



# MAINE TAX ALERT

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## Maine Revenue Services Rulemaking Activity

**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 were made to the Rule: Section .01, subsection E was revised to be more precise. Section .04(C)(1) was amended to reference recently passed legislation related to minimum taxability thresholds. Section .06 was 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 was added to the Rule. Revisions were also made to make language more precise and to correct format, including renumbering, correcting references and titles.

A copy of Rule 803 can be found on the MRS website at [www.maine.gov/revenue](http://www.maine.gov/revenue) (select Laws & Rules).

## 2012 Maine Tax Forum

Maine Revenue Services is pleased to announce that the 16th Annual Maine Tax Forum is scheduled for Wednesday, November 7<sup>th</sup> and Thursday, November 8<sup>th</sup>, 2012 at the Augusta Civic Center.

The forum will cover Maine and federal tax developments and initiatives, Maine and federal case law developments, an update on the new Office of Board of Tax Appeals (BOTA) and Taxpayer Advocate, updates from Maine Revenue Services' Audit, Sales, Use and Special Fuel Tax Divisions and information on Maine Business Tax Incentives.

The Tax Forum provides CLE credits. Though MRS is not a qualified Internal Revenue Service Continuing Education provider, as in prior years CPE/CLE credits are available to CPAs and attorneys.

Seating for the 2012 Maine Tax Forum will not be limited. All paid applications will be accepted because we will have overflow seating in the North Wing on the 2<sup>nd</sup> floor at the Augusta Civic Center where the live presentations will be projected on screen. Seating in both rooms will be on the basis of first come/first served. The forum brochure (including application

for registration) is available on the Maine Revenue Services web site at [www.maine.gov/revenue](http://www.maine.gov/revenue) (select the "2012 Maine Tax Forum").

Also new this year, no presentation materials will be distributed at the forum. Presentations provided to us will be posted online and available to be downloaded by registered attendees before, during and after the forum. Free Wifi will be available to forum attendees at the Augusta Civic Center.

## Sales, Fuel and Special Tax

The sales, fuel and special tax division has published its annual General Information Bulletin, #102, summarizing legislative changes made this past spring. The bulletin can be seen at [www.maine.gov/revenue/salesuse/salestax/bulletinssales.htm](http://www.maine.gov/revenue/salesuse/salestax/bulletinssales.htm) by scrolling down to the bottom of the page.

## Maine Educational Opportunity Credit

The credit for educational opportunity is a component of the Job Creation Through Educational Opportunity program available after 2007. The purpose of the program is to provide an income tax credit for education-related costs for Maine residents who obtain an associate or bachelor's degree from a Maine college, junior college or university and who, after graduation, live, work and pay taxes in Maine. The credit is available to qualifying graduates and employers making eligible education loan payments.

The credit is equal to the eligible education loan payments paid by the taxpayer during the tax year, limited to the benchmark loan payment amount. The benchmark loan payment amount is based on the in-state tuition and fees for the Maine Community College System or the University of Maine System, depending on whether the degree is an associate degree or a bachelor's degree and depending on the year of graduation. See 20-A M.R.S.A., § 12542 (2-A).

**For individuals graduating in 2012**, the monthly benchmark loan payment amounts are \$65 for an associate degree and \$342 for a bachelor's degree. **For individuals graduating in 2013**, the monthly benchmark loan payment amounts are \$65 for an associate degree and \$356 for a bachelor's degree.

For more information on who qualifies for the credit and how the credit is calculated, see the worksheet for the credit for educational opportunity at [www.maine.gov/revenue/forms/](http://www.maine.gov/revenue/forms/) (select **Worksheets for Tax Credits** under the Income/Estate Tax category).

<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	<a href="mailto:division.uctax@maine.gov">division.uctax@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) 287-8276	(207) 287-6975	<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) 287-2013	(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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