

**MAINE REVENUE SERVICES
SALES, FUEL AND SPECIAL TAX DIVISION
RULE NO. 401**

SERVICE PROVIDER TAX – RETURN AND PAYMENT OF TAX

SUMMARY: Establishes requirements for the filing of tax returns and the payment of the Maine Service Provider Tax pursuant to 36 MRSA §2554.

SECTION 1. REPORTING FREQUENCY

1. Generally; returns filed monthly. Except as otherwise provided by this Rule, every service provider must file monthly tax returns. The State Tax Assessor will periodically review the status of taxpayer accounts and notify service providers whose filing frequency has been changed pursuant to this Rule. Upon application to the assessor, a taxpayer may be authorized to file returns more frequently than this Rule requires. For the purposes of this rule, “service provider” means an individual or business entity registered with Maine Revenue Services for the collection and payment of the Service Provider Tax pursuant to Title 36, Chapter 358.

2. Quarterly returns. Every service provider whose average tax liability is at least \$100 per month but less than \$600 per month must file four returns each year. The reporting periods are January through March; April through June; July through September; and October through December. The due date for filing the return and paying the tax is the fifteenth day of the month following the end of each reporting period.

3. Biannual returns. Every service provider whose average tax liability is at least \$50 per year but less than \$100 per month must file two returns each year. The reporting periods are January through June and July through December. The due dates for filing the returns and paying the tax are the fifteenth day of the month following the end of each reporting period (July 15th and January 15th).

4. Annual return. Every service provider whose average annual tax liability is less than \$50 must file one return each year. The reporting period is the calendar year, and the due date for filing the return and paying the tax is the fifteenth day of the month following the end of the reporting period (January 15th).

5. Exceptions. The assessor may temporarily require service providers to file using unusual or more frequent reporting periods in order to administer substantial changes in the service provider tax law, such as rate changes.

SECTION 2. EXTENSION OF TIME FOR FILING

Upon application to the State Tax Assessor, the time for filing returns may be extended for 30 days for good cause. The extension remains in effect until revoked in writing by the State Tax Assessor. The extension does not extend the time for paying the tax.

SECTION 3. BASIS OF ACCOUNTING

Generally, service providers are required to file tax returns on an accrual basis. However, a service provider that properly files its federal income tax returns on a cash basis may elect to

file its service provider tax returns on a cash basis.

SECTION 4. CONSOLIDATED FILING

Upon application to the State Tax Assessor, a service provider that makes sales at more than one place of business may be authorized to file a single consolidated return reporting the total amount of sales made at all of the locations. The return must include a schedule showing a breakdown of taxable sales made at each location.

AUTHORITY: 36 MRS §112; 2554

EFFECTIVE DATE: November 26, 2006