



MAINE TAX ALERT

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Maine Revenue Services Rulemaking Activity

Amendments to Rule 805, “Composite Filing.” Rule 805 was adopted in 1987 and most recently amended in 2008. The rule establishes procedures for filing of composite returns of income by partnerships, estates, trusts, and S corporations on behalf of partners, beneficiaries, or shareholders.

The following changes are being proposed for this Rule. The definition of “eligible person” is reworded to be more precise. Section 3 and Section 5 are amended to make clear that an eligible person cannot join in a composite return and claim a business credit for which an income modification or election is required. Section 2 is amended to strike the mention of a schedule that is no longer available.

A copy of Proposed Rule 805 can be found on the MRS website at www.maine.gov/revenue (select Laws & Rules). Comments are due by July 16, 2012 and should be directed to Nanette Ardry, Esq., Maine Revenue Services, 24 State House Station, Augusta, Maine 04333, (207) 624-9725, nanette.m.ardry@maine.gov.

Amendments to Rule 901, “Maine Residents Property Tax Program.” Rule 901, first adopted in 1997 and most recently amended in 2008, explains the Maine Resident Property Tax Program, also known as “Circuitbreaker.”

The following changes are being proposed for this Rule. Sections .01(A) and .02(A) are amended to reflect recent legislation that allows a claimant to claim property tax on property for which ownership was transferred pursuant to an agreement but which allowed the claimant to retain possession of the property. A definition of “dwelling” is added to section .02(A). Section .04 is amended to exclude property taxes abated for infirmity or poverty from definition of “property taxes accrued” in response to recent legislation and to add a section on parts of larger units to reflect existing statutory language. Language related to exclusions from rent in section .05 is revised and first time claimants with rent above \$9,000 annually must provide proof of rent in response to recent legislation requiring rulemaking.

A copy of Proposed Rule 901 can be found on the MRS website at www.maine.gov/revenue (select Laws & Rules). Comments are due by July 16, 2012 and should be directed to Nanette Ardry, Esq., Maine Revenue Services, 24 State House Station, Augusta, Maine 04333, (207) 624-9725, nanette.m.ardry@maine.gov.

Maine Revenue Services Criminal Tax Cases

On March 2, 2012, Thomas Balzano appeared in Portland Court and pled guilty to six (6) counts of Failure to Pay Maine Income Tax for the periods 2004-2009, and two (2) counts of Failure to Make and File Maine Income Tax for the years 2004 & 2007. After a short sentencing hearing, the Judge sentenced Mr. Balzano to 120 days in jail, with all but four (4) days suspended. Mr. Balzano was ordered to pay restitution in the amount of \$48,484 (\$110,465 was the total value attributed to this case; however, Mr. Balzano made multiple payments towards his restitution before court imposed restitution). The restitution is a stand-alone order and is both part of the judgment, as well as a condition of his administrative release (Mr. Balzano was ordered to serve a one-year period of administrative release.) Mr. Balzano is also required to timely file all future returns and timely pay all future taxes.

On March 20, 2012, Kathy Kimball from Sumner, Maine appeared for trial in South Paris District Court and pursuant to a plea agreement, pled guilty to six (6) counts of Failure to Make and File/Failure to Pay Maine Income Tax for tax years 2004-2009. After a short sentencing hearing, the Judge sentenced Ms. Kimball to 180 days in jail, with all but 21 days suspended. She was ordered to pay restitution in the amount of \$40,169; this is a stand-alone order and is both part of the judgment, as well as a condition of her administrative release. (Ms. Kimball was ordered to serve a one-year period of administrative release.) The other terms of her administrative release require monthly restitution payments. Ms. Kimball has also been ordered to timely file and pay all future income taxes.

On April 27, 2012, Randall Weisz from Steep Falls, Maine appeared in Portland Court for sentencing after pleading no contest on 3/23/12 to ten (10) Counts of Failure to File/Pay Maine Income Tax for the years 2005-2010. Mr. Weisz was sentenced to 180 days in jail with all but 14 days suspended and one year of administrative release. Special conditions of his administrative release include paying restitution in the amount of \$8,950 (and a separate judgment for the same amount) and to pay and file all future income taxes timely.

<u>Department</u>	<u>Telephone Numbers</u>	<u>FAX Numbers</u>	<u>E-mail Addresses</u>
Taxpayer Service Center	(207) 287-2076	(207) 287-5855	
Appellate	(207) 624-9854	(207) 287-3618	
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) 287-8276	(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) 287-2013	(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?

Please contact: Public Communications (207) 626-8478
Maine Revenue Services
PO Box 1060
Augusta, Maine 04332-1060