



MAINE TAX ALERT

A Publication of Maine Revenue Services for Tax Professionals

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Maine Revenue Services ("MRS") Due Date for Information Returns

MRS is reminding employers that copies of payee statements (federal Forms W-2 and 1099) required to be filed, or that are filed voluntarily, with MRS must be filed electronically no later than January 31st following the calendar year for which the payee statements relate. MRS does not accept paper copies of payee statements. Also, the January 31st filing deadline is not subject to extension.

MRS requires the following to electronically submit copies of the following forms with MRS:

- Employers that file 250 or more W-2 forms with the Social Security Administration;
- Non-wage payers that submit 250 or more of a single type of 1099 form with the Internal Revenue Service ("IRS"); and
- Entities that have received an exception from the requirement to complete Maine Form 941ME, Schedule 2 must file copies of information returns electronically directly with MRS.

For more information, see MRS electronic filing specifications for Forms W-2, 1099, and W-2G, available at www.maine.gov/revenue (select Electronic Services).

Truncating Social Security Numbers ("SSNs") on Certain Information Returns to Employees

Recent amendments to [U.S. Treasury Regulations promulgated under Section 6051 and 6052](#) of the Internal Revenue Code permit employers to voluntarily truncate SSNs on federal Form W-2 ("Wage and Tax Statement") and federal Form W-2C ("Corrected Wage and Tax Statement") furnished to employees. However, copies of federal Forms W-2 and W-2C furnished to the IRS or Social Security Administration must include the employee's full SSN.

Similarly, for Maine purposes, federal Forms W-2 and W-2C provided to MRS by the employer or an agent of the employer must include the employee's full SSN.

Truncation of the Employer Identification Number is not permitted on these forms.

Changes to Maine Form W-4ME

MRS is in the process of drafting updates to Maine Form W-4ME for 2020 in response to proposed changes to the IRS Form W-4 for 2020. The draft 2020 IRS Form W-4 has been redesigned to eliminate the use of personal allowances to determine federal income tax withholding. As a result, the 2020 Maine Form W-4ME will no longer use federal personal allowances as a starting point for calculating the number of personal allowances for Maine income tax withholding purposes. MRS expects to post to its website a final version of the 2020 Form W-4ME in late November or early December. MRS will issue an announcement in the Maine Tax Alert when the 2020 form is posted.

Employees who have submitted Maine Form W-4ME in any year before 2020 are not required to submit a new form merely because of the updates. Employers will continue to compute withholding based on the information from the employee's most recently submitted Maine Form W-4ME.

Fiscal Agents for Employer Withholding

A new provision in Maine law, 36 M.R.S. § 5250(5), provides that fiscal agents designated in accordance with Section 3504 of the Internal Revenue Code to perform acts required of employers may, at the discretion of the State Tax Assessor, be designated to perform acts required of employers for purposes of complying with Maine's employer wage withholding law. Designations approved by the Assessor will only be granted for tax periods beginning after 2019. Approved fiscal agents are subject to the same requirements and liabilities imposed on their client employers.

Fiscal agents planning to act for their client employers within the meaning of 36 M.R.S. § 5250(5) will need to register with MRS by submitting the Registration Application available at www.maine.gov/revenue/forms (click on *General Forms*). Complete Sections 1 and 2 of the application, check the box in Section 2, line 9 for fiscal agents and follow all other relevant instructions for registration. Upon receipt of the application, MRS will contact the fiscal agent to request additional information and required documents to complete the registration process. MRS will also inform the fiscal agent of special tax filing and payment requirements, as well as other legal and administrative responsibilities of a fiscal agent designated under 36 M.R.S. § 5250(5).

MRS Guidance Regarding Certain Non-taxable Streaming Subscription Services Over the Internet

Maine Revenue Services has revised Instructional Bulletin 55, "Service Provider Tax," to clarify that Maine Service Provider Tax does not apply to streaming subscription services over the internet, including streaming subscription services for music, radio, and video. This is because such streaming services do not meet the definition of "cable and satellite television or radio services" under 36 M.R.S. § 2551(2) or the definition of "video media" under 36 M.R.S. § 2551(21). In addition, these temporary and conditional access streaming subscription services are not subject to Maine Sales Tax as sales of "tangible personal property" and "product[s] transferred electronically" within the meaning of 36 M.R.S. §§ 1752(9-E) and 1752(17).

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) 626-8475 or email 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 Service Center	(207) 626-8475	(207) 287-5855	
Contact Center	(207) 624-9784	(207) 287-6975	taxpayerassist@maine.gov
Central Registration	(207) 624-5644	(207) 287-6975	taxregistration@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) 287-3618	efunds.transfer@maine.gov
Estate & Fiduciary Tax	(207) 626-8480	(207) 624-9694	estatetax@maine.gov
Fuel & Special Taxes	(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 Premiums Taxes	(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) 624-9595	(207) 287-6627	
Office of Tax Policy	(207) 624-9677	(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:
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