

GENERAL INSTRUCTIONS

Returns must be completed and filed with Maine Revenue Services each quarter according to the following schedule:

<u>Quarter</u>	<u>Period Covered</u>	<u>Due Date</u>
Quarter 1	01-01-13 to 03-31-13	04-30-13
Quarter 2	04-01-13 to 06-30-13	07-31-13
Quarter 3	07-01-13 to 09-30-13	10-31-13
Quarter 4	10-01-13 to 12-31-13	01-31-14

Note: A return must be filed each quarter, even if you had no income tax withheld for that period. Each page submitted must have your Withholding Account Number clearly printed at or near the top of the page. Do not write notes on the withholding listing pages.

Form 941ME is used to report total income tax withheld for the quarter and to reconcile semiweekly withholding payments made during the quarter. If you also make, or expect to make, unemployment contributions, download a Form 941/C1-ME booklet at www.maine.gov/revenue/forms or call the Central Registration Unit at (207) 621-5129 to request a combined withholding and unemployment contribution booklet (Form 941/C1-ME).

Complete Form 941BN-ME when the business terminates or the requirement to withhold permanently ceases, or if there has been a change in the business name, address or telephone number. **Do not make changes on Form 941ME.**

When using a paid preparer or payroll processor, enter their federal employer identification number ("EIN") and Maine payroll processor license number in the designated fields.

If your current Federal Employer Identification Number (Maine Withholding Account Number) changes, call the Central Registration Unit at (207) 621-5129.

Amended Returns. If it is necessary to correct a withholding amount you reported or made for a particular employee or payee in a previous quarter, submit an amended return (Form 941A-ME) for that period along with an explanation of the change. We will correct your account for the period involved. Do not make an adjustment on the current Form 941ME.

Direct any questions regarding this form or income tax withholding in general to Maine Revenue Services at (207) 626-8475, select 1, then option 4.

Interest and Penalties. Beginning January 1, 2013, the interest rate is 7% per annum, compounded monthly. The penalty for failure to pay the withholding tax on time is 1% per month up to a maximum of 25%. The penalty for failure to file the return on time is 10% of the tax liability or \$25, whichever is greater. If the return is filed more than 60 days after demand, the penalty is the greater of \$25 or 25% of the tax due.

SPECIFIC INSTRUCTIONS

Note: The forms in this booklet are designed to comply with optical scanning requirements. Spaces underlined in red must be completed carefully in black or blue ink. Letters and numbers must be entered legibly within the outline area. Letters must appear in upper case only and start on the left; numbers start from the right. For example:

Do not mail photocopies of the forms in this book to Maine Revenue Services. Photocopied forms cannot be processed by the scanning system.

LABEL. Affix the label provided with this booklet to the designated area on the quarterly form. This label will expedite the processing of your return. Do not use the forms in this booklet unless you affix a label to the form.

Line A. For non-wage withholding filers only. Check this box if you have received written permission to exclude Schedule 2. Checking this box requires you to report Maine withholding data by electronically filing forms 1099 with Maine Revenue Services. **This box must be checked every quarter for which the permission is effective.**

Line 1. Enter the total amount of Maine income tax withheld from Schedule 2 – Income Tax Withholding Listing, line 11. **All taxpayers filing Form 941ME must complete Schedule 2.**

Line 2. Enter the total amount of semiweekly payments remitted during the quarter from Schedule 1 - Reconciliation of Semiweekly Payments of Income Tax Withholding, line 6. If you did not make payments of income tax withholding during the quarter, enter zero. For information about who is required to make semiweekly payments of income tax withholding, see instructions for Schedule 1 below.

Line 3a. If line 1 is greater than line 2, enter line 1 minus line 2. Enclose the amount due with the return.

Line 3b. If line 2 is greater than line 1, enter line 2 minus line 1. A refund will be sent to you.

If line 1 equals line 2, leave lines 3a and 3b blank.

Account Cancellation. When a business is discontinued or the requirement to withhold permanently ceases, complete the Business Change Notification form, 941BN-ME.

Schedule 1 Reconciliation of Semiweekly Payments of Income Tax Withholding

Taxpayers who reported Maine income tax withholding of \$18,000 or more for the 12 months ending June 30, 2012 are required to make payments of income tax withholding on a semiweekly schedule. These payments are required to be paid electronically. Taxpayers who reported Maine income tax withholding of less than \$18,000 for the 12 months ending June 30, 2012 are required to make payments quarterly.

Semiweekly Schedule	
Day Wages Paid	Remittance Due
Wednesday, Thursday, or Friday	On or before the following Wednesday
Saturday, Sunday, Monday, Tuesday	On or before the following Friday

If you are required to pay income tax withholding on a semiweekly basis, you must complete Schedule 1. Complete one line of the schedule for each payroll during the quarter. Enter the payroll date in the Date Wages or Non-wages Paid column and enter the amount of corresponding withholding paid to Maine Revenue Services for that payroll period in the Amount of Withholding Paid column.

Line 4. Add the subtotals for the payment amount columns and enter the total payment amount for this quarter. The total payment amount will be entered on line 2. The payment amount includes all payments made during the quarter.

SPECIFIC INSTRUCTIONS, continued

Schedule 2 Income Tax Withholding Listing

Label. Affix the label provided with this booklet in the designated area on the schedule.

All filers must complete Schedule 2, lines 8 and 9. If you paid wages or made non-wage payments during the quarter, complete all information in columns 5, 6 and 7 and line 8 on each withholding listing page submitted. Use as many pages as necessary to report all employees/payees. Include backup withholding, pension withholding, non-wage payments withholding, etc. If you did not pay wages or make non-wage payments during the quarter, complete only lines 8 and 9. See further instructions below.

Column 5. Enter the last name, first name and middle initial of each payee who received wages or non-wage payments during the quarter.

Column 6. Enter the full social security number of each payee who received wages or non-wage payments during the quarter. All nine digits must be entered; entry of XXX-XX-NNNN or entry of only the last four digits is invalid.

Column 7. Enter the total Maine income tax withheld for each payee who received wages or non-wage payments during the quarter. If a payee's withholding is greater than \$999,999.99, enter the withholding on two or more lines to add up to the total withholding for the payee. Also include backup withholding, pension withholding, distribution withholding, etc.

Line 8. Enter the total Maine income tax withheld for payees listed on the page. If no income tax was withheld, enter zero.

Line 9. On the last Schedule 2 page only, enter the total Maine income tax withheld in the quarter for all pages. If no income tax was withheld, enter zero. Enter this amount on line 1.

ELECTRONIC FILING REQUIRED FOR ALL EMPLOYERS/PAYERS



MRS Rule 104 (Electronic Filing of Maine Tax Returns) generally requires all employers and non-wage payers to electronically file Maine income tax withholding returns and annual reconciliation of Maine income tax withholding and unemployment compensation. Employers/payers unable to meet the electronic filing requirement because of undue hardship may request a waiver from the State Tax Assessor. The request must be in writing and must include the name, address and withholding account number of the business, a detailed explanation of why filing electronically poses a significant hardship and the length of time for which you are requesting a waiver. Mail requests to: Maine Revenue Services, Withholding Unit, P.O. Box 1060, Augusta, ME 04332-1060. To view Rule 104, go to www.maine.gov/revenue (select "Laws & Rules").

The **Maine Employers Electronic Tax Reporting System (MEETRS)** allows employers and non-wage withholders to file multiple forms with a single login, including quarterly returns and the annual reconciliation (Form W-3ME). Employers/payers using software capable of producing a file that conforms to the Maine Revenue Services ICESA specifications may upload that file to MRS via the web. Quarterly return file specifications are available to view or download from the Maine Revenue Services web site at www.maine.gov/revenue (select "Electronic Services" and scroll to "Payroll Taxes").

The quarterly return and Form W-3ME may also be filed via the MRS Internet filing program (Maine I-file), which does not require any special software. For your convenience, you may upload wage listing spreadsheet files via the Maine I-file program.

Experienced personnel can walk you through your initial registration and answer any questions you may have. **Call (207) 626-8475, select option 1, then option 4** for a direct connection to the Maine Business Tax Unit. For more information, see www.maine.gov/revenue.

ELECTRONIC PAYMENT OPTIONS



Maine Revenue Services offers a convenient 24-hour electronic payment option called **EZ Pay**. You can access **EZ Pay** on our web site at www.maine.gov/revenue/netfile/ezpay.htm. Almost any type of tax payment can be made, including income tax withholding and unemployment contributions. To avoid having to make payments earlier than necessary, payments may be scheduled in advance and will automatically be withdrawn on the payment date you select.

To use **EZ Pay**, simply register online at the time you want to make your first payment. Once registered, the system will ask you to select the tax type you want to pay. If you are making a semiweekly payment, select "Withholding Semiweekly Payment." If you are paying a tax balance due with your quarterly withholding return, select "Withholding Payment." If you are paying a balance due from a bill or notice that you received from MRS, select "Bill Payment."

Rule 102 requires that semiweekly payments be made electronically. You may request a waiver from this requirement for good cause. To obtain a waiver request form, see contact information in the last paragraph below.

MRS accepts both ACH credit method and ACH debit payments for income tax withholding quarterly returns. ACH Credit and ACH Teledebit (phone payment system) require the submission of an EFT registration application prior to use.

EFT Required. Taxpayers with an annual total combined tax liability for all taxes of \$14,000 or more must pay electronically. Payroll processing companies must remit electronically for all clients, even if clients are not mandated to pay electronically. A payroll processing company may request a waiver from this requirement for good cause. MRS also encourages voluntary participation in the EZ Pay program by those not required to pay electronically. There are no payment minimums.

ACH Credit. A taxpayer may make payments using this method by authorizing their bank to withdraw the tax payment from the taxpayer's deposit account and transfer it to the state's account. You must have previously established a relationship with a bank that provides this service (generally larger commercial banks) and you must have previously registered with the MRS EFT Unit as a credit method payer.

ACH Debit. A taxpayer may make payments using this method by authorizing MRS to electronically transfer tax payments from the taxpayer's deposit account to the MRS deposit account. ACH Teledebits are initiated through a telephone call to the MRS electronic withdrawal payment system (207-624-7777). This telephone payment system allows taxpayers to arrange for debit payments with effective dates up to 15 days in the future. Another option available is for the amount due shown on the return you I-file to be deducted from your account within 3 business days from the date you authorize the transfer.

Penalty for Insufficient Funds. The penalty for insufficient funds applies to electronic funds transfers. The penalty is \$20 or 1% of the payment amount, whichever is greater.

Penalty for Failure to Pay by Electronic Funds Transfer. Any person required to pay by electronic funds transfer who fails to do so is liable for a penalty equal to the lesser of 5% of the tax due or \$5,000.

For more information, an application, a waiver request form or a copy of Rule 102, go to www.maine.gov/revenue and select Electronic Services; send an email to efunds.transfer@maine.gov; send a fax to (207) 287-6975; call (207) 624-5625; or write to: EFT Unit, Maine Revenue Services, PO Box 1060, Augusta, ME 04332-1060.