



# MAINE TAX ALERT

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

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## 2023 Maine Tax Law Changes

A summary of Maine tax law changes enacted by the First Regular Session and First Special Session of the 131st Legislature is available at:

[www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/legischange23.pdf](http://www.maine.gov/revenue/sites/maine.gov.revenue/files/inline-files/legischange23.pdf).

The summary includes general administrative changes as well as provisions for Income Tax, Franchise Tax, Insurance Premiums Tax, Sales, Use and Special Taxes, and Property Tax.

## Notice of MRS Systems Outage Beginning Friday, October 6, 2023

Beginning Friday, October 6, 2023, MRS’s computer systems, including the Maine Tax Portal, will be offline for planned system upgrades. MRS expects to resume normal system operations on Tuesday, October 10, 2023.

During this time, taxpayers and tax professionals will not be able to use the Maine Tax Portal, and MRS will be temporarily unable to respond to emails and phone calls.

## Free Maine Individual Tax Return Preparation Services

Effective October 1, 2023, MRS will discontinue Maine tax return preparation assistance over the telephone. Individuals can contact the AARP Foundation Tax-Aide Program online at [www.aarp.org/money/taxes/aarp\\_taxaide](http://www.aarp.org/money/taxes/aarp_taxaide) or call 888-AARP NOW ((888) 227-7669) and Ca\$h Coalition of Maine online at [www.cashmaine.org/free-tax-prep](http://www.cashmaine.org/free-tax-prep) or call 2-1-1 to determine if they qualify for free Maine individual tax return preparation.

Additionally, beginning in January 2024, taxpayers will be able to file 2023 Form 1040ME electronically using the Maine Tax Portal. The Maine Tax Portal allows individuals to file tax returns, make payments, and view bills and notices. Taxpayers and tax professionals may access the Maine Tax Portal at no cost.

For more information, see [revenue.maine.gov](http://revenue.maine.gov).

## **Income Tax Withholding Unit – NEW Phone Number**

Effective immediately, the Income Tax Withholding Unit has a new direct phone number. The Unit can be contacted by phone at (207) 624-7661 Monday through Friday from 9am to 12noon, state holidays excepted, or by email at [withholding.tax@maine.gov](mailto:withholding.tax@maine.gov).

## **MRS Conforms to Certain Federal Tax Relief in Disaster Situations**

MRS has announced Maine tax filing relief for those located in federally declared disaster areas. Taxpayers who reside or have a business located in a federally declared disaster area as noted below will have additional time to file tax returns and submit tax payments.

The relief applies to all Maine taxes administered by MRS, including Sales and Use Tax, Motor Fuel Taxes, Individual and Corporate Income Taxes, Estate Tax, and Financial Institution Franchise Tax. Note that the relief includes extended return filing due dates but does not include tax payments originally due before the disaster date.

- Alabama Severe Storms – Returns and tax payments due on or after: January 12, 2023, for those in parts of Alabama; must be filed and paid on or before October 16, 2023.

To qualify for relief, affected taxpayers should write “ALABAMA SEVERE STORMS” across the top of their return.

- Alaska Flooding – Returns and tax payments due on or after: May 12, 2023, for those in parts of Alaska; must be filed and paid on or before October 31, 2023.

To qualify for relief, affected taxpayers should write “ALASKA FLOODING” across the top of their return.

- California Severe Storms – Returns and tax payments due on or after: December 27, 2022, for those in parts of California; January 8, 2023, for those in parts of California; March 9, 2023, for those in parts of California; must be filed and paid on or before October 16, 2023.

To qualify for relief, affected taxpayers should write “CALIFORNIA SEVERE STORMS” across the top of their return.

- Georgia Severe Storms – Returns and tax payments due on or after: January 12, 2023, for those in parts of Georgia; must be filed and paid on or before October 16, 2023.

To qualify for relief, affected taxpayers should write “GEORGIA SEVERE STORMS” across the top of their return.

- Hawaii Wildfire – Returns and tax payments due on or after: August 8, 2023, for those in Maui and Hawaii counties; must be filed and paid on or before February 15, 2024.

To qualify for relief, affected taxpayers should write “HAWAII WILDFIRE” across the top of their return.

- Hurricane Idalia – Returns and tax payments due on or after: August 27, 2023, for those in parts of Florida; August 29, 2023, for those in South Carolina; August 30, 2023, for those in parts of Georgia; must be filed and paid on or before February 15, 2024.

To qualify for relief, affected taxpayers should write “HURRICANE IDALIA” across the top of their return.

- Hurricane Lee – Returns and tax payments due on or after: September 15, 2023, for those in Maine and Massachusetts; must be filed and paid on or before February 15, 2024.

To qualify for relief, affected taxpayers should write “HURRICANE LEE” across the top of their return.

- Illinois Flooding – Returns and tax payments due on or after: June 29, 2023, for those in parts of Illinois; must be filed and paid on or before October 31, 2023.

To qualify for relief, affected taxpayers should write “ILLINOIS FLOODING” across the top of their return.

- Mississippi Severe Storms – Returns and tax payments due on or after: June 14, 2023, for those in parts of Mississippi; must be filed and paid on or before October 16, 2023.

To qualify for relief, affected taxpayers should write “MISSISSIPPI SEVERE STORMS” across the top of their return.

- Typhoon Mawar – Returns and tax payments due on or after: May 22, 2023, for those in parts of the Commonwealth of the Northern Mariana Islands and for those in Guam; must be filed and paid on or before October 2, 2023.

To qualify for relief, affected taxpayers should write “TYPHOON MAWAR” across the top of their return.

- Vermont Flooding – Returns and tax payments due on or after: July 7, 2023, for those in Vermont; must be filed and paid on or before November 15, 2023.

To qualify for relief, affected taxpayers should write “VERMONT FLOODING” across the top of their return.

MRS will abate any penalties or interest that would otherwise apply.

Businesses or individuals located in the federally declared disaster area who are assessed penalties or interest for filing returns or paying taxes late during the relief period should contact MRS at [income.tax@maine.gov](mailto:income.tax@maine.gov) (Income Tax programs), [sales.tax@maine.gov](mailto:sales.tax@maine.gov) (Sales Tax programs), or [fuel.tax@maine.gov](mailto:fuel.tax@maine.gov) (Motor Fuel Tax programs) to request abatement of any penalties or interest.

Taxpayers with questions about special federal tax relief associated with federally declared disaster areas should contact the IRS at (866) 562-5227 or go to the IRS website at [www.irs.gov](http://www.irs.gov).

Taxpayers with questions about their Maine taxes are encouraged visit the MRS website at [www.maine.gov/revenue](http://www.maine.gov/revenue).

## **MRS Rulemaking Activity Adopted Rules**

**New Rule 325, “Sales to Tribes, Tribal Members, and Tribal Entities.”** Effective September 30, 2023, MRS has adopted new Rule 325 to reflect recently enacted legislation. Rule 325 provides definitions, explanations, and examples of taxable and non-taxable transactions related to sales to Maine Indian tribes, tribal members, and tribal entities, including sales sourced to tribal lands. The rule also addresses other potential sales and use tax issues, including: requirements for qualifying as a “tribal entity;” sourcing complexities related to transactions and the use of property located within both tribal and non-tribal land; specific requirements for the sale of vehicles; and the treatment and reporting of sales to non-tribal members on tribal land.

**Rule 803, “Income Tax Withholding Reports and Payments.”** Effective September 30, 2023, MRS has adopted amended Rule 803 to reflect recently enacted legislation that provides for the following: an income tax withholding exemption for enrolled tribal members residing on tribal land in Maine with income derived from or connected with sources on tribal land in Maine, an income tax withholding exemption for out-of-state suppliers of spirits sold to the Bureau of Alcoholic Beverages and Lottery Operations (“BABLO”), and to make other technical updates.

**New Rule 825, “Tribal Member Income from Sources on Tribal Land.”** Effective September 30, 2023, MRS has adopted new Rule 825 to reflect recently enacted legislation. Rule 825 provides income modifications for Maine individual income tax purposes for enrolled tribal members residing on tribal land in Maine with income derived from or connected with sources on tribal land in Maine.

All adopted rules are available on the MRS website at [www.maine.gov/revenue/publications/rules](http://www.maine.gov/revenue/publications/rules).

## **Federal Forms W-2 and Forms 1099 Information Statements Electronic Filing Requirements Beginning 2024**

MRS Rule 803, “Income Tax Withholding Reports and Payments,” Section .07(E), requires employers and payers that are required to electronically file (e-file) federal Forms W-2 with the Social Security Administration or federal Forms 1099 with the Internal Revenue Service (“IRS”) to also file these forms electronically with MRS.

On February 23, 2023, the U.S. Department of the Treasury issued final regulations (T.D. 9972) that reduced the thresholds for filing certain information returns and other documents that are required to be filed electronically from 250 forms to 10. The new federal (10-return) threshold applies, in aggregate, for almost all federal information return types, including federal Forms W-2 and Forms 1099, beginning in 2024. A summary and link to the final regulations are available here: [www.irs.gov/newsroom/irs-and-treasury-issue-final-regulations-on-e-file-for-businesses](http://www.irs.gov/newsroom/irs-and-treasury-issue-final-regulations-on-e-file-for-businesses). Beginning with tax forms required to be filed with MRS in 2024, employers and payers that are required to file at least 10 federal Forms W-2 and Forms 1099, in aggregate, must file the forms electronically with

MRS using the Maine Tax Portal at [revenue.maine.gov](https://revenue.maine.gov) or, if applicable, via the Combined Federal/State Filing Program.

MRS Rule 803 is available at [www.maine.gov/revenue/publications/rules](https://www.maine.gov/revenue/publications/rules).

## Maine Tax Portal, Free Training Available

Register now for a free Maine Tax Portal training session from MRS, where you'll learn:

- When you can begin using the Maine Tax Portal
- Exciting new features to make filing, paying, and managing state taxes faster and more convenient than ever
- How to create a login
- How to register if you're paying taxes in Maine for the first time
- How to set up account access between you and your business tax professional

Sign up for our webinar at [www.maine.gov/revenue/Fall2023WebinarSchedule](https://www.maine.gov/revenue/Fall2023WebinarSchedule).

### Free Training Webinars

You only need to attend one seminar for the topic that's relevant to the taxes you pay. Each session is approximately 90 minutes in duration.

#### Individual Income Tax

Thursday, October 5, 2023	2pm
Thursday, October 12, 2023	10am
Thursday, January 18, 2024	10am
Thursday, February 1, 2024	2pm
Thursday, February 15, 2024	10am
Thursday, February 29, 2024	2pm
Thursday, March 14, 2024	10am
Thursday, March 28, 2024	2pm
Thursday, April 11, 2024	10am

#### Cigarette and Tobacco Tax

Thursday, November 2, 2023	2pm
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#### Telecommunication Excise Tax (TELCOM)

Wednesday, November 1, 2023	2pm
Monday, November 6, 2023	10am

#### Hospital Tax

Thursday, November 2, 2023	10am
Thursday, November 9, 2023	2pm

#### Initiator of Deposit (IOD) and Milk

Wednesday, October 4, 2023	2pm
Thursday, November 9, 2023	10am

#### Fiduciary Income Tax

Thursday, October 5, 2023	10am
Thursday, October 12, 2023	2pm

## 2023 Maine Tax Practitioner Institute and 2023 Maine Tax Forum (presented by SCORE Maine)

SCORE Maine presents two annual educational programs that provide tax preparers, enrolled agents, CPAs, and legal professionals with updated information about annual changes in Maine and Federal tax laws. The Tax Practitioner Institute ("TPI") and the Maine Tax Forum ("MTF")

both provide continuing education credits.

**The Tax Practitioner Institute** will be held on Wednesday, October 25, 2023. Register today at <https://tinyurl.com/2hz96793>.

The 2023 **Maine Tax Forum** will be held on Wednesday and Thursday, November 8 and 9, 2023. Register today at <https://tinyurl.com/mry32nar>.

Due to overwhelming feedback from last years' events, SCORE Maine has decided to again offer these programs as live virtual events in 2023. SCORE Maine is also pleased to offer a new and more user-friendly registration and learning interface that attendees will find enhances the overall experience.

## **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/bhrssalary/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](http://www.maine.gov/revenue/careers).

**MRS Contact Information:**

A complete list of MRS contact information is available at [www.maine.gov/revenue](http://www.maine.gov/revenue).

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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