

# **MAINE TAX ALERT**

## A Publication of Maine Revenue Services for Tax Professionals

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Public Communications Tel: (207) 624-9684

# **2003 Maine Tax Amnesty Program**

Legislation enacted in the First Regular Session of the 121st Legislature (PL 2003, c. 20, Part AA, §§ 4-6 as amended by PL 2003, c. 451, Part E, §§ 9-10) established the 2003 Maine Tax Amnesty Program to provide an opportunity for Maine taxpayers to clear tax debts, file missing returns and disclose unreported tax liabilities without fear of criminal prosecution. The Maine Tax Amnesty Program will run September 1, 2003 through November 30, 2003. When applying for the program, taxpayers must pay their full tax liability plus one-half of the interest due. The remaining interest and all of the penalties will be waived.

The Maine Tax Amnesty Program may be used to pay debts related to any taxes administered by Maine Revenue Services for all tax liabilities and returns that were required to be filed before August 31, 2003. Any individual or business subject to Maine taxes is eligible to apply for the program as long as the individual or business has not been convicted, or is not currently being prosecuted, for tax offenses and has no outstanding civil warrants or judgments for the tax debt.

For more information on the Maine Tax Amnesty Program visit our Web site at www.mainetaxamnesty.org, call Maine Revenue Services toll-free at 1-866-430-3161 or visit the Maine Revenue Services Amnesty Center at the Capitol Shopping Center, 150 Western Avenue, Augusta, Maine. Telephone lines and the Amnesty Center will be open Monday through Friday 8:00 a.m. to 5:00 p.m. and Saturdays from 8:00 a.m. to 12:00 p.m. from September 1<sup>st</sup> through November 30<sup>th</sup>, except holidays, and will also be open on Sunday, November 30<sup>th</sup>, the last day of the program, from 8:00 a.m. to 12:00 p.m.

## Maine Sales and Use Tax Symposiums

Please keep in mind that the following Sales and Use Tax Symposiums have been scheduled for the upcoming months. Visit our Web site at www.maine.gov/revenue/salesuse/Symposium%20Registration.htm for more information

October 29 Augusta Civic Center www.augustaciviccenter.com

> Civic Center Drive Augusta, ME

November 20 www.keelevthekaterer.com Keeley the Katerer

178 Warren Avenue

Portland, ME

December 2 Spectacular Event Center www.spectaculareventcenter.com

395 Griffin Road

Bangor, ME

#### 2004 Individual Income Tax Rates

Listed below are the individual income tax rates for tax years beginning in 2004. Rates for tax years beginning in 2003 can be found by visiting our Web site at <a href="https://www.maine.gov/revenue/forms/2003/ratesched03">www.maine.gov/revenue/forms/2003/ratesched03</a>.

# State of Maine - Individual Income Tax 2004 Rates

2004 Cost-of-living adjustment is 1.0401

Note: The 2004 tax rate schedule dollar bracket amounts are adjusted by multiplying the cost-of-living adjustment, 1.0401, by the dollar amounts of the tax rate tables specified in 36 M.R.S.A. § 5111 subsections 1-B, 2-B and 3-B (see 36 M.R.S.A. § 5403). The personal exemption amount is not subject to the inflation adjustment for tax year 2004.

Do not use these tax rate schedules to determine income tax withholding from wages.

#### Tax Rate Schedule #1

For Single Individuals and Married Persons Filing Separate Returns							
If the taxable income is:	The tax is:						
Less than \$4,350		2.0% of the taxable income					
\$ 4,350 but less than	\$ 8,650	\$ 87 plus 4.5% of excess over \$ 4,350					
\$ 8,650 but less than	\$17,350	\$ 281 plus 7.0% of excess over \$ 8,650					
\$ 17,350 or more		\$ 890 plus 8.5% of excess over \$17,350					

#### Tax Rate Schedule #2

For Unmarried or Legally Separated Individuals who Qualify as Heads-of-Households

If the taxable income is:		The tax is:		
Less than \$6,550	2.0% of the taxable income			
\$ 6,550 but less than	\$13,000	\$ 131 plus 4.5% of excess over	\$ 6,550	
\$ 13,000 but less than	\$26,050	\$ 421 plus 7.0% of excess over	\$13,000	
\$ 26,050 or more		\$ 1,335 plus 8.5% of excess over	\$26,050	

## Tax Rate Schedule #3

For Married Individuals and Surviving Spouses Filing Joint Returns

If the taxable income is:		The tax is:		
Less than \$8,700	2.0% of the taxable income			
\$ 8,700 but less than	\$17,350	\$ 174 plus 4.5% of excess over	\$ 8,700	
\$ 17,350 but less than	\$34,700	\$ 563 plus 7.0% of excess over	\$17,350	
\$ 34,700 or more		\$ 1,778 plus 8.5% of excess over	\$34,700	

Personal Exemption: \$2,850

Standard Deduction: Single - \$4,850 Married Filing Jointly - \$8,150 Head-of-Household - \$7,150 Married Filing Separate - \$4,075

## Additional Amount for Age or Blindness:

\$950 if married (whether filing jointly or separately) or a qualified surviving spouse. The additional amount is \$1,900 if one spouse is 65 or over <u>and</u> blind, \$1,900\* if both spouses are 65 or over, \$3,800\* if both spouses are 65 or over <u>and</u> blind, etc.

\$1,200 if unmarried (single or head-of-household). The additional amount is \$2,400 if the individual is both 65 or over and blind.

Note: If taxpayer can be claimed as a dependent on another person's return, the standard deduction is the greater of \$800 or earned income plus \$250 (up to the standard deduction amount).

<sup>\*</sup>If married filing separately, these amounts apply only if you can claim an exemption for your spouse.

#### **Maine Tax Forum**

Just a reminder that the 7<sup>th</sup> Annual Maine Tax Forum, hosted by Maine Revenue Services, the Internal Revenue Service and Thomas College, is scheduled for October 29-30, 2003 at the Augusta Civic Center.

Governor John E. Baldacci will be the featured keynote speaker.

The Income Tax portion of the Tax Forum now provides 13 hours (including 1½ hours of ethics) of CLE credits for attorneys. A total of 16 hours (including 1½ hours of ethics) of CPE credits is also available to CPAs, EAs and accountants.

The registration deadline is October 1, 2003 and seating is limited, so register now with downloadable registration forms available on Maine Revenue Services' Web site at <a href="www.maine.gov/revenue">www.maine.gov/revenue</a> or by calling Rose Jackson at MRS at (207) 626-8463. The Web site also includes a full description of the program, including registration fees.

#### 2003 Tax Forms

Form 2333ME is now available on Maine Revenue Services' Web site at <a href="www.maine.gov/revenue/forms/2003/2333\_03.pdf">www.maine.gov/revenue/forms/2003/2333\_03.pdf</a> to be used to order 2003 tax forms. A print version of Form 2333ME will be available in approximately three weeks.

## Pass-through Entity Withholding

The 2003 Pass-through Entity Withholding Form (Form 941P-ME) is currently being printed. The form will be mailed at the end of October to all entities that have registered with Maine Revenue Services (MRS). The 2004 Pass-through Entity Withholding Booklet (which will contain all necessary forms) is now being developed. For those who register with MRS, the 2004 booklet will be preprinted with individualized demographic information.

For more information on pass-through entity withholding, visit our Web site at <a href="https://www.maine.gov/revenue/ptwith.htm">www.maine.gov/revenue/ptwith.htm</a> or contact Mark E. Landry, Tax Section Manager at P.O. Box 9118, Augusta, ME 04332-9119 or by e-mail to him at mark.e.landry@maine.gov.



DEADLINE FOR AMNESTY: NOVEMBER 30, 2003

Toll-free: 1-866-430-3161 www.mainetaxamnesty.org





MAINE E-FILE

A CONVENIENT, QUICK AND ACCURATE WAY TO FILE MANY INDIVIDUAL INCOME TAX RETURNS

For more information visit our Web site at: www.maine.gov/revenue

<u>Department</u>	<b>Telephone Numbers</b>	FAX Numbers	E-mail Addresses
Taxpayer Service Center	(207) 287-2076	$\overline{(207)\ 287-5855}$	
Central Registration	(207) 287-2338	(207) 287-3733	division.uctax@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	(207) 624-9730	(207) 624-9740	efile.helpdesk@maine.gov
<b>Economic Research</b>	(207) 287-6965	(207) 287-3618	
<b>Electronic Funds Transfer</b>	(207) 287-8276	(207) 287-6627	efunds.transfer@maine.gov
Estate Tax	(207) 626-8480	(207) 624-9694	income.tax@maine.gov
Fuel Tax	(207) 624-9745	(207) 287-6628	fuel.tax@maine.gov
Forms Request Line	(207) 624-7894	(207) 622-3517	
<b>Income Tax Assistance</b>	(207) 626-8475	(207) 624-9694	income.tax@maine.gov
Insurance Premium Tax	(207) 624-9582	(207) 624-9694	
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) 287-2011	(207) 287-6396	prop.tax@maine.gov
<b>Public Communications</b>	(207) 624-9684	(207) 624-9694	
Sales Tax	(207) 624-9693	(207) 287-6628	sales.tax@maine.gov
Taxpayer Advocate	(207) 624-9649	(207) 287-3618	taxpayer.advocate@maine.gov
TTY Service	(207) 287-4477		
Withholding Tax	(207) 626-8475	(207) 624-9694	withholding.tax@maine.gov

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: Public Communications 624-9684

Maine Revenue Services 24 State House Station Augusta, Maine 04333-0024

# **STATE OF MAINE**

John Elias Baldacci, Governor

Rebecca M. Wyke, Commissioner Administrative and Financial Services

Jerome D. Gerard, Acting Executive Director, Maine Revenue Services