



MAINE TAX ALERT

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Acting Director, Property Tax Division

Effective immediately, Stephen Sullivan will serve as the Acting Director of the Property Tax Division at MRS. Stephen has served with MRS for the past 10 years, most recently as Deputy Director of the Property Tax Division. Stephen is also a Level-4 Certified Maine Assessor (CMA) and a licensed real estate appraiser in Maine.

2026 Returns and Estimated Tax Payments for the New Maine Pass-Through Entity Tax Program

On April 10, 2026, the Maine Legislature enacted a pass-through entity tax (PTET) program for tax years beginning on or after January 1, 2026. *See* P.L. 2025, ch. 650, Pt. N.

The PTET program applies to each taxable year that the pass-through entity elects to be subject to the tax. The amount of the PTET for each taxable year is equal to the distributive share of income of all qualified members increased by the PTET paid to Maine and PTET amounts paid to other states that are substantially similar to the Maine PTET multiplied by the highest marginal individual income tax rate under 36 M.R.S. § 5111, excluding the 2% surcharge under 36 M.R.S. § 5111(7). For tax years beginning in 2026, the applicable PTET tax rate is 7.15%.

Qualified members may claim a refundable income tax credit equal to 90% of their distributive share of the Maine PTET paid. 36 M.R.S. § 5219-CCC enacted by P.L. 2025, ch. 650, § N-5.

Annual PTET Return Filings

For tax years beginning in 2026, annual PTET returns must be filed electronically through the Maine Tax Portal (“MTP”). For tax years beginning after 2026, annual returns must be filed electronically through either the MTP or the combined federal/state Modernized e-File (“MeF”) program. The PTET program does not allow for the filing of paper returns. Returns, along with payment of any tax liability, are due on or before the 15th day of the 3rd month following the end of the electing pass-through entity’s taxable year.

Estimated PTET Payments

Quarterly estimated payments are required on or before the 15th day of the 4th, 6th, 9th, and 13th months following the beginning of the electing pass-through entity’s taxable year.

For tax years beginning in 2026, electronic payments of estimated PTET must be made through the MTP, which is expected to be available in early September 2026. A Maine Tax Alert will be published to announce the availability of the MTP for estimated PTET payments. Previously due estimated PTET payments may also be made at that time.

EFFECTIVE IMMEDIATELY

Revised 2026 Withholding Tables and Estimated Tax Payment Worksheet

EFFECTIVE IMMEDIATELY, MRS has published the revised 2026 Maine Income Tax Withholding Tables and the 2026 Estimated Tax Payment Worksheet (Form 1040ES-ME) to reflect the recent adoption of the 2% individual income tax surcharge and changes to the standard deduction amount, both of which apply to tax years beginning on or after January 1, 2026.

Changes have also been made to the 2026 REW-5 (Request for exemption or Reduction in Withholding of Maine Income Tax on the Disposition of Maine Real Property) and 2026 REW Notification to Sellers of Withholding Tax Requirement.

Updated instructions and tables can be found online at maine.gov/revenue/tax-return-forms. Please discard previous copies of these forms and tables.

Income tax surcharge. For tax years beginning on or after January 1, 2026, an income tax surcharge of 2% applies to the portion of Maine taxable income that exceeds \$1 million for single individuals; \$750,000 for married individuals filing separate returns; and \$1.5 million for individuals filing as heads of households, married individuals filing joint returns, or individuals filing as surviving spouses. The surcharge also applies to estates and trusts filing income tax returns with taxable income greater than \$1 million. The Maine taxable income thresholds are annually adjusted for inflation.

Standard deduction. For tax years beginning in 2026, the standard deduction for a resident individual is equal to the sum of the basic standard deduction and the additional standard deduction, subject to phase-out. The basic standard deduction is \$15,700 for single individuals and married persons filing separate returns; \$23,550 for individuals filing as heads of households; and \$31,400 for individuals filing married joint returns or as surviving spouses. The additional standard deduction is equal to the amount allowed for age and blindness under the Internal Revenue Code, § 63(c)(3).

MRS Reminder – Electronic Filing and Payment Requirements

MRS Rule 104 requires tax returns filed by individuals, estates and trusts, and businesses to be filed electronically. This includes any Maine return for which MRS provides a program for electronic filing or electronic data submission. For more information about Maine electronic filing requirements, see MRS Rule 104 at maine.gov/revenue/publications/rules.

MRS Rule 102 requires taxpayers with a combined annual tax liability for all taxes that is \$10,000 or more to pay electronically. For more information about electronic payment requirements, see MRS Rule 102 at maine.gov/revenue/publications/rules.

The Maine Tax Portal (MTP) provides the functionality for all Maine taxes administered by MRS to be filed online and allows Maine taxpayers and tax practitioners to make online payments, view bills and notices, and maintain Maine tax accounts. Taxes and programs supported by the MTP include, but are not limited to:

- Individual income tax, composite income tax, fiduciary income tax, corporate income tax, employment tax increment financing reimbursement program, estate tax, franchise tax, income tax withholding, insurance taxes (premiums, fire, non-admitted), partnership audit, pass-through entity withholding, private venture seed capital credit program, real estate withholding, and visual media production reimbursement program.
- Sales tax, use tax, service provider tax, blueberry tax, cannabis excise tax, cigarette tax, fuel taxes, healthcare provider tax, hospital tax, initiator of deposit tax, mahogany quahog tax, milk handling tax, potato tax, railroad excise tax, and tobacco taxes.
- Business equipment tax reimbursement (BETR) program, commercial forestry excise tax, real estate transfer tax, telecommunications excise tax, and property tax in the unorganized territory.

2026 State Tax Symposium

Save the date! The annual State Tax Symposium will take place virtually, on Wednesday, September 23, 2026, from 8:00 am to 4:00 pm. This one-day event will cover recent Maine tax updates and current agency highlights. To register, visit [State Tax Symposium 2026 Tickets](https://maine.gov/revenue/symposium). For more information or to view prior symposium presentations, visit maine.gov/revenue/symposium.

Careers and Internships at MRS

MRS's mission is to fairly and efficiently administer the State's tax laws with integrity and professionalism.

MRS is looking for smart, motivated, and team-oriented people to join our team. Benefits include:

- Qualifying employer for federal student loan forgiveness
- Tuition reimbursement for continuing education (including CPA exam)
- Public service
- Competitive salary
- MainePERS retirement plan and deferred compensation
- Generous insurance and paid leave (including all state holidays)
- Flexible spending accounts and longevity pay
- Gym membership reimbursement

Regularly posted, full-time positions at MRS include the Tax Examiner and Revenue Agent positions. Click the following link for more information about these positions: maine.gov/cgi-bin/bhrssalary/jobs.pl.

Click the following link for more information about careers and paid internships and to sign up to receive notifications of new MRS job openings: maine.gov/revenue/careers.

MRS Contact Information:

A complete list of MRS contact information is available at maine.gov/revenue.

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.

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