



MAINE TAX ALERT

A Publication of Maine Revenue Services for Tax Professionals

Volume 23, Issue 2

January, 2013 - #2

Public Communications Tel: (207) 626-8478

MAINE CONFORMITY with THE AMERICAN TAX RELIEF ACT of 2012 for TAX YEAR 2012

The recent enactment of the American Taxpayer Relief Act of 2012 (“ATR”) has generated questions about whether Maine will conform to certain federal tax provisions contained in the Act. Of particular interest are those provisions that apply retroactively to tax years beginning in 2012 and, thus, will have an impact on the current tax filing season.

Governor Paul R. LePage has decided to propose legislation which would conform Maine’s income tax law to the federal act to the extent that it impacts tax years beginning in 2012 and from which Maine law has not already deviated. The administration is continuing to carefully study those provisions that have an impact on tax years 2013 and beyond. The Governor is preparing legislation on conformity for consideration by the Maine Legislature.

Maine tax forms and instructions for 2012 which have already been issued are consistent with the Governor’s decision on 2012 tax conformity issues. MRS, therefore, advises taxpayers to file their 2012 tax returns as currently instructed.

Conformity to these federal tax law changes will require legislative action. Under current law, Maine conforms to the Internal Revenue Code (the “Code”) through December 31, 2011, with some exceptions specifically contained in Maine income tax law. The Maine Legislature must review the changes made to the Code since December 31, 2011, including the changes made in the ATR Act, to determine to what extent Maine will conform to the changes.

The most notable provisions that impact Maine taxation beginning in 2012 are the above-the-line deduction of up to \$250 for teacher classroom expenses, the expanded § 179 business expense deduction and the extension and modification of the federal research credit impacting the corresponding Maine research credit. Other extended federal tax items that impact Maine taxation for the 2012 tax year include itemized deductions for mortgage insurance and related expenses, accelerated depreciation deductions for leasehold/restaurant/retail improvement property, special expensing rules for film and television productions, a deduction for contribution of food inventories and a number of other miscellaneous items with less significant impact on Maine taxes.

In the event that final legislation is enacted that is not consistent with the advice contained in this article, MRS will inform taxpayers of those tax items and describe what taxpayers will need to do in order to correctly file their 2012 tax returns or to correct returns already filed. Taxpayers who file on the basis of this advice will not be subject to penalties or interest associated with

these tax items in the event that legislation is passed that does not conform to the federal 2012 tax law changes.

If you have any questions regarding Maine conformity with the American Tax Relief Act of 2012, call (207) 626-8475 or email income.tax@maine.gov.

<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	
Audit	(207) 822-0450	(207) 822-0453	
Central Registration	(207) 621-5129	(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 (1040 ONLY)	(207) 624-9730	(207) 287-6628	efile.helpdesk@maine.gov
Electronic Funds Transfer	(207) 624-5625	(207) 287-6975	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?

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