



# MAINE TAX ALERT

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## Maine Revenue Services Rulemaking Activity

**Amendments to Rule 801, “Apportionment.”** MRS is proposing to amend Rule 801 (“Apportionment”). The rule explains apportionment for corporations, pass-through entities, sole proprietorships and other business types. The rule applies to entities that have income from business activity both within and without Maine. The rule also applies for purposes of determining the apportionable income base when calculating the credit for taxes paid to other jurisdictions on certain income.

For ease of reference, MRS proposes to restructure section .06 Sales factor to add a new section A. Formula. The opening paragraphs are reorganized into outline form to clearly separate three distinct exceptions. Due to a statutory change, language is added to exclude from the numerator of the sales factor sales of a person whose only business activity in Maine is the performance of services directly related to a declared state disaster or emergency. MRS also proposes changes which clarify that gross receipts is an amount net of returns and allowances, consistent with longstanding practice. Additional miscellaneous technical changes are also being proposed.

**Amendments to Rule 803, “Withholding Tax Reports and Payments.”** MRS is proposing to amend Rule 803 (“Withholding Tax Reports and Payments”). The rule identifies income subject to Maine withholding and prescribes the methods for determining the amount of Maine income tax to be withheld. It also explains the related reporting requirements. In addition to miscellaneous technical changes, MRS proposes to add definitions for “Payer”, “Payee” and “Person” in order to consolidate references to employers and other persons required to register to report and remit Maine income tax withholding and to consolidate references to payees from whose income withholding is required. Another change is being proposed to reflect separate filing, payment and processing of Maine income tax withholding and unemployment contributions for tax periods beginning after 2014 and billing notices issued after June 18, 2014. Lastly, MRS is proposing an amendment due to a recent law change that allows the State Tax Assessor to establish the due date for providing Maine withholding information statements to payees; generally, under the provisions of the proposed rule, each statement is due the same date that the related federal statement is due.

**Amendments to Rule 805, “Composite Filing.”** MRS proposes to amend Rule 805 (“Composite Filing”). The rule provides information regarding the filing of composite returns of income by partnerships, estates, trusts, and S corporations on behalf of nonresident partners, beneficiaries, or shareholders. MRS proposes to update a reference to the statute as a result of a recent law change and to make miscellaneous technical changes.

Proposed amendments to Rules 801, 803 and 805 can be found on the MRS website at [www.maine.gov/revenue](http://www.maine.gov/revenue) (select Laws & Rules). Comments are due by February 27, 2015 and should be directed to Dennis Doiron, Maine Revenue Services, 24 State House Station, Augusta, Maine 04333, (207) 626-8483, [dennis.m.doiron@maine.gov](mailto:dennis.m.doiron@maine.gov).

# 2014 Maine Tax Forms

## **Availability of Forms**

Income tax forms for tax year 2014 have been posted to the Maine Revenue Services (MRS) website at [www.maine.gov/revenue/forms](http://www.maine.gov/revenue/forms). All downloadable forms posted on the MRS website are suitable for printing and filing with the bureau.

Form 2333ME for ordering 2014 tax forms is now available at [www.maine.gov/revenue/forms/orderhome.html](http://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 is working to update instructional material for taxpayers and tax professionals including guidance documents and frequently asked questions relative to the various tax types on the MRS website.

## **Individual Income Tax Booklets**

Significant changes to the 2014 individual income tax forms include:

- Form 1040ME – a new line 26 has been added for amended returns. Any overpayment(s) from any prior return filed for the tax year should be included on this line to assist in the calculation of the amended overpayment or underpayment.
- Form 1040ME, Schedule 1 – Subtractions from federal adjusted gross income. The pension income deduction is increased from \$6,000 to \$10,000.
- Form 1040ME, Schedule 2 – Maine Itemized Deductions are now limited to \$27,950, except that the limitation does not apply to medical and dental expenses to the extent included in federal itemized deductions.
- Form 1040ME, Schedule CP – the Maine Asthma and Lung Disease Research Fund failed to reach minimum contribution levels during 2013 and has therefore been removed from Schedule CP.

For more information on these and other changes, see specific line instructions and the 2014 summary of legislative changes at [www.maine.gov/revenue/](http://www.maine.gov/revenue/).



<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	
Central Registration	(207) 624-5644	(207) 287-6975	<a href="mailto:taxregistration@maine.gov">taxregistration@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 Tax	(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) 624-9628	(207) 287-6627	
Office of Tax Policy	(207) 624-9789	(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**