



MAINE TAX ALERT

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Public Communications Tel: (207) 626-8478

2010 Form 706ME

The 2010 Form 706ME is now available for download from the Maine Revenue Services web site at www.maine.gov/revenue/forms. Forms and instructions may also be ordered by calling the forms line at 207-624-7894.

New for 2010:

To-date, the federal estate tax has not been reinstated for 2010. However, the Maine estate tax for deaths occurring after 2009 must be determined in accordance with the law applicable to decedents dying during calendar year 2009. As a result, a 2009 federal pro forma Form 706 must be completed in order to complete Maine Form 706ME for deaths occurring in 2010. Line references to the federal form on Maine Form 706ME and in the Maine instructions refer to the 2009 federal pro forma Form 706.

Maine Worksheet 706C has been eliminated. Calculations previously performed on Worksheet 706C have been combined with the calculations on Form 706ME, Step 4.

The Maine Certificate of Discharge of Estate Tax Lien for both real and tangible personal property may now be submitted to Maine Revenue Services (MRS) as an attachment to an email sent to MRS at estatetax@maine.gov. The attachment may be formatted as a pdf file. A certificate sent via email is acceptable only if sent from the email address in either Step 1 or Step 2 on the Maine estate tax Form 706ME. If you are unable to, or prefer not to, file the certificate via email, you may file the certificate with Form 706ME. Although the certificate may be submitted by email, Form 706ME must be sent by mail to the appropriate address shown on page 2 of the form.

2011 Tax Return Filing Due Date

Maine will conform to the federal due date change for 2010 individual income tax returns. The due date for federal tax returns ordinarily due April 15, 2011, is being changed to April 18, 2011 due to the observance of Emancipation Day in DC on April 15, 2011.

However, since April 18, 2011 falls on Patriot's Day, a holiday observed in Maine, 2010 Maine income tax returns ordinarily due April 15, 2011 will instead be due **April 19, 2011**.

The due date change does not apply to Maine forms that have statutorily defined due dates and are not tied to the federal due dates.

2010 Sales & Use Tax Symposiums

The Fall 2010 schedule of Sales & Use Tax Symposiums has been announced. The Symposiums, scheduled to be held in the cities of Caribou, Bangor, Augusta and Portland, include a comprehensive review of the sales and use tax law and recent law changes. Visit the MRS web site at www.maine.gov/revenue/salesuse/salestax/Symposium2010.htm for more information.

Maine Revenue Services Rulemaking Activity

Adopted Rule 801, “Apportionment.” This rule explains the basis for the apportionment of net income of corporations, pass-through entities, sole proprietorships and other business types as required by law. MRS amended Rule 801 to expand the discussion of “water’s edge” reporting. The recent legislative changes, including the so-called “Finnigan rule,” the repeal of the throw-back rule and the adoption of the throw-out rule, are reflected. New definitions of “taxpayer” and “unitary business” are included in the Rule. Rule 801 can be found on the MRS web site at www.maine.gov/revenue (select Laws & Rules).

Adopted Rule 803, “Withholding Tax Reports and Payments.” This rule, which has been in place since 1982 and was repealed and replaced in 2010, establishes a system of filing withholding tax reports and making payments. MRS amended Rule 803 as follows. New language was added, including electronic filing language, to follow federal requirements for furnishing information statements. Employers and payers filing more than 250 Forms W-2 or 1099 must report the same information to MRS. Clarifications are made to withholding requirements for compensation paid to nonresidents performing services in this state. Rule 803 can be found on the MRS web site at www.maine.gov/revenue (select Laws & Rules).

Adopted Rule 810, “Maine Unitary Business Taxable Income, Combined Reports and Tax Returns.” This rule, last amended in 2008, explains standards for determining Maine income tax for unitary businesses and combined reporting and tax returns. The combined reporting section is expanded to provide guidance on “water’s edge” filing. The recent legislative changes (including the so-called “Finnigan rule”) are reflected. The Rule clarifies that members of a unitary group filing a combined return are jointly and severally liable for the tax of the members of the combined group. Rule 810 can be found on the MRS web site at www.maine.gov/revenue (select Laws & Rules).

<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) 287-3618	
Central Registration	(207) 621-5129	(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) 287-6628	efile.helpdesk@maine.gov
Electronic Funds Transfer	(207) 287-8276	(207) 287-6975	efunds.transfer@maine.gov
Estate & Fiduciary Tax	(207) 626-8480	(207) 624-9694	estatetax@maine.gov
Fuel Tax	(207) 624-9609	(207) 287-6628	fuel.tax@maine.gov
Forms Request Line	(207) 624-7894		
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) 287-2013	(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

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Suggestions for the Tax Alert?

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