



MAINE TAX ALERT

A Publication of Maine Revenue Services for Tax Professionals

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Public Communications Tel: (207) 626-8478

Maine Revenue Services Rulemaking Activity

(As previously announced in a June 21, 2012 tax alert email)

Amendments to Rule 803, “Withholding Tax Reports and Payments.” Rule 803 was adopted in 1982 and most recently amended in 2003. This rule identifies income subject to Maine withholding and prescribes the methods for determining the amount of Maine income tax to be withheld from wages, non-wage payments, and pass-through entity income. It also explains the related reporting requirements, including mandated electronic filing.

The following changes are being proposed for this Rule. Section .01, subsection E is revised to be more precise. Section .04(C)(1) is amended to reference recently passed legislation related to minimum taxability thresholds. Section .06 is revised to create a new paragraph (1) and to reflect changes to pass-through entity filing and withholding, to cite new tax rates, and to create new automatic exemptions to filing in subsection C(1). An application date is added to the Rule. Revisions are also made to make language more precise and to correct format, including renumbering, correcting references and titles.

A copy of Rule 803 with proposed changes can be found on the MRS website at www.maine.gov/revenue (select Laws & Rules). Comments are due by July 23, 2012 and should be directed to Nanette Ardry, Esq., Maine Revenue Services, 24 State House Station, Augusta, Maine 04333, (207) 624-9725, nanette.m.ardry@maine.gov.

2012 Tax Law Changes

A summary of the 2012 Maine tax law changes is now available on the Maine Revenue Services web site at www.maine.gov/revenue (click on “2012 Legislative Changes”). View this link to see the latest changes, including Sales Tax, Property Tax, Estate Tax and Income Tax legislation.

New Appeals Process for State Tax Assessor Determinations

The process for appealing a tax assessment or other determination made by Maine Revenue Services (MRS) is changed. Generally, the new appeals process will be as follows:

- To appeal a Maine tax assessment or MRS determination, the taxpayer must, within 60 days of receiving the assessment or determination, submit a request for reconsideration to

Division Reconsideration, Maine Revenue Services, PO Box 1060, Augusta, ME 04332-1060. MRS has provided a Petition for Reconsideration form at www.maine.gov/revenue/forms/general/generalforms.htm to assist taxpayers in making a request for reconsideration. The request should include all information necessary to support the taxpayer's request.

Note: The procedure explained above replaces the procedure under prior law that required requests for reconsideration be filed with the MRS Appellate Division. The MRS Appellate Division ceases to exist on July 1, 2012.

- Under the law, the Division has 90 days from receipt of a request for reconsideration to issue a decision approving or denying the relief requested by the taxpayer. This 90-day period may be extended by mutual agreement of the taxpayer and the Division. During this period, the Division may attempt to resolve the matter with the taxpayer. If the Division does not issue a decision within the 90-day period absent extension, the taxpayer may deem the request for reconsideration denied to exercise further appeal rights.
- Any taxpayer not satisfied with a decision or deeming the request for reconsideration denied has additional rights of appeal. A taxpayer may, within 60 days of receiving the decision, file a petition for review in the Superior Court. Or a taxpayer may first appeal the matter to the Maine Board of Tax Appeals within 60 days of receiving the decision, if the petition for reconsideration originally filed with MRS does not constitute a "small claim request" under 36 MRSA § 151,. A small claim request means a petition for reconsideration when the amount of tax or refund request in controversy is less than \$5,000. A small claim request may only be appealed to Superior Court. Decisions of the Board of Tax Appeals may be appealed by the taxpayer or MRS to the Superior Court.
- Reconsideration decisions issued by MRS on or after July 1, 2012 are subject to public disclosure in redacted form so as not to reveal the identity of the taxpayer or other interested party and to comply with federal confidentiality statutes.

For more information on the new appeals process, see **Your Rights as a Taxpayer** brochure at www.maine.gov/revenue.

See LD 1750, PL 2011, c. 694.

<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) 624-9854	(207) 287-3618	
Audit	(207) 822-0450	(207) 822-0453	
Central Registration	(207) 621-5129	(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 (1040 ONLY)	(207) 624-9730	(207) 287-6628	efile.helpdesk@maine.gov
Electronic Funds Transfer	(207) 287-8276	(207) 287-6975	efunds.transfer@maine.gov
Estate & Fiduciary Tax	(207) 626-8480	(207) 624-9694	estatetax@maine.gov
Fuel Tax	(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 Premium Tax	(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) 287-2013	(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	
Office of Tax Policy	(207) 624-9789	(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: Public Communications (207) 626-8478
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