



MAINE TAX ALERT

A Publication of Maine Revenue Services for Tax Professionals

Volume 15, No. 5

July, 2005

Public Communications Tel: (207) 626-8478

Maine Residents Property Tax and Rent Refund Program

The 2005 Maine Residents Property Tax and Rent Refund Program will begin accepting applications on August 1, 2005. The Program has been expanded to provide property tax and rent relief to more people than ever before. Though the Senior refund portion of the program remains relatively unchanged, the **General** portion of the program now provides refunds of up to **\$2,000** to persons of any age whose household income for 2004 was not more than **\$74,500** for single-member households and not more than **\$99,500** for those who lived with a spouse or dependent(s). To qualify for a refund, the 2004 property tax must be more than 4 percent of household income or the rent paid must be more than 20 percent of household income.

Senior program refunds are available to applicants who were at least 62 in 2004 (55 or over if disabled). In addition, for persons living alone, the household income for 2004 cannot be more than \$12,400; for a single person living with a dependent, or a married person who lived with a spouse, the 2004 household income cannot be more than \$15,300.

Applicants who qualify for both the Senior and General refunds will receive the larger of the two.

Applications must be filed between August 1, 2005 and May 31, 2006.

Applications may be filed by computer using I-file at www.maine.gov/revenue (see page 9 of the booklet) or by telephone using our Telefile System (see page 10 of the booklet). Applications may also be filed by mail. I-file requires access to a computer with an internet connection. Free internet access is available at most local libraries in Maine.

Application booklets, including necessary forms are expected to be available by late July. Booklets will be mailed to individuals who submitted applications for last year's program, and will be available at Municipal Offices, Area Agencies on Aging, Community Action Agencies, Pine Tree Legal offices, Bureau of Elder and Adult Services, DHHS District Offices, Health Clinics, Career Centers, Public Libraries and Adult Education locations, or by calling the Maine Revenue Services forms line at (207) 624-7894. Booklets may also be downloaded at www.maine.gov/revenue (click on Forms/Publications).

Business Equipment Tax Reimbursement Program

The application period for the Business Equipment Tax Reimbursement program (BETR) will begin August 1, 2005. The purpose of the BETR program is to encourage new capital investment in Maine. The program reimburses local property taxes paid on most qualified business property for up to 12 years. Qualified business property must have been first placed in service in Maine after April 1, 1995. An annual application must be filed between August 1, 2005 and January 3, 2006 for eligible property taxes paid during calendar year 2004.

The program contains a new requirement this year for certain businesses to complete and submit with the application a worksheet describing overlap between the BETR program and tax increment financing (TIF) benefits. *The new requirement is only for those businesses that receive a benefit from both BETR and TIF for the same piece of property.* The required worksheet will be posted to the MRS web site shortly.

BETR application booklets will be available late July and will be mailed to businesses that have previously applied for reimbursement. Booklets will also be available at most municipal offices. Downloadable versions of the forms

and instructions have been posted to the MRS web site at www.maine.gov/revenue (click on Forms/Publications). Other businesses wanting to take advantage of the program can order the application by calling the forms line at (207) 624-7894.

Correction - Maine Minimum Tax Worksheet Instructions

The instructions for line 7 on page 4 of the 2004 Maine Minimum Tax Worksheet package contain an incorrect line reference. The instructions direct taxpayers to compute their nonresident and part-year resident apportionment factor by dividing Maine-source income included in Maine alternative minimum taxable income on line 5 by total Maine alternative minimum taxable income included on line 5. However, to accurately determine the apportionment factor, taxpayers should divide Maine-source income included in Maine *tentative* alternative minimum taxable income on **line 3** by total Maine *tentative* alternative minimum taxable income included on **line 3**. The corrected 2004 instructions may be downloaded at www.maine.gov/revenue (click on Forms/Publications).

<u>Department</u>	<u>Telephone Numbers</u>	<u>FAX Numbers</u>	<u>E-mail Addresses</u>
Taxpayer Service Center	(207) 287-2076	(207) 287-5855	
Appellate	(207) 287-8549	(207) 287-3294	
Central Registration	(207) 287-2338	(207) 287-3733	division.uctax@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	(207) 624-9730	(207) 624-9740	efile.helpdesk@maine.gov
Economic Research	(207) 287-6965	(207) 287-3618	
Electronic Funds Transfer	(207) 287-8276	(207) 287-6627	efunds.transfer@maine.gov
Estate Tax	(207) 626-8480	(207) 624-9694	estatetax@maine.gov
Fuel Tax	(207) 624-9745	(207) 287-6628	fuel.tax@maine.gov
Forms Request Line	(207) 624-7894	(207) 622-3517	
Income Tax Assistance	(207) 626-8475	(207) 624-9694	income.tax@maine.gov
Insurance Premium Tax	(207) 624-9753	(207) 624-7729	
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) 287-2011	(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) 624-9628	(207) 287-6627	
Taxpayer Advocate	(207) 624-9649	(207) 287-3618	taxpayer.advocate@maine.gov
TTY Service	(207) 287-4477		
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.

STATE OF MAINE

John Elias Baldacci, Governor

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Suggestions for the Tax Alert?

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