



MAINE TAX ALERT

A Publication of Maine Revenue Services for Tax Professionals

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Maine Revenue Services (“MRS”) Announces 2019 Tax Filing Season

MRS continues its preparation of computer applications and related systems necessary to process Maine income tax returns for tax year 2018. This includes returns filed on paper and filed electronically using Modernized e-File (“MeF”), Maine e-File applications, and Maine I-File.

MRS expects to begin processing most Maine income tax returns on January 28, 2019, the same date on which the Internal Revenue Service has announced the federal tax filing season will begin. MRS anticipates that the Maine I-File application will be available in early February 2019.

MRS expects to begin issuing refunds in mid-February 2019.

Availability of Forms

Most Maine income tax forms for tax year 2018 have been posted to the MRS website at www.maine.gov/revenue/forms. All downloadable forms posted on the MRS website are suitable for printing and filing with MRS.

Form 2333ME used by tax professionals for ordering 2018 Maine income tax forms is available at www.maine.gov/revenue/forms/orderhome.html.

Guidance Materials

The Income/Estate Tax Division is updating instructions for taxpayers and tax professionals, including guidance documents and frequently asked questions relative to the various tax types on the MRS website.

Individual Income Tax Booklets

Significant changes to the 2018 individual income tax forms include:

- Form 1040ME, line 17:
 - The Maine standard deduction is now equal to the federal standard deduction, excluding any additional federal deduction claimed for certain qualified disaster losses;

- The Maine itemized deduction may not exceed \$29,050, except that eligible medical expenses included in federal itemized deductions are not subject to the cap (Form 1040ME, Schedule 2); and
- Maine itemized deductions may be increased by the amount of real and personal property taxes not claimed for federal tax purposes because of the \$10,000 limitation (\$5,000 for married taxpayers filing separate returns) applicable to those taxes (Form 1040ME, Schedule 2).
- Form 1040ME, lines 13 and 18: The Maine personal exemption amount is \$4,150 per individual for only the taxpayer and the taxpayer's legal spouse. The Maine personal exemption amount may not be claimed for an individual that is claimed as a dependent on another person's tax return.
- Form 1040ME, Schedule PTFC/STFC: This schedule used for claiming the property tax fairness credit ("PTFC") and the sales tax fairness credit ("STFC") has been revised to reflect the following changes:
 - The PTFC is now equal to 100% of the benefit base that is greater than 6% of total income;
 - The maximum PTFC is increased to \$750 (\$1,200 for individuals 65 years of age and older); and
 - The personal exemption amount for dependents is eliminated. Both the PTFC and STFC are now based on the filing status of the taxpayer as well as the number of qualifying children for purposes of the federal child tax credit and the number of other dependents for purposes of the federal credit for other dependents.
- Form 1040ME, Schedule 1:
 - The addition modification for the federal domestic production activities deduction is eliminated;
 - The Maine Public Employees Retirement System ("MainePERS") pick-up contributions subtraction modification (line 2f) has changed to allow pick-up contributions distributed to the taxpayer by the MainePERS in the form of a rollover to be subtracted from Maine income fully or in part during the tax year of the rollover or within the two tax years immediately following the year of the rollover. The total amount subtracted over the three-year period may not exceed the amount of the pick-up contributions previously taxed by Maine;
 - A new subtraction modification is added (line 2i) for certain expenses related to carrying on a trade or business under Maine medical marijuana laws as a registered caregiver or a registered dispensary, in an amount equal to the deduction allowable for Maine purposes to the extent the deduction was disallowed under Internal Revenue Code, Section 280E; and

- A new subtraction modification is added (line 2j) to reduce Maine taxable income by the amount of net operating loss carryforward disallowed for the taxable year for federal tax purposes under the Internal Revenue Code, Section 172(a)(2). The modification may not reduce Maine taxable income below zero and may not have been previously used to offset Maine taxable income.
- Form 1040ME, Schedule A:
 - Line 8 reflects the new dependent exemption tax credit available for each qualifying child or other dependent claimed by the taxpayer for purposes of the federal child tax credit or the federal credit for other dependents; and
 - Line 19 reflects the new employer credit for family and medical leave that may be claimed by eligible taxpayers equal to the portion of the federal employer credit for family and medical leave under Internal Revenue Code, Section 45S as a result of wages paid to employees based in Maine during the taxable year.

For more information on these and other changes, see specific line instructions and the 2018 Tax Law Changes at www.maine.gov/revenue/ (click on Laws and Rules).

Fraud Alert

If you believe you are a victim of identity theft or that a breach of personally identifiable information has occurred, contact MRS at (207) 626-8475 or email fraudalert.mrs@maine.gov as soon as possible. Timely notification assists MRS in preventing fraudulent tax refunds.

<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	taxregistration@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) 624-5625	(207) 287-3618	efunds.transfer@maine.gov
Estate & Fiduciary Tax	(207) 626-8480	(207) 624-9694	estatetax@maine.gov
Fuel & Special Taxes	(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) 624-5600	(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) 624-9595	(207) 287-6627	
Office of Tax Policy	(207) 624-9677	(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:
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