \$3,000. Accounts with annual gross sales of less than \$3,000 do not qualify for a resale certificate. Maine Revenue Services is in the process of reviewing all sales tax accounts and will issue resale certificates to those retailers that reported \$3,000 or more in gross sales during the 12 months preceding the review. Qualified retailers will receive resale certificates that are effective for a period of 3 calendar years. Subsequent resale certificates issued to qualified retailers will be effective for 5 calendar years. Previously, resale certificates were required to be issued annually.

<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	
Appellate	(207) 624-9854	(207) 287-3294	
Central Registration	(207) 287-2338	(207) 287-3733	division.uctax@maine.gov
Collections & Compliance	(207) 624-9595	(207) 287-6627	compliance.tax@maine.gov
Corporate Tax	(207) 624-9670	(207) 624-9694	corporate.tax@maine.gov
Economic Research	(207) 624-9789	(207) 287-3618	
E-file Help Desk (1040 ONLY)	(207) 624-9730	(207) 624-9740	efile.helpdesk@maine.gov
Electronic Funds Transfer	(207) 287-8276	(207) 287-6627	efunds.transfer@maine.gov
Estate Tax	(207) 626-8480	(207) 624-9694	estatetax@maine.gov
Fuel Tax	(207) 624-9745	(207) 287-6628	fuel.tax@maine.gov
Forms Request Line	(207) 624-7894	(207) 622-3517	
Income Tax Assistance	(207) 626-8475	(207) 624-9694	income.tax@maine.gov
Insurance Premium Tax	(207) 624-9753	(207) 624-7729	
NexTalk (TTY Service)	(888) 577-6690		
Payment Plan/Income Tax	(207) 621-4300	(207) 621-4328	compliance.tax@maine.gov
Payment Plan/Other	(207) 624-9595	(207) 287-6627	compliance.tax@maine.gov
Practitioners' Hotline	(207) 626-8458	(207) 624-9694	
Property Tax	(207) 287-2011	(207) 287-6396	prop.tax@maine.gov
Public Communications	(207) 626-8478	(207) 624-9694	
Sales Tax	(207) 624-9693	(207) 287-6628	sales.tax@maine.gov
Tax Clearance Letters	(207) 624-9628	(207) 287-6627	
Taxpayer Advocate	(207) 624-9649	(207) 287-3618	taxpayer.advocate@maine.gov
Withholding Tax	(207) 626-8475	(207) 624-9694	withholding.tax@maine.gov
Tax Violations Hot Line	(207) 624-9600		

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

John Elias Baldacci, Governor

Rebecca M. Wyke, Commissioner
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Suggestions for the Tax Alert?

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