



MAINE TAX ALERT

A Publication of Maine Revenue Services (“MRS”) for Tax Professionals

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Form W-4ME Has Changed, Effective January 1, 2023 Income Tax Withholding Exemption for Tribal Members

As the result of new law (P.L. 2021, c. 681), MRS has revised and published Form W-4ME, *Maine Employee’s Withholding Allowance Certificate*.

Form W-4ME now includes a check box (line 7) for tribal members residing on tribal land in Maine to claim a withholding exemption on wages, salaries, or other compensation derived from or connected with sources on tribal land in Maine (that is, wages, salaries, or other compensation for work **performed on tribal land** in Maine). The exemption from withholding does not apply to wages, salaries, or other compensation earned for work performed in Maine **outside of tribal land**.

A “tribal member” is defined in 36 M.R.S. § 111(10) to mean an enrolled member of the Houlton Band of Maliseet Indians, the Passamaquoddy Tribe, or the Penobscot Nation. “Tribal land” is defined in 36 M.R.S. § 111(9) to mean land within the Houlton Band Trust Land, the Passamaquoddy Indian territory, or the Penobscot Indian territory. *See* 36 M.R.S. § 5102(5-A) for a definition of “tribal member residing on tribal land.”

For more information, see the instructions for Form W-4ME, line 7, at www.maine.gov/revenue/tax-return-forms/employment-tax-returns-2023.

For questions about Maine income tax withholding, call (207) 626-8475, select option 4, or email withholding.tax@maine.gov. MRS telephone assistance is available Monday through Friday between 9:00 a.m. and 12:00 noon, excluding holidays.

Sales Tax Exemption for Tribes, Tribal Members, and Tribal Entities, Effective January 1, 2023

MRS has published the following applications and affidavits to be used by tribes, tribal members, and/or tribal entities to the MRS Sales, Fuel & Special Tax Division’s webpage:

- APP-170, Application for Certificate of Qualification for Tribal Entities;
- ST-A-129, Affidavit of Exemption for a Vehicle Sold to a Tribal Member, Delivered to Tribal Land;
- ST-A-130, Affidavit of Exemption for a Vehicle Sold to a Tribal Entity, Delivered to Tribal Land;

- ST-A-131, Affidavit of Exemption for Vehicles Sold to a Tribal Member, Delivered to Tribal Land (Casual Sale);
- ST-A-132, Affidavit of Exemption for Vehicles Sold to a Tribal Entity, Delivered to Tribal Land (Casual Sale);
- ST-A-133, Affidavit of Exemption for Purchases of Tangible Personal Property or Taxable Services Sold to a Tribal Member or Tribal Entity, Delivered to Tribal Land

The Application for Certificate of Qualification for Tribal Entities (APP-170) should be returned to “Maine Revenue Services, Sales, Fuel & Special Tax Division,” to the address included on the application. The Affidavits are presented to either the retailer or, in the case of forms ST-A-131 and ST-A-132, to the town office or other location where the vehicle is being registered.

The forms listed above may be found on the MRS website at www.maine.gov/revenue/taxes/sales-use-service-provider-tax, and clicking on “Affidavits, Applications & Certificates.” **Note, however, that the APP-170, Application for Certificate of Qualification for Tribal Entities is posted under the section for Applications, rather than the Affidavits section.**

Retailers, taxpayers, and tax preparers are encouraged to contact the MRS Sales Tax Division at (207) 624-9693 or sales.tax@maine.gov with questions. MRS telephone assistance is available Monday through Friday between 9:00 a.m. and 12:00 noon, excluding holidays.

Sales Tax Return Reporting Change; Sales Made On or Off Tribal Land, Effective January 1, 2023

Effective January 1, 2023, the Maine Legislature amended 36 M.R.S. § 1815 to require the sales tax revenue attributable to sales occurring on tribal land (Passamaquoddy Indian territory, Penobscot Indian territory, or Houlton Band Trust Land) be returned to the respective tribe (the Passamaquoddy Tribe, the Penobscot Nation, or the Houlton Band of Maliseet Indians) on a monthly basis.

For the purposes of the amendment to 36 M.R.S. § 1815, a sale occurs on the Passamaquoddy Indian territory, the Penobscot Indian territory, or the Houlton Band Trust Land if:

- A. The business location of the seller from which the purchase is made is on Passamaquoddy Indian territory, Penobscot Indian territory, or Houlton Band Trust Land, respectively; and
- B. The tangible personal property or taxable service is received by the purchaser also on Passamaquoddy Indian territory, Penobscot Indian territory, or Houlton Band Trust Land, respectively. For purposes of this paragraph, “received” has the same meaning as in 36 M.R.S. § 1819.

As a retailer located on one of the above-named tribal lands, effective for the sales tax filing period beginning January 1, 2023, you will be required to report any taxable sales occurring off of tribal land separate from taxable sales occurring on tribal land, in order to best facilitate the transfer of the correct amount sales tax revenue back to the respective tribe. Exempt sales will continue to be reported in aggregate on line 2A of the Sales Tax return, regardless of where the

purchaser receives or takes ownership of the item or service sold.

A supplemental electronic schedule will be provided by MRS to facilitate the breakdown between sales occurring on tribal land and sales occurring off tribal land.

For example:

A retailer whose business location is located on Houlton Band Trust Land makes a taxable sale (Sale A), and the purchaser receives or takes ownership of the property or service at the business location located on tribal land. The sales tax revenue attributable to Sale A will be returned to the Houlton Band of Maliseet Indians the following month.

That same retailer makes another taxable sale (Sale B), but the property or service is delivered to the purchaser to a location that is not located on Houlton Band Trust Land. The retailer must still collect the sales tax on Sale B, but report Sale B separately from Sale A and the other taxable sales where the purchaser receives or takes ownership of the property at a location on tribal land. The sales tax revenue attributable to Sale B will not be returned to the Houlton Band of Maliseet Indians the following month.

The Sales Tax return and electronic schedule can both be filed through the Maine Tax Portal (MTP), available at revenue.maine.gov. If you elect to file the Sales Tax Return by paper, your electronic schedule must be emailed to SpecialTaxes.MRS@maine.gov at the time of filing the tax return. Electronic schedule templates are available on the MRS website. **Please note that the Sales Tax returns will be considered unfiled unless the electronic schedules are provided.**

Please direct any questions to the MRS Sales Tax Division at (207) 624-9693 or sales.tax@maine.gov. MRS telephone assistance is available Monday through Friday between 9:00 a.m. and 12:00 noon, excluding holidays.

Careers and Internships at MRS

MRS's mission is to fairly and efficiently administer the State's tax laws with integrity and professionalism.

MRS is looking for smart, motivated, and team-oriented people to join our team. Benefits include:

- Qualifying employer for federal student loan forgiveness
- Tuition reimbursement for continuing education (including CPA exam)
- Public service
- Competitive salary
- MainePERS retirement plan and deferred compensation
- Generous insurance and paid leave (including all state holidays)
- Flexible spending accounts and longevity pay
- Gym membership reimbursement

Regularly posted, full-time positions at MRS include the Tax Examiner and Revenue Agent positions. Click the following link for more information about these positions:

<https://apps.web.maine.gov/cgi-bin/bhrsalary/jobs.pl>.

Click the following link for more information about careers and paid internships and to sign up to receive notifications of new MRS job openings: www.maine.gov/revenue/careers.

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) 624-7658 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 Contact Center	(207) 624-9784	(207) 287-6975	taxpayerassist@maine.gov
Central Registration	(207) 624-9784	(207) 287-6975	taxpayerassist@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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Augusta, Maine 04332-1060