



MAINE TAX ALERT

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Governor Provides Municipalities With Increased Flexibility In Setting Due Dates and Interest Rates For Local Property Taxes

Governor Janet Mills recently signed an Executive Order that will provide municipalities with additional options in their administration of local property tax in response to the COVID-19 emergency. The Executive Order allows municipal officers to extend and reestablish property tax due dates and the dates when interest will begin to accrue on property taxes that were previously committed in 2019. The Executive Order also allows the municipal officers to set the due dates, interest rate, and interest accrual dates for property taxes committed in 2020 if the municipality is unable to hold its annual budget meeting prior to the property tax commitment date.

In addition, the Executive Order allows municipal tax collectors the option of delaying the property tax lien process for delinquent taxpayers. The Executive Order allows a tax collector to delay sending a notice, detailing the delinquent tax and lien warning, until 60 days after the state of emergency has terminated. If the tax collector has already sent the notice, but not yet placed a lien on the property for taxes that remain unpaid, the collector may decline to file the lien and may re-initiate the lien process by sending another notice within 60 days after the state of emergency has terminated.

The Executive Order can be viewed at www.maine.gov/governor/mills/official_documents (click on Executive Order 53: An Order Regarding Certain Municipal and Taxation Matters (PDF) – 5/12/2020). If you have any questions about the changes, please contact your local municipality or the Property Tax Division of Maine Revenue Services (“MRS”) at (207) 624-5600.

Governor Extends Definition of “Disaster Period” For Certain Maine Sales Tax and Income Tax Provisions

The Executive Order, described above, will also temporarily extend a “disaster period,” as defined in Title 36, Maine Revised Statutes, until 30 days after the termination of the state of emergency. The definition relates to the sales tax exemption under 36 M.R.S. § 1760(45), relating to certain property brought into the State during a “disaster period.” The definition also relates to the income tax definition of “disaster period” under 36 M.R.S. § 5102(6-C). *See* 36

M.R.S. § 5142(8-B)(D) (excluding certain compensation and income from Maine-source income during a disaster period); *see also* 36 M.R.S. § 5211(16-B) (excluding from the sales factor certain receipts related to services during a “disaster period”).

Please contact (207) 624-9693 for sales tax questions and contact (207) 626-8475 for income tax questions.

2020 Maine Tax Law Changes

A summary of Maine tax law changes enacted by the Second Regular Session of the 129th Legislature is available on the MRS website at www.maine.gov/revenue/rules (click on “2020 Tax Law Changes” at top). The summary includes General Administrative changes and Income Tax, Franchise Tax, Estate Tax, Withholding Tax, Insurance Premiums Tax, Sales and Use Tax, Health Care Provider Tax, Hospital Tax, Pesticide Container Fees, and Property Tax provisions.

MRS Frequently Asked Questions – COVID-19

As previously announced on April 16, 2020, MRS has issued tax information for certain frequently asked questions (FAQs) relating to the ongoing coronavirus (COVID-19). The FAQs can be viewed on the MRS website at: www.maine.gov/revenue/faq/covid19_faq.html.

The information will be updated as new developments occur.

MRS Reminder: Sales Tax and Withholding Tax Deadlines Remain Unchanged

As recently announced in [Tax Alerts](#) by MRS, the deadlines for filing and paying Maine sales tax and state withholding tax are **unchanged**. This is because, unlike income tax, sales tax and state withholding tax are “trust fund” taxes held *in trust*. While MRS recognizes the strain that taxpayers are experiencing, Maine law prohibits taxpayers from using these trust fund taxes for their own purpose. MRS encourages retailers to still timely file their sales tax returns, although retailers may request an extension to file. However, for the reasons stated, any extension to file is **not** an extension for remitting collected sales tax to the State.

Retailers who cannot compute the actual sales tax to remit may timely file their return and remit *estimated* sales tax based on their filing history. Retailers should file an amended return as soon as possible to reconcile the correct tax owed.

If you have any questions, please contact the Sales Tax Division at (207) 624-9693 or sales.tax@maine.gov or the Withholding Unit at (207) 626-8475 or withholding.tax@maine.gov.

Taxpayers who want to request a payment plan may also contact the Compliance Division at (207) 624-9595 or compliance.tax@maine.gov.

Fraud Alert

If you believe you are a victim of identity theft or that a breach of personally identifiable information has occurred, contact MRS at (207) 624-7658 or email fraudalert.mrs@maine.gov as soon as possible. Timely notification assists MRS in preventing fraudulent tax refunds.

<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	
Central Registration	(207) 624-5644	(207) 287-6975	taxregistration@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) 287-3618	efunds.transfer@maine.gov
Estate & Fiduciary Tax	(207) 626-8480	(207) 624-9694	estatetax@maine.gov
Fuel & Special Taxes	(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) 624-9595	(207) 287-6627	
Office of Tax Policy	(207) 624-9677	(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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