



MAINE TAX ALERT

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IMPORTANT NOTICE FOR EMPLOYERS

FOR TAX PERIODS BEGINNING ON OR AFTER JANUARY 1, 2015

Maine Combined Withholding and Unemployment Contributions Form 941/C1-ME will be eliminated and replaced with the following separate forms:

- Existing Maine Withholding Form 941ME
- New Unemployment Contributions Form ME UC-1

Earlier this year, the Maine Department of Labor and Maine Revenue Services (MRS) announced that, for tax periods beginning on or after January 1, 2015, the combined filing of Maine income tax withholding and unemployment contributions, currently reported on Form 941/C1-ME, will be eliminated.

Businesses will file and pay Maine income tax withholding on existing Form 941ME and will file and pay unemployment contributions on new Form ME UC-1. Although the forms and instructions will be separated beginning in 2015, both forms will be available on the Maine Revenue Services website and MRS will continue to process the unemployment contributions forms and payments on behalf of the Maine Department of Labor. MRS will also continue to provide electronic filing and payment systems for the separate filings.

The change will apply to tax periods beginning on or after January 1, 2015 – it does not apply to tax periods beginning prior to 2015. Thus, businesses that are currently required to file the combined Form 941/C1-ME will continue to do so for the fourth quarter of 2014. For the first quarter of 2015 and subsequent quarters, businesses will file Form 941ME for Maine income tax withholding and a separate Form ME UC-1 for Maine unemployment contributions.

The 2015 versions of Form 941ME and new Form ME UC-1 have been made available to tax software vendors and payroll processors. The forms are also available to employers on the MRS website at www.maine.gov/revenue/forms/with/2015.htm. In addition, the 2015 MEETRS e-file system is now available to test files. The 2015 MEETRS specifications for withholding and unemployment taxes have been posted to the MRS website at www.maine.gov/revenue/magmedia/magmedia.html.

MRS is in the process of modifying the I-file and electronic payment systems to support separate reporting and payment of the withholding and unemployment taxes for 2015. We expect the updated systems to be available by February 28, 2015.

ACH Credit Payments. Employers that use the ACH credit method to pay withholding and unemployment taxes must, for tax periods beginning on or after January 1, 2015, utilize separate addendum record layouts to remit the amount due for each tax. ACH credit payments for periods prior to 2015 utilized a single addendum record layout to remit a combined payment for both taxes. For tax periods beginning on or after January 1, 2015, there will be an addendum record

layout for withholding tax payments and a separate addendum record layout for unemployment tax payments. The addendum record layouts are available at www.maine.gov/revenue/eft/homepage.html. Information about the changes to the ACH credit addendum record layouts will be mailed to affected employers in the near future. For questions about ACH credit payments, contact the EFT Unit at 207-624-5625 or send an email to efunds.transfer@maine.gov.

MRS informed employers of the 2015 changes by letter in July and November. Additional communications are planned to ensure that employers, software vendors and payroll processors are fully aware of the upcoming changes.

Questions regarding the changes (except for questions about the changes in the 2015 ACH credit addendum record layouts – see contact information above) may be directed to the Maine Revenue Services Withholding Unit at withholding.tax@maine.gov or by phone at (207) 626-8475 (press 1, then select option 4 on the menu).

Form 1041ME Modernized e-File (MeF)

Maine Revenue Services continues to transition to the Internal Revenue Service's Modernized e-File (MeF) program and now offers MeF for the filing of fiduciary income tax returns for tax years beginning after 2012.

The MeF platform is web-based and utilizes a modern, scalable architecture that enables real-time processing. Vendor submissions are received by the IRS, processed and made available to the states continuously on a submission-by-submission basis.

Wolters Kluwer CCH (ProSystem fx Tax) and Drake Software are approved vendors that completed testing with MRS for tax year 2013. Tax professionals and taxpayers who purchase tax preparation software should contact those vendors to initiate the MeF approval process with MRS for tax years beginning in 2014.

Sales Tax Resale Certificate News

The Sales, Fuel, and Special Tax Division of MRS issues resale certificates to active retailers whose annual gross revenues are \$3,000 or greater. The certificate allows retailers to make sales tax exempt purchases of items purchased for resale to customers. Retailers not qualifying for a certificate pay sales tax on items purchased for resale and receive a credit for the tax paid on their next sales tax return.

Each November, MRS analyzes all active accounts that have a resale certificate set to expire at the end of the year or did not qualify for a resale certificate during last year's review. Qualifying retailers will automatically receive a new resale certificate valid through December 2019. Non-qualifying retailers will receive a notice that their account was reviewed and they do not currently qualify to receive a resale certificate.

We expect the resale certificates and non-qualifying letters to be issued to retailers in mid-December.

<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 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) 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) 624-9628	(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:
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