



**Form REW-4**  
 Maine Revenue Services  
 Income/Estate Tax Division - REW  
 Email: realestate.withholding@maine.gov

**Notification to Buyer(s) of Withholding Tax Requirement**

36 M.R.S. § 5250-A provides that every buyer of real property in Maine must withhold tax in an amount equal to 2.5% of the consideration. Any buyer who fails to withhold the tax is personally liable for the tax. The withholding required by § 5250-A must be transmitted to the State Tax Assessor with the appropriate REW-1 form within 30 days of the transfer of the real property.

A buyer is not required to withhold tax if:

- (a) The seller furnishes the buyer with a certificate stating that, under penalty of perjury, as of the date of the transfer, the seller is a resident of the State of Maine;
- (b) The seller or the buyer has received from the State Tax Assessor, a certificate stating that no tax is due on the gain from the transfer or that the seller has provided adequate security to cover the liability;
- (c) The consideration from the transfer of the property is less than \$100,000;
- (d) Written notification of the withholding requirements of 36 M.R.S. § 5250-A has not been provided to the buyer;
- (e) The seller is the State or an agency or a political subdivision of the State, the federal government or an agency of the federal government, an organization exempt from income taxes pursuant to the Internal Revenue Code, § 501(a), an insurance company exempt from Maine income taxes or a subsidiary of an insurance company described in 24-A M.R.S., § 1157 (5)(B)(1) that is exempt from Maine income taxes; or
- (f) The property is being transferred via a foreclosure sale. Foreclosure sale means a sale of real property incident to a foreclosure and includes a mortgagee's sale of real estate owned property of which the mortgagee, or third-party entity, retained or took ownership as the result of an unsuccessful attempt to sell the property at the time of a previous foreclosure auction.

The undersigned buyer(s) acknowledge(s) receipt of this notification of the withholding tax requirements of 36 M.R.S. § 5250-A.

Buyer:  
 Name: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 Date: \_\_\_\_\_

Real estate escrow person:  
 Name: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 Title: \_\_\_\_\_

Buyer's Spouse (if applicable):  
 Name: \_\_\_\_\_  
 Signature: \_\_\_\_\_  
 Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Note:** The buyer, or real estate escrow person, must retain the signed original affidavit. MRS will request a copy of this form if needed.