

# MAINE TAX ALERT

A Publication of Maine Revenue Services for Tax Professionals

Volume 8, No. 9  
1999

DECEMBER 1998/JANUARY

Public Communications Tel: (207) 626-8475

## Maine Revenue Services Walk-In Taxpayer Assistance Moves

Maine Revenue Services Walk-In Taxpayer Assistance moved to Room 301 on the 3rd floor of the Federal Building, where the Post Office is located, in Augusta, Maine. Taxpayer Assistance hours will be Monday through Friday 8:00 a.m. to 4:30 p.m. and through April 10th there will be Saturday hours from 8:30 a.m. - 12:30 p.m. This change was necessitated by the planned renovations to the State Office Building.

## Hints for Return Preparation

- Reminder: 1998 tax rate schedules were in the September issue of the Tax Alert.
- When preparing tax returns by hand please use black or blue ink.
- Use scannable forms. They can be ordered through Maine Revenue Services (MRS) by using our order form 2333ME or MRS approved tax software. (see list on page 3)
- Write legibly and verify the Social Security number(s) against the client's Social Security card even if you are using preprinted forms.
- If you are using preprinted forms, check the name and address and make any needed corrections on the form. The address printed on the return should be the address the taxpayer will be at four to six weeks after the return is filed.
- The starting point on the return is the federal adjusted gross income not taxable income.
- For long form filers include any additions to or deductions from federal adjusted gross income on Schedule 1. Remember Maine State Retirement Contributions and that Schedule 1 is not used to subtract income earned in other states.
- Fill out Maine Schedule 2 when itemizing deductions.
- Check your math. Even simple mistakes can delay return processing.
- When taking the credit for taxes paid to other jurisdictions attach a copy of the other state's tax return.
- Nonresident or part-year resident returns with Schedule NR or Schedule NRH be sure to send in a complete copy of the related federal return.
- Add the proper amounts from the W-2s. (see missing W-2s for suggestions on how to enclose these)
- If there are estimate payments you must use the long form. Only the long form has a line for the entry of an estimate payment amount. Real estate withholding is also entered on this line.
- If claiming a refund list the amount on the refund line. This line is used by MRS' tele-refund system and missing information on this line results in no automated information on the client's refund status.
- If tax is owed please have the client prepare the check and include it with the return. Social security number(s) should be listed on the check. If the client cannot afford to pay the entire amount due a letter should be included with the return stating the client's name(s), social security number(s), the amount the client can afford to pay weekly or monthly, the client's address, and telephone number. The client should make these payments even if they do not hear from MRS prior to the next stated payment date. Remember to include the Social Security numbers on the checks.

## Missing W-2s

Survey results indicated that W-2s not being attached to the return are still a problem. Maine Revenue Services has made several suggestions that have helped tax preparers. Suggestions include:

- Attaching W-2s to the return with a paper clip.

- Photocopying the W-2s on an 8 1/2" by 11" sheet of paper. When the W-2s are photocopied you may photocopy as many W-2s on one sheet as space permits. Make sure copies are legible.
- When sending W-2s with a return make sure they are folded into the return. Do not attach them to the outside of the return where they can easily be missed when our bureau's letter extractor removes documents from the envelope.

### **Electronic Funds Transfer Required for Payroll Processing Companies**

Starting with payments made on or after January 1, 1999 Payroll Processing Companies will need to remit Maine payroll taxes using Electronic Funds Transfer. See the enclosed letter for further details. This letter was sent to payroll processors during the month of December.

### **Property Tax & Rent Refund Deadline Extended for Renters**

The calculation for the refund given under the property tax and rent refund program was changed for the 1998 application allowing a larger percentage of rent to be refundable. Due to this change the deadline for rent refund filers has been extended to February 28, 1999.

### **Maine Tax Forum Held December 2-3**

The Maine Tax Forum held December 2nd and 3rd began with an explanation of changes to Maine Revenue Services by Janet Waldron, Commissioner of the Department of Administrative and Financial Services. Governor King followed with an overview of the State Budget and an explanation of the connection between taxes and services rendered.

Other speakers included Stephen Daige, IRS Director, New England District, Sarah Beard, Tax Partner, Pierce Atwood, Michael Sheehan from Preti, Flaherty, Beliveau & Pachios, LLC, John Conley, David Erb and Roger Prince from Berry, Dunn, McNeil & Parker, Janet Jones from the IRS and Eleanor Baker from Baker, Newman & Noyes to name a few.

The Maine Tax Forum subject matter dealt with Maine and Federal tax law changes, IRS modernization efforts, NEXUS issues, Business Equipment Tax Reimbursement update, Maine Revenue Services' move,

Franchise tax, Corporate income tax, recent tax related court cases, and Sales and Use tax.

### **Income Tax Forms Quality Assurance**

You will notice many changes to the Maine income tax forms this year. Much effort has been made to assure that the forms meet high quality standards. Staff at Maine Revenue Services reviewed and made changes to the tax returns including some changes in format and the use of color to highlight specific items. A consultant was hired to review income tax forms and make suggestions. Anthony Gould of Maine Revenue Services viewed the printing of the forms for quality assurance before they were mailed. We believe that the additional effort paid off but if you have additional suggestions, write to Anthony Gould at Maine Revenue Services, Station 24, Augusta, Maine 04332-0024, or call (207)626-8460.

### **Corporations and Partnerships Filing Requirements**

Financial Institutions that do business in Maine should file form 1120B-ME Franchise Tax. The filing deadline for the 1120B-ME is the 15th day of the third month following the close of the tax year. C-Corporations (that are not financial institutions) that do business in Maine should file a Maine 1120-S or the Maine 1120. The filing deadline is the 15th day of the third month following the close of the tax year. S-Corporations (that are not financial institutions) should file form 1065ME/1120S-ME by the 15th day of the third month following close of the tax year. Partnerships (that are not financial institutions) must file the 1065ME/1120S-ME by the 15th day of the fourth month following the close of the tax year. Any Partnership or S-Corporation filing the 1065ME/1120S-ME with 100 or fewer partners or shareholders is required to submit copies of all K-1s and must complete the Schedule of Partners/Shareholders Income. Partnerships and S Corporations with more than 100 partners or shareholders are not required to file K-1s or complete the Schedule of Partners/Shareholders income. Copies of the federal tax returns filed for the period are required to be sent with the Maine filings (see the forms for specific pages to include). Forms can be ordered by calling (207)624-7894.

For page 3 information see approved 1998 Tax Software on the Maine Revenue Services Homepage.

## SUGGESTIONS FOR TAX ALERT?

Please contact: **Maine Revenue Services  
Public Communications Director  
24 State House Station  
Augusta, ME 04333-0024**

## MAINE REVENUE SERVICES

<http://janus.state.me.us/revenue>

...Order tax forms through the WebPage?...YES!

## TAX QUESTIONS? PLEASE CONTACT US:

## STATE OF MAINE

Angus S. King, Governor

Janet E. Waldron, Commissioner  
Administrative and Financial Services

Anthony J. Neves, Executive Director

<u>Department</u>	<u>Telephone Numbers</u>	<u>FAX Numbers</u>	<u>E-Mail Addresses</u>
Maine Revenue Services	(207)287-2076	(207) 287-4028	
Central Registration	(207)287-2338	(207) 287-3733	
Collections & Compliance	(207)287-3301	(207) 287-6627	
Corporate Tax	(207)287-3301	(207) 287-6627	corporate_tax@state.me.us
Electronic Funds Transfer	(207)287-8276	(207) 287-6396	electronic_funds_transfer@state.me.us
Estate Tax	(207)626-8480	(207) 287-4028	income_estate_tax@state.me.us
Excise Tax	(207)287-3851	(207) 287-6628	sales_tax@state.me.us
Forms Request Line	(207)624-7894	(207) 622-3517	
Income Tax Assistance	(207)626-8475	(207) 287-4028	income_estate_tax@state.me.us
Paym't Plan/Income Tax	(207)621-4300	(207) 621-4328	
Payment Plan/Other	(207)287-3301	(207) 287-6627	
Practitioners' Hotline	(207)626-8458	(207) 287-4028	
Property Tax	(207)287-2011	(207) 287-6396	property_tax@state.me.us abandoned_property@state.me.us
Sales Tax	(207)287-2336	(207) 287-6628	sales_tax@state.me.us
Taxpayer Advocate	(207)287-4562	(207) 287-6627	
TTY Service	(207)287-4477	-----	
Withholding Tax	(207)626-8475	(207) 287-4028	withholding_tax@state.me.us

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24 State House Station  
Augusta ME 04333-0024  
Return Service Requested