



JOHN ELIAS BALDACCI  
GOVERNOR

STATE OF MAINE  
MAINE REVENUE SERVICES  
24 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0024

ADMINISTRATIVE & FINANCIAL SERVICES

RYAN LOW  
COMMISSIONER

MAINE REVENUE SERVICES

JEROME D. GERARD  
ACTING EXECUTIVE DIRECTOR

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## **Electronic Filing of Sales Tax, Use Tax and Service Provider Tax Returns**

Effective April 1, 2009 all sales, use and service provider accounts who report on a monthly basis are required to file their returns electronically. This notice is being sent to you as our records indicate that you are currently a monthly filer.

### **Why is this being done?**

All businesses strive to provide their services in the most cost efficient manner. State Government is no different. It has been proven that the cost of processing paper returns will be greatly reduced by replacing it with electronic data submissions. Reduced paper consumption is both cost effective and environmentally friendly. Electronically filing returns also provides for editing functions at the front end, allowing a retailer to correct mathematical errors before submitting the return. The result is an error free return and less time spent by our staff to resolve simple errors.

Rule 104 provides a gradual implementation for requiring the electronic data submission of sales, use and service provider tax returns. All monthly accounts are being affected at this time while quarterly accounts will be added in 2010, semi-annual accounts in 2011 and annual accounts in 2012. Rule 104 also allows for a retailer to request a waiver from mandatory participation. Rule 104 can be viewed at <http://www.maine.gov/revenue/rules/homepage.html>.

### **What is meant by “electronic data submission”?**

Electronic data submission means the use of a computer, internet or any other means of electronic submission of data to transmit return or document information in a manner prescribed by the State Tax Assessor. Maine Revenue’s IFile system can be found at <http://www.maine.gov/revenue/netfile/gateway2.htm>.

### **What if I don’t have a computer and/or internet access?**

It is certainly realized that not all retailers may have a computer and/or internet access. As a result, another means of electronic submission will be the use of the telephone. A TeleFile system, currently in place for making electronic payments over the telephone, is being modified to accept sales, use and service provider tax returns as well.

### **What if I have no desire to do electronic banking?**

Both the IFile and TeleFile system will allow a retailer to electronically file a return even though a retailer may wish to continue paying by paper check<sup>1</sup>. The IFile process provides a voucher to submit with the check while the TeleFile process will provide information to place on or with the check. Both are needed to properly post the payment.

### **What will happen on April 1, 2009?**

We will include in the mailing of the February return (typically around Feb 15<sup>th</sup>) a reminder that we will no longer be sending a paper return. The March 2009 return, due on April 15<sup>th</sup>, will be the first return affected by this change. All monthly accounts will automatically be coded in our system. No action by a retailer is needed unless a retailer wishes to receive a waiver or wishes to use the TeleFile system.

### **What if I want to apply for a waiver?**

The Rule allows for a retailer to request a waiver if this filing requirement causes undue hardship. The waiver request must be in writing and contain an explanation of the undue hardship that will be caused by complying with the electronic filing requirements and the date by which the retailer intends to be in compliance. If a waiver is granted, it will be granted for one year at which time the retailer would need to reapply for an extension. Requests should be mailed to the attention of Sara Lewis at Maine Revenue Services, Sales, Fuel and Special Tax Division, PO Box 1065, Augusta, ME 04332-1065 **no later than March 1, 2009.**

### **How do I comply through IFile?**

Enclosed with this notice is our pamphlet on Internet Filing which will assist you in that process. You can call 207-624-9693 between 8:00 am and 5:00 pm, Monday-Friday for additional assistance.

### **What if I want to do TeleFile rather than IFile?**

Please use the enclosed application and select the “Telefile – Sales/Use and Service Provider Tax” box at the top of the form. If you will be paying by paper check, you do not need to complete any of the banking information. Since this system is currently being modified and is not ready for use, we will hold onto your application and notify you when it has been processed. Until such time as this system is ready we will continue to send you paper returns. Please submit this application **no later than March 1, 2009.**

### **What if I am already filing electronically?**

If you have been filing electronically, there is nothing you need to do. However, if you have previously requested that a paper return continue to be mailed to you, that request will no longer be honored. Reminders to file your return are accomplished through the email.

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<sup>1</sup> Some retailers may be required under separate rule to pay electronically and may receive or have received additional correspondence from Maine Revenue on this issue. Similar waiver provisions exist for electronic payment mandates.

