



MAINE TAX ALERT

A Publication of Maine Revenue Services for Tax Professionals

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Public Communications Tel: (207) 626-8478

Maine Revenue Services has Moved

Maine Revenue Services, including the Taxpayer Service Center, has relocated to its new central office building at 51 Commerce Drive in Augusta.

Taxpayers can receive walk-in assistance for all taxes and programs administered by Maine Revenue Services at the new location, Monday – Friday, 8:00 am – 4:30 pm, state recognized holidays excepted. Telephone assistance is also generally available Monday – Friday, 8:00 am – 5:00 pm, state recognized holidays excepted. For more information about the new location, call 626-8475 or visit www.maine.gov/revenue/homepage_files/walkin.html.

Form 941P-ME – Maine Income Tax Withholding for Pass-Through Entities Now Available

Maine Revenue Services has posted the 2012 version of Form 941P-ME (Maine Income Tax Withholding for Pass-Through Entities) to its web site. The new form combines the reporting of pass-through entity withholding and the reporting of entity information (previously reported on Form 1065ME/1120S-ME) onto a single annual return.

Only pass-through entities doing business in Maine or that otherwise have Maine source income and that have non-resident members are required to file Form 941P-ME. An entity is not required to file Form 941P-ME if all of its members were full-year residents of Maine during the year for which the form is filed. The form is due annually on April 30th.

Maine utilizes the combined federal/state Modernized e-File (MeF) program to facilitate electronic filing of Form 941P-ME. Entities (or their preparers) that use software that supports the Maine MeF program for Form 941P-ME are required to file electronically. All others are granted an automatic waiver from the electronic filing requirement, and do not need to submit a waiver request to Maine Revenue Services. Those that have the ability to electronically file the return, but who are unable to do so due to hardship, may request a waiver in writing.

Members subject to withholding must be listed on Form 941P-ME, Schedule 2P. Exempt members (except those that are automatically exempt) must be listed on Form 941P-ME, Schedule 3P. Members that are automatically exempt should not be listed on either Schedule.

An entity that is required to withhold from its members must also make estimated withholding payments on a quarterly basis if the total withholding for all members exceeds \$1,000 for the calendar year.

For more information, see the instructions for Form 941P-ME at www.maine.gov/revenue/forms/ptewith/2012.htm.

16th Annual Maine Tax Forum

The 16th Annual Maine Tax Forum, hosted by Maine Revenue Services, was held November 7th and 8th at the Augusta Civic Center. 779 individuals registered to attend the 2012 forum. Attorney General William J. Schneider presented a session on Ethics. Other topics included Federal and Maine Income Tax Developments, Federal and State Income Tax Case Law Developments, IRS Initiatives, Audit Updates, Sales Tax Updates, Maine Business Tax Incentives and presentations were given by the new Office of Board of Tax Appeals and the Maine Taxpayer Advocate.

Maine Revenue Services discontinues use of the Short Form 1040S-ME

The Maine short form will be eliminated for tax years beginning on or after January 1, 2012. Use of the short form has steadily declined as other electronic filing alternatives (Maine Fastfile) have become available. Less than 7% of 2011 Maine individual income tax returns were filed using Bureau printed short forms (Form 1040S-ME). Declining use and increasing costs to print forms and maintain a separate short form and long form, coupled with underuse of the deductions and credits not available on the short form, led to the decision to discontinue the form.

Information on Maine Fastfile options is available by visiting www.maine.gov/revenue (click on “Electronic Services”).

2012 Maine Tax Forms

Availability of Forms

Most income tax forms for tax year 2012 have been posted to the Maine Revenue Services (MRS) web site at www.maine.gov/revenue/forms. All downloadable forms posted on the MRS web site are suitable for printing and filing with the bureau.

Form 2333ME for ordering 2012 tax forms is now available at www.maine.gov/revenue/forms/orderhome.html. A printed version of Form 2333ME is also available by calling (207) 624-7894.

Guidance Materials

The Income/Estate Tax Division has updated instructional material for taxpayers and tax professionals including guidance documents and frequently asked questions relative to the various tax types on the MRS web site.

Individual Income Tax Booklets

Significant changes to the 2012 individual income tax forms include:

- Form 1040ME is now a three page form. Changes were required to be made for maximum optical character recognition by Bureau scanning and imaging equipment.
- Form 1040ME, Schedules 1 and 2 are now located on separate pages.
- The Maine minimum tax has been eliminated from section 1 of Form 1040ME, Schedule A.
- A tax credit line has been added to claim the Maine Forest Management Planning Tax Credit (Form 1040ME, Schedule A, line 17)

For more information on these and other changes, see specific line instructions and the 2012 summary of legislative changes at www.maine.gov/revenue/.

2013 Maine Individual Income Tax Rates

Below are the individual income tax rate schedules for tax years beginning in 20 13. The rate schedules for 2012 are found at www.maine.gov/revenue/forms/1040/2012/RateSched_12.pdf.

Note: The 2013 tax rate schedule dollar bracket amounts are adjusted by multiplying the cost-of-living adjustment, 1.0499, by the dollar amounts of the tax rate tables specified in 36 MRSA §5111 subsections 1-C, 2-C and 3-C (see 36 M.R.S.A. §5403). The personal exemption and standard deduction amounts are equal to the federal personal exemption and standard deduction amounts under the Code for tax years beginning after 2012.

Do not use these tax rate schedules to determine income tax withholding from wages.

Tax Rate Schedule #1

For Single Individuals and Married Persons Filing Separate Returns

If the taxable income is:		The tax is:	
Less than \$5,200		\$0	
\$ 5,200 but less than	\$20,900	6.5% of excess over	\$ 5,200
\$20,900 or more		\$1,021 plus 7.95% of excess over	\$20,900

Tax Rate Schedule #2

For Unmarried or Legally Separated Individuals who Qualify as Heads-of-Households

If the taxable income is:		The tax is:	
Less than \$7,850		\$0	
\$ 7,850 but less than	\$31,350	6.5% of excess over	\$ 7,850
\$31,350 or more		\$1,528 plus 7.95% of excess over	\$31,350

Tax Rate Schedule #3

For Married Individuals and Surviving Spouses Filing Joint Returns

If the taxable income is:		The tax is:	
Less than \$10,450		\$0	
\$10,450 but less than	\$41,850	6.5% of excess over	\$10,450
\$41,850 or more		\$2,041 plus 7.95% of excess over	\$41,850

Personal Exemption: \$3,900

Standard Deduction: Single - \$6,100
Married Filing Jointly - \$10,150
Head-of-Household - \$8,950
Married Filing Separate - \$5,075

Additional Amount for Age or Blindness:

\$1,200 if married (whether filing jointly or separately) or a qualified surviving spouse. The additional amount is \$2,400 if one spouse is 65 or over and blind, \$2,400* if both spouses are 65 or over, \$4,800* if both spouses are 65 or over and blind, etc.

*If married filing separately, these amounts apply only if you can claim an exemption for your spouse.

\$1,500 if unmarried (single or head-of-household). The additional amount is \$3,000 if the individual is both 65 or over and blind.

Note: If taxpayer can be claimed as a dependent on another person's return, the standard deduction is the greater of \$1,000 or earned income plus \$350 (up to the standard deduction amount).

<u>Department</u>	<u>Telephone Numbers</u>	<u>FAX Numbers</u>	<u>E-mail Addresses</u>
Taxpayer Service Center	(207) 626-8475	(207) 287-5855	
Audit	(207) 822-0450	(207) 822-0453	
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
E-file Help Desk (1040 ONLY)	(207) 624-9730	(207) 287-6628	efile.helpdesk@maine.gov
Electronic Funds Transfer	(207) 624-5625	(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		
Individual Income Tax Assistance	(207) 626-8475	(207) 624-9694	income.tax@maine.gov
Insurance Premium Tax	(207) 624-9753	(207) 624-9694	
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) 624-5600	(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	
Office of Tax Policy	(207) 624-9789	(207) 287-3618	
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.

Suggestions for the Tax Alert?

Please contact: Public Communications (207) 626-8478
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