



# MAINE TAX ALERT

A Publication of Maine Revenue Services (“MRS”) for Tax Professionals

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## **Internal Revenue Service (IRS) Confirms Maine’s \$850 Relief Payments Not Subject to Federal Income Tax**

As a result of the enacted supplemental budget (Public Law 2021, Chapter 635), the State of Maine has issued \$850 relief payments to nearly 876,000 Maine individuals as part of the COVID Pandemic Relief Payment Program.

While the \$850 relief payments are not subject Maine state income tax, the Program was also created with the intention that these relief payments would be excluded from federal income tax. On Friday, February 10, 2023, the IRS confirmed this understanding that Maine’s \$850 relief payments are also not subject to federal income tax: [www.irs.gov/newsroom/irs-issues-guidance-on-state-tax-payments-to-help-taxpayers](https://www.irs.gov/newsroom/irs-issues-guidance-on-state-tax-payments-to-help-taxpayers)

For more information about the federal taxability of relief payments, please consult a tax professional or visit the IRS website at [www.irs.gov](https://www.irs.gov).

## **Requirement to File Maine Amended Income Tax Returns Due to Change or Correction to the Credit for Tax Paid to Other Jurisdiction**

Under Maine statute, a taxpayer is required to amend a Maine income tax return “whenever for any reason there is a change or correction affecting the taxpayer’s liability” (36 M.R.S. § 5227-A(1)). The amended return is due within 180 days of the final determination date of the change or correction (36 M.R.S. § 5227-A(2)).

This requirement applies to a Maine resident taxpayer that has income sourced to another state and has claimed the Maine credit for income tax paid to other jurisdiction (“OJ credit”) under 36 M.R.S. § 5217-A on that income and the tax liability upon which the Maine OJ credit is based has been changed or corrected.

For example, the State of Massachusetts recently reduced the 2021 Massachusetts income tax liability of resident and nonresident income tax taxpayers as required by the [Massachusetts General Laws, Chapter 62F](#). For certain Maine residents that have income that is sourced to Massachusetts under Maine law, this reduction in the 2021 Massachusetts income tax liability may also affect the amount of the taxpayer’s 2021 Maine OJ credit, if claimed, resulting in the requirement to file a 2021 Maine amended income tax return.

Taxpayers affected by the example noted above may request MRS to abate any interest and penalties that would otherwise apply if the taxpayers, within the 180-day period, both (1) file the Maine amended return and (2) pay the additional Maine tax due.

Taxpayers with questions about their Maine income taxes are encouraged to contact MRS at (207) 626-8475.

## **Schedule No Longer Required with Potato Tax Shipper's Report**

Effective for the Potato Tax Shipper's Report due February 28, 2023, for the January 2023 filing period, MRS will no longer require Potato Tax filers to provide a Potato Shipment Schedule with their Potato Tax Shipper's Report.

Beginning with the February 2023 filing period, due March 31, 2023, MRS will no longer be providing copies of the Potato Shipment Schedules with the mailings of the Potato Tax Shipper's Report. If a Potato Tax filer files its Potato Tax Shipper's Report through the Maine Tax Portal (MTP), the filer will no longer be prompted to attach a schedule electronically.

While a Potato Tax filer is no longer required to submit the Potato Shipment Schedules, it is still required to maintain the schedules as part of its Potato Tax records, for a period of at least 6 years. Potato Shipment Schedules are available on the MRS website under "Other Taxes."

Please contact the Sales, Fuel & Special Tax Division of MRS at (207) 624-9693 with any questions.

## **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:  
<https://apps.web.maine.gov/cgi-bin/bhrsalary/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: [www.maine.gov/revenue/careers](http://www.maine.gov/revenue/careers).

## Fraud Alert

If you believe you are a victim of identity theft or that a breach of personally identifiable information has occurred, contact MRS at (207) 624-7658 or email [fraudalert.mrs@maine.gov](mailto:fraudalert.mrs@maine.gov) as soon as possible. Timely notification assists MRS in preventing fraudulent tax refunds.

<u>Department</u>	<u>Telephone Numbers</u>	<u>FAX Numbers</u>	<u>E-mail Addresses</u>
Taxpayer Contact Center	(207) 624-9784	(207) 287-6975	<a href="mailto:taxpayerassist@maine.gov">taxpayerassist@maine.gov</a>
Central Registration	(207) 624-9784	(207) 287-6975	<a href="mailto:taxpayerassist@maine.gov">taxpayerassist@maine.gov</a>
Collections & Compliance	(207) 624-9595	(207) 287-6627	<a href="mailto:compliance.tax@maine.gov">compliance.tax@maine.gov</a>
Corporate Tax	(207) 624-9670	(207) 624-9694	<a href="mailto:corporate.tax@maine.gov">corporate.tax@maine.gov</a>
E-file Help Desk (1040 ONLY)	(207) 624-9730	(207) 287-6628	<a href="mailto:efile.helpdesk@maine.gov">efile.helpdesk@maine.gov</a>
Electronic Funds Transfer	(207) 624-5625	(207) 287-3618	<a href="mailto:efunds.transfer@maine.gov">efunds.transfer@maine.gov</a>
Estate & Fiduciary Tax	(207) 626-8480	(207) 624-9694	<a href="mailto:estatetax@maine.gov">estatetax@maine.gov</a>
Fuel & Special Taxes	(207) 624-9609	(207) 287-6628	<a href="mailto:fuel.tax@maine.gov">fuel.tax@maine.gov</a>
Forms Request Line	(207) 624-7894		
Individual Income Tax Assistance	(207) 626-8475	(207) 624-9694	<a href="mailto:income.tax@maine.gov">income.tax@maine.gov</a>
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	<a href="mailto:compliance.tax@maine.gov">compliance.tax@maine.gov</a>
Payment Plan/Other	(207) 624-9595	(207) 287-6627	<a href="mailto:compliance.tax@maine.gov">compliance.tax@maine.gov</a>
Practitioners' Hotline	(207) 626-8458	(207) 624-9694	
Property Tax	(207) 624-5600	(207) 287-6396	<a href="mailto:prop.tax@maine.gov">prop.tax@maine.gov</a>
Public Communications	(207) 626-8478	(207) 624-9694	
Sales Tax	(207) 624-9693	(207) 287-6628	<a href="mailto:sales.tax@maine.gov">sales.tax@maine.gov</a>
Tax Clearance Letters	(207) 624-9595	(207) 287-6627	
Office of Tax Policy	(207) 624-9677	(207) 287-3618	
Taxpayer Advocate	(207) 624-9649	(207) 287-3618	<a href="mailto:taxpayer.advocate@maine.gov">taxpayer.advocate@maine.gov</a>
Withholding Tax	(207) 626-8475	(207) 624-9694	<a href="mailto:withholding.tax@maine.gov">withholding.tax@maine.gov</a>
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:**  
**Maine Revenue Services**  
**PO Box 1060**  
**Augusta, Maine 04332-1060**