



MAINE TAX ALERT

A Publication of Maine Revenue Services for Tax Professionals

Volume 26, Issue 1

January 2016

Maine Conformity with the Federal Consolidated Appropriations Act, 2016

At the direction of Maine Governor Paul R. LePage, the Department of Administrative and Financial Services will present a bill to the current session of the Maine Legislature proposing to continue conformity of Maine tax law to the Internal Revenue Code (the "Code") through December 31, 2015. This includes conformity to permanent and temporary extensions of federal tax law changes recently made in the Federal Consolidated Appropriations Act, 2016 and continuing the Maine Capital Investment Credit (in lieu of conforming to federal bonus depreciation). The bill will be sponsored by the chairs of the Legislature's Joint Standing Committee on Taxation, Senator Earle McCormick (R-Kennebec) and Representative Adam Goode (D-Bangor).

The provisions of the federal tax extenders package with the most notable impact on Maine taxpayers include the above-the-line deduction of up to \$250 for teacher classroom expenses and the Section 179 business expense deduction, both of which were made permanent by Congress. In addition, the package also extended federal tax provisions related to the deduction for tuition and fees, itemized deductions for state and local sales taxes and mortgage insurance premiums as well as a number of various other provisions with less significant impact on Maine taxpayers.

Downloadable Maine tax forms and instructions for 2015 that have been issued as of this date are consistent with the extended conformity provisions noted above.

In the event that final legislation is enacted that is not consistent with the Department's proposal, Maine Revenue Services will inform taxpayers of those tax items and describe what taxpayers will need to do in order to correctly file their 2015 tax returns or to correct returns already filed.

Individual Income Tax Notes

Something for individuals to remember this filing season...

WHAT IS USE TAX?

Use Tax is a companion tax to the sales tax and is imposed when sales tax has not been paid on taxable items used in Maine. Examples are items purchased without paying sales taxes such as

purchases made online or in another state and brought back to Maine. The two taxes operate in tandem; they generally apply to the same types of property and are imposed at the same rate. All states that have a sales tax also impose a use tax. Use tax has been in Maine law since 1951 (the same as sales tax). Details regarding sales and use tax may be found on the web at www.maine.gov/revenue/salesuse/usetax/usetax.html or by calling (207) 624-9693.

Are you liable for use tax?

If you answer yes to either of the following questions, you could be liable for Maine use tax:

- Have you purchased items in another state without paying sales tax, then brought the items to Maine?
- Have you made purchases via the internet, mail order catalogs or over the telephone without paying sales tax to the seller?

Individuals can remit use tax on their 2015 Form 1040ME. Businesses should call the Sales and Use Tax Unit at (207) 624-9693 for information on remitting sales and use tax.

<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) 624-9628	(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:

Maine Revenue Services

PO Box 1060

Augusta, Maine 04332-1060