



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

## Your Rights As A Taxpayer

Most people understand they have a duty to pay all taxes imposed by the State of Maine when those taxes are due. Many people, however, do not know that the law gives them important rights as taxpayers and places important obligations on the State in dealing with them.

Maine Revenue Services (MRS) believes that everyone benefits when taxpayers know their rights under the tax laws. To help you understand what you may expect of MRS, this brochure has been prepared to describe your rights and MRS obligations.

The mission of MRS is to fairly and efficiently administer the tax laws of the State of Maine, while maintaining the highest degree of integrity and professionalism. You can help achieve that goal by understanding your rights as a taxpayer. Please read the following information carefully and feel free to call MRS if you have any questions. You'll find MRS Contact Information at the end of this brochure.

## **I've received an assessment or other determination, but I don't agree that I owe the amount due or I don't agree with the determination. What should I do?**

You have 60 days from the day you receive an assessment or certain other determinations to request that MRS reconsider the assessment or determination. See 36 Maine Revised Statutes (M.R.S.) § 151. Reconsideration requests must be in writing. Please use the Petition for Reconsideration form available at [www.maine.gov/revenue/tax-return-forms/general-forms](http://www.maine.gov/revenue/tax-return-forms/general-forms) or call (207) 624-9784 to have one mailed to you. Include in your petition the amount of the assessment or the determination that you want MRS to reconsider along with a detailed description and, if applicable, documentation supporting your request. Make sure the request is postmarked or delivered to MRS before the 60-day period runs out. Mail your complete petition to:

**Division Reconsideration  
Maine Revenue Services  
PO Box 1060  
Augusta, Maine 04332-1060**

## **I've received an assessment. I agree with the assessment, but I can't pay. What should I do?**

If you are unable to pay the amount due in full, you should pay as much as you can now. Penalties and interest may accrue on any unpaid balance until paid. You may call MRS to discuss payment arrangements or payment plans. Please refer to the phone numbers at the end of this document, under the section labeled, "**Collections and Compliance (payment arrangements and payment plan options)**." Contacting MRS timely and establishing an acceptable payment plan may prevent enforced collection activity against you.

## **Can I ask to have interest waived?**

Yes. MRS may waive interest in certain unusual circumstances; however, these cases are rare. You can request reconsideration of interest by petitioning as explained above. See 36 M.R.S. § 186.

## **Can I ask to have penalties waived?**

Yes. MRS must waive certain penalties (e.g., failure-

to-file or failure-to-pay penalties) on a showing of reasonable cause or if reasonable cause is otherwise apparent. See 36 M.R.S. § 187-B(7). You can request reconsideration of certain penalties by petitioning as explained above. Reasonable cause includes, but is not limited to, erroneous information provided by MRS, death or serious illness of the taxpayer or member of the taxpayer's immediate family, or a natural disaster. However, negligence, fraud, and insufficient-funds penalties are *not* eligible for abatement due to reasonable cause. See 36 M.R.S. § 187-B(7).

In addition, underpayment of estimated tax penalties may also be waived for cause. See M.R.S. § 5228(5).

### **What do I do if I think I'm entitled to a refund?**

If you believe that you have overpaid a tax, you must request a refund in writing or file an amended return within the period allowed by law (generally three years from the date of overpayment). If MRS denies your refund request, you may ask for reconsideration under the same procedure used for assessments and other determinations.

### **What do I do if I think I'm entitled to a refundable credit?**

If you believe that you are entitled to a refundable credit, you must claim the refundable credit on a return within the period allowed by law (generally three years from the return due date). If MRS denies your request for a refundable credit or issues an assessment for a refundable credit that was already granted, you may ask for reconsideration under the same procedure used for assessments and other determinations.

### **After I file a petition, do I still have to pay the amount due?**

No. Ordinarily, you don't have to pay the amount due while your case is under appeal. No attempt will be made to collect the amount due while your case is under appeal. However, interest continues to accrue during the appeals process. You can minimize additional interest and penalties by helping to get your case decided as quickly as possible. For example, if you have any documents that you want MRS to consider,

you should attach copies to your petition. You should also be as specific as possible in explaining why you believe the assessment is not correct.

However, if you have received a “jeopardy” assessment, you must immediately pay the assessed amount, or file a bond or other security, to prevent immediate collection proceedings. You may still file a petition within 60 days as with any other assessment. For any assessment, if you pay the amount due and MRS later determines that you do not owe some or all of the assessment, MRS will issue you a refund.

### **Can I ask to meet with MRS?**

Yes, if you think meeting with MRS would be helpful. A meeting with MRS may be held in person or by telephone. You may bring an attorney, an accountant, a bookkeeper, or any other authorized representative you believe would be helpful during the meeting.

To safeguard the confidentiality of your tax information, please provide MRS with a document, which must be signed by you, authorizing MRS to communicate with your duly authorized representative regarding your tax matter. You may use the Petition for Reconsideration form (complete Sections 6 and 7), the MRS Power of Attorney form (Form 2848-ME), or the MRS Limited Power of Attorney form (Form 2848-ME-L). However, note that a *limited* power of attorney form authorizes the representative to communicate with MRS but *not* to act on your behalf. All forms are available at [www.maine.gov/revenue/tax-return-forms/general-forms](http://www.maine.gov/revenue/tax-return-forms/general-forms), or you may call (207) 624-9784 to have a Petition for Reconsideration form or Power of Attorney form (Form 2848-ME or Form 2848-ME-L) mailed to you. You may stop a meeting at any time if you want to consult with your authorized representative. Another date can be scheduled to finish the meeting.

Whether or not a meeting is held, you may work with MRS to resolve the matter through correspondence, informal discussion, or a settlement offer.

### **May I record a meeting with MRS?**

Yes. Any time you meet with an MRS representative concerning the determination or collection of tax, you may at your own expense make an audio recording

of the meeting. If you want to make a recording, you must notify MRS before the meeting.

### **Who makes the decision on reconsideration on my case after I have explained my position to MRS?**

The division that made the assessment or other determination will review your petition and any additional evidence presented and issue a decision on reconsideration of your case.

### **How will I be notified of the decision on reconsideration?**

Generally, MRS will mail you and, if applicable, your authorized representative a decision on reconsideration letter within 90 days of receiving your petition. However, the 90-day period can be extended by mutual consent. Some reconsideration requests may also require more time to review due to various factors, such as complex tax issues, requests for additional information, or ongoing discussions with taxpayers.

### **Can I withdraw my request for reconsideration?**

Yes. At any point during the reconsideration process before a decision is issued, you may withdraw your request for reconsideration. To withdraw, you should notify the MRS division handling your reconsideration in writing.

### **What can I do if the decision on reconsideration says that I still owe the amount due or I don't agree with the decision on reconsideration?**

You may contact MRS to arrange to pay the amount due, including discussing payment plan options. If you still don't agree that you owe the amount due, or you don't agree with the decision, and your reconsideration request was timely filed, you have 60 days from the day you receive the decision on reconsideration to appeal your case to the Maine Board of Tax Appeals (if the amount in your petition was \$1,000 or more) or Maine Superior Court (regardless of the amount stated in your petition). Decisions by the Board may also be appealed to Maine Superior Court.

At any time, you may submit an offer-in-compromise (settlement) request to MRS (instructions are available at [www.maine.gov/revenue/taxes/compliance](http://www.maine.gov/revenue/taxes/compliance)). MRS may compromise a liability (i.e., tax, interest, or

penalties) in cases where there is either doubt as to the liability or doubt as to the collectability, or both. MRS may decide to accept or decline a settlement offer, or make a counter-offer. A taxpayer may not ask for reconsideration of an MRS decision to decline a settlement offer. In addition, if MRS accepts a settlement offer, the liability in question is conclusively settled. Neither the taxpayer nor MRS may reopen an executed settlement agreement except in the case of falsification or concealment of assets by the taxpayer, fraud or mutual mistake of material fact. See 36 M.R.S. § 143.

### **What happens if I miss the 60-day deadline to ask for reconsideration?**

As discussed above, you may submit an offer-in-compromise (settlement) request to MRS at any time. In addition, you have three years from the date of the assessment to request that MRS cancel or abate any tax (including interest and penalties) that has been levied illegally or in certain other situations. There is no right to appeal the decision if MRS declines to cancel or abate the tax, and collection efforts may proceed. See 36 M.R.S. §§ 142 and 143.

### **What happens if I don't pay?**

If tax is due, and you have no remaining appeal rights, you will receive a letter from MRS informing you that you have 10 days to pay the full amount to avoid enforced collection. The letter will also explain your rights during the enforced collection process. See 36 M.R.S. § 171. Payment plans may be available.

### **What does enforced collection mean?**

Enforced collection means that if you do not pay the amount due voluntarily, MRS can collect it from you by various methods, including seizing and selling your property. MRS can also attach your wages, levy your bank account, and block the renewal of a professional Maine license(s) or revoke the license(s). See, e.g., 36 M.R.S. §§ 175 and 176-A.

### **Is all of my property subject to enforced collection?**

No. There are certain items that MRS cannot seize and sell, and a portion of your wages is exempt from attachment. See, e.g., 36 M.R.S. § 176-A.

## What if I have not filed a required return or paid the tax due?

If a return is filed after the due date, a late filing penalty is charged. The penalty is \$25 or 10% of the tax due, whichever is greater. If a return is not filed after MRS sends a formal written “demand notice” for the return, the penalty is \$25 or 25% of the tax due, whichever is greater. In addition, interest and penalties may be charged for late tax payments. The penalty can be as much as 25% of the tax due. See 36 M.R.S. §§ 186 and 187-B.

## I've been notified that I am scheduled for an audit. What records may the auditors examine?

Whenever necessary for the administration of Title 36, MRS auditors may examine any books and records, *including electronic records*, or other property that is relevant to determining your tax liability (including interest and penalties). The auditors will work with you to determine a convenient time for the audit and will tell you in advance which initial records you should arrange to have available. As the audit progresses, it may become necessary for the auditor to make additional requests for records needed for the completion of the audit. See 36 M.R.S. §§ 112(3) and (4); see also MRS Rule 103.

## Will the information in my records be kept confidential?

Yes. Information obtained from taxpayers by MRS is kept strictly confidential, unless release is otherwise authorized by law. See, e.g., 36 M.R.S. § 191. In fact, criminal penalties may be imposed on any MRS employee who wrongfully inspects or divulges confidential information. A person who willfully violates the confidentiality laws under 36 M.R.S. § 191 commits a Class E crime and an offender who is an officer or employee of the State must be dismissed from office. **Note: Pursuant to 36 M.R.S. § 191(2)(UU), reconsideration decisions may be produced in court or pursuant to a discovery or freedom of access request in redacted format so as not to reveal any taxpayer-identifying information.**

## Who may I contact if I have been unable to resolve a problem with MRS?

You may contact the Taxpayer Advocate if you would

like assistance in resolving a problem with MRS. See MRS Contact Information below. The Taxpayer Advocate has the authority to investigate complaints affecting taxpayers generally or any particular taxpayer and, when appropriate, to make recommendations to MRS with respect to those complaints. MRS is required to respond to the Taxpayer Advocate within 3 months of receiving a formal recommendation for change from the Taxpayer Advocate. The Taxpayer Advocate may also propose law changes in an effort to reduce problems taxpayers have with MRS. See 36 M.R.S. § 151-C.

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### **MRS Contact Information:**

Visit [www.maine.gov/revenue](http://www.maine.gov/revenue) anytime or [call](tel:2076249670) between 9:00am - 12:00 noon:

- Corporate income tax (207) 624-9670  
email: [corporate.tax@maine.gov](mailto:corporate.tax@maine.gov)
- Estate and fiduciary taxes (207) 626-8480  
email: [estatetax@maine.gov](mailto:estatetax@maine.gov)
- Fuels and special taxes (207) 624-9609  
email: [fuel.tax@maine.gov](mailto:fuel.tax@maine.gov)
- General information (207) 624-9784
- Individual income tax (207) 626-8475  
email: [income.tax@maine.gov](mailto:income.tax@maine.gov)
- Insurance premium tax (207) 624-9753
- Property tax and (207) 624-5600  
Business Equipment  
Tax Reimbursement  
email: [prop.tax@maine.gov](mailto:prop.tax@maine.gov)
- Sales, fuel, and special taxes (207) 624-9693  
email: [sales.tax@maine.gov](mailto:sales.tax@maine.gov)
- Tax clearance forms (207) 624-9595
- Taxpayer Advocate (207) 624-9649  
email: [taxpayer.advocate@maine.gov](mailto:taxpayer.advocate@maine.gov)
- Withholding tax (207) 626-8475  
email: [withholding.tax@maine.gov](mailto:withholding.tax@maine.gov)

**Collections and Compliance (payment arrangements and payment plan options).** Call 8:00am to 5:00pm:

- Income tax (Maine): (207) 621-4300  
(outside Maine): (800) 987-7735
- Other taxes: (207) 624-9595  
email: [compliance.tax@maine.gov](mailto:compliance.tax@maine.gov)

A complete list of MRS contact information is available at [www.maine.gov/revenue](http://www.maine.gov/revenue).