



# MAINE TAX ALERT

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## BETR Moves to Property Tax

Administration of the Business Equipment Tax Reimbursement ("BETR") program has shifted. Since the program's inception in 1995, the Income/Estate Tax Division of Maine Revenue Services has administered the program. Beginning August 1, 2014, the program is now administered by the Property Tax Division.

The BETR program was first available to Maine businesses that purchased taxable business property after April 1, 1995. Businesses that pay property tax on eligible property are allowed a reimbursement of those taxes up to 100% of the amount paid. After 12 years of eligibility, the reimbursement percentage gradually reduces to 50% of tax paid for property in the program 18 years and longer.

In 2006 the Legislature passed, and the governor signed into law, a second benefit program for business property tax. The Business Equipment Tax Exemption ("BETE") program exempts from property tax most business property, first subject to tax on or after April 1, 2008, that was previously qualified under the BETR program. The Property Tax Division has administered the BETE program from its start.

Operating both BETR and BETE will allow the Property Tax Division to coordinate the interaction of the two programs, streamlining and clarifying the benefit process for Maine taxpayers.

For more information, see the [BETE/BETR program page](#) of the MRS website.

## Real Estate Transfer Tax Exemption

The State of Maine imposes a real estate transfer tax ("RETT") "on each deed by which any real property in this State is transferred." 36 M.R.S. §4641-A. Historically, Maine Revenue Services has advised Maine's county registries of deeds to collect RETT for transfers involving the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), and the Federal Housing Finance Agency ("FHFA"), the conservator of Fannie Mae and Freddie Mac.

The federal statutes exempting Fannie Mae, Freddie Mac and FHFA from taxation provide that each entity "shall be exempt from all taxation." 12 U.S.C.S. §1723a(c)(2); 12 U.S.C.S. §1452(e); 12 USCS §4617(j)(2). Based on case law, Maine Revenue Services' longstanding position was that "all taxation" referred only to direct taxation and that the RETT, as an indirect tax, could be imposed on Fannie Mae, Freddie Mac and FHFA. Furthermore, MRS determined that Fannie Mae, Freddie Mac, and FHFA were not eligible for any of the exemptions in 36 M.R.S. §4641-C.

The question of whether Fannie Mae, Freddie Mac, and FHFA are subject to real estate transfer taxes in other states has been litigated in courts across the country. A consensus has recently developed whereby courts have held that Fannie Mae, Freddie Mac, and FHFA are exempt from state real estate transfer taxes on the theory that the phrase "all taxation" in the federal statutes noted above includes transfer taxes similar to the Maine RETT. As a result of this consensus, MRS, beginning in April, 2014, has advised the county registries of deeds to stop collecting the Maine RETT from these organizations. Please contact Deb Maringola or Laurie Thomas at MRS Property Tax Division at 624-5600 if you have any questions.

## 18th Annual Maine Tax Forum

The 18th annual Maine Tax Forum is scheduled for Wednesday, November 5th and Thursday, November 6th 2014 at the Augusta Civic Center.

Maine Revenue Services is pleased to announce that SCORE Maine, a district of the national organization of volunteers helping small businesses, is hosting the Maine Tax Forum again this year. SCORE is committed to delivering the same high-quality program that participants have grown accustomed to in the past, and Maine Revenue Services will continue to support the program by providing subject experts as speakers.

The Tax Forum will cover Maine and Federal tax developments, initiatives and case law developments, ethics, new IRS initiatives and other topics of current interest. Attendance at the Forum will provide CPE and CLE credits. The number of approved credits for accountants is expected to be 16 hours of CPE, including 2 hours of ethics. The program has been approved for 13.34 hours of CLE credits, including 1.67 hours of Ethics credits.

More details are available on the SCORE web site at [www.scoremaine.org](http://www.scoremaine.org) (select the "Maine Tax Forum"). The brochure with program details and application for registration is available on the SCORE website or at <http://conta.cc/UX3CUP>.

## Tax Practitioner Institute Workshop

SCORE Maine is also offering the Tax Practitioner Institute in October at three locations in Maine (Portland, Augusta and Bangor). This program is targeted more toward practitioners actually completing tax returns for clients, and uses the University of Illinois Tax Workbook as the basis for the presentations. For tax professionals, the IRS has approved 3 CE credits for Tax Updates, 3 CE credits for Tax Law and 2 CE credits for Ethics. For CPAs, the program is designed to provide 8 hours of CPE, including 2 hours of ethics and is complementary to the Maine Tax Forum by providing different perspectives on similar topics.

More details are available on the SCORE website at [www.scoremaine.org](http://www.scoremaine.org) (select the "Tax Practitioner Institute"). The brochure with program details and application for registration is available on the SCORE website or at <http://conta.cc/1x3D14N>.

<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?

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