

**Annual List of Rule-Making Activity**  
**Rules Adopted January 1, 2015 to December 31, 2015**  
*Prepared by the Secretary of State, pursuant to 5 MRS §8053-A, sub-§5*

**Agency name:** Bureau of Revenue Services (Maine Revenue Services – MRS)  
**Umbrella-Unit:** 18-125  
**Statutory authority:** 36 MRS §§ 112, 328, 330, 331  
**Chapter number/title:** Ch. 208, Revaluation Guidelines  
**Filing number:** 2015-048  
**Effective date:** 3/24/2015  
**Type of rule:** Routine Technical  
**Emergency rule:** No

**Principal reason or purpose for rule:**  
*(See Basis statement.)*

**Basis statement:**

MRS amends Ch. 208, *Revaluation Guidelines*. The rule explains in further detail the process of revaluation of property and offers guidance for professionals providing revaluation services. The amendment updates obsolete references and makes other housekeeping changes. Aside from technical changes, the only noteworthy change is to eliminate the requirement for a municipality to gain approval from the State Tax Assessor prior to using a new pricing schedule. The change replaces that requirement with the requirement for municipalities to provide a copy of new pricing schedules to the State Tax Assessor only on request.

**Fiscal impact of rule:**  
Minimal

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**Agency name:** Bureau of Revenue Services (Maine Revenue Services – MRS)  
**Umbrella-Unit:** 18-125  
**Statutory authority:** 36 MRS §112  
**Chapter number/title:** Ch. 801, Apportionment  
**Filing number:** 2015-056  
**Effective date:** 4/5/2015  
**Type of rule:** Routine Technical  
**Emergency rule:** No

**Principal reason or purpose for rule:**  
*(See Basis statement.)*

**Basis statement:**

MRS has amended Ch. 801 ("Apportionment"). The rule explains apportionment for corporations, passthrough entities, sole proprietorships and other business types. The rule applies to entities that have income from business activity both within and without Maine. The rule also applies for purposes of determining the apportionable income base when calculating the credit for taxes paid to other jurisdictions on certain income.

For ease of reference, MRS restructured section .06 Sales factor to add a new section A. Formula. The opening paragraphs are reorganized into outline form to clearly separate three distinct exceptions. Due to a statutory change, language was added to exclude from the numerator of the sales factor sales of a person whose only business activity in Maine is the performance of services directly related to a declared state disaster or emergency. MRS also adopted changes which clarify that gross receipts is an amount net of returns and allowances, consistent with longstanding practice. Additional miscellaneous technical changes were also made.

**Fiscal impact of rule:**  
Minimal

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**Agency name:** Bureau of Revenue Services (Maine Revenue Services – MRS)  
**Umbrella-Unit:** 18-125  
**Statutory authority:** 36 MRS §112  
**Chapter number/title:** Ch. 803, Withholding Tax Reports and Payments  
**Filing number:** 2015-057  
**Effective date:** 4/5/2015  
**Type of rule:** Routine Technical  
**Emergency rule:** No

**Principal reason or purpose for rule:**  
*(See Basis statement.)*

**Basis statement:**

MRS has amended Rule 803 ("Withholding Tax Reports and Payments"). The rule identifies income subject to Maine withholding and prescribes the methods for determining the amount of Maine income tax to be withheld. It also explains the related reporting requirements. In addition to miscellaneous technical changes, MRS has added definitions for "Payer", "Payee" and "Person" in order to consolidate references to employers and other persons required to register to report and remit Maine income tax withholding and to consolidate references to payees from whose income withholding is required. Another change was made to reflect separate filing, payment and processing of Maine income tax withholding and unemployment contributions for tax periods beginning after 2014 and billing notices issued after June 18, 2014. Lastly, the rule was amended due to a recent law change that allows the State Tax Assessor to establish the due date for providing Maine withholding information statements to payees; generally, under the provisions of the proposed rule, each statement is due the same date that the related federal statement is due.

**Fiscal impact of rule:**  
Minimal

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**Agency name:** Bureau of Revenue Services (Maine Revenue Services – MRS)  
**Umbrella-Unit:** 18-125  
**Statutory authority:** 36 MRS §112  
**Chapter number/title:** Ch. 805, Composite Filing  
**Filing number:** 2015-058  
**Effective date:** 4/5/2015  
**Type of rule:** Routine Technical  
**Emergency rule:** No

**Principal reason or purpose for rule:**

*(See Basis statement.)*

**Basis statement:**

MRS has amended Rule 805 ("Composite Filing"). The rule provides information regarding the filing of composite returns of income by partnerships, estates, trusts, and S corporations on behalf of nonresident partners, beneficiaries, or shareholders. MRS has updated a reference to the statute as a result of a recent law change and made miscellaneous technical changes.

**Fiscal impact of rule:**

Minimal

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**Agency name:** Bureau of Revenue Services (Maine Revenue Services – MRS)  
**Umbrella-Unit:** 18-125  
**Statutory authority:** 36 MRS §576  
**Chapter number/title:** Ch. 202, Tree Growth Tax Law Valuations - 2015  
**Filing number:** 2015-064  
**Effective date:** 4/12/2015  
**Type of rule:** Routine Technical  
**Emergency rule:** No

**Principal reason or purpose for rule:**  
*(See Basis statement.)*

**Basis statement:**

36 MRS §576 requires the State Tax Assessor to establish annually by rule current use valuations for classified forestlands after considering area timber stumpage sales during previous calendar years. Taxpayers with land classified under Tree Growth Tax Law and municipal assessors require guidance in appropriate valuation of forestland based on representative proportions of forest growth and products generated.

**Fiscal impact of rule:**

Annual establishment of valuations produces no additional cost to the State. The FY 2015-16 amount appropriated to reimburse anticipated municipal claims for "taxes lost" due to the use of Tree Growth Valuations on classified forest land is approximately \$7,700,000.

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**Agency name:** Bureau of Revenue Services (Maine Revenue Services – MRS)  
**Umbrella-Unit:** 18-125  
**Statutory authority:** 36 MRS §112  
**Chapter number/title:** Ch. 601, Estate Tax  
**Filing number:** 2015-077  
**Effective date:** 4/28/2015  
**Type of rule:** Routine Technical  
**Emergency rule:** No

**Principal reason or purpose for rule:**  
*(See Basis statement.)*

**Basis statement:**

MRS has amended Rule 601 ("Estate Tax"). The rule explains in further detail the estate tax laws of the State of Maine for estates of decedents dying on or after January 1, 2011, but before January 1, 2013. MRS amended the rule to reflect a recent law change allowing for the automatic release of a lien when the property is passed by right of survivorship to a surviving joint tenant who was the decedent's spouse, or 10 years after the decedent's date of death. Miscellaneous technical changes were also made.

**Fiscal impact of rule:**  
Minimal.

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**Agency name:** Bureau of Revenue Services (Maine Revenue Services – MRS)  
**Umbrella-Unit:** 18-125  
**Statutory authority:** 36 MRS §112  
**Chapter number/title:** Ch. 603, Maine Estate Tax after 2012  
**Filing number:** 2015-078  
**Effective date:** 4/28/2015  
**Type of rule:** Routine Technical  
**Emergency rule:** No

**Principal reason or purpose for rule:**  
*(See Basis statement.)*

**Basis statement:**

MRS has amended Rule 603 ("Maine Estate Tax after 2012"). The rule explains in further detail the estate tax laws of the State of Maine for estates of decedents dying on or after January 1, 2013. In addition to miscellaneous technical changes, MRS amended the rule to reflect a recent law change allowing for the automatic release of a lien when the property is passed by right of survivorship to a surviving joint tenant who was the decedent's spouse, or 10 years after the decedent's date of death. MRS also removed reference to the termination provision contained in IRC §2210 as this provision was repealed prior to 36 MRS ch. 577 being enacted.

**Fiscal impact of rule:**  
Minimal.

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**Agency name:** Bureau of Revenue Services (Maine Revenue Services – MRS)  
**Umbrella-Unit:** 18-125  
**Statutory authority:** 36 MRS §§ 112, 5219-KK  
**Chapter number/title:** Ch. 813, Property Tax Fairness Credit  
**Filing number:** 2015-080  
**Effective date:** 5/5/2015  
**Type of rule:** Routine Technical  
**Emergency rule:** No

**Principal reason or purpose for rule:**  
*(See Basis statement.)*

**Basis statement:**

MRS has enacted Rule 813 ("Property Tax Fairness Credit"). The property tax fairness credit was enacted to replace the repealed Maine Residents Property Tax Program to provide property tax and rent relief to Maine taxpayers. The new rule provides interpretation and guidance on the Maine income tax credit that may be claimed by eligible taxpayers who owned or rented a home in Maine during the tax year and paid property taxes that are greater than 6% of their total income or rent that is greater than 40% of their total income and who lived in that home as their principal residence during the tax year. Particularly, the Rule provides guidance on taxpayer eligibility for the credit, defines a homestead that may be occupied as a primary residence, property taxes paid or rent constituting property taxes paid and total income used to determine eligibility.

**Fiscal impact of rule:**  
Minimal.



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**Agency name:** Bureau of Revenue Services (Maine Revenue Services – MRS)  
**Umbrella-Unit:** 18-125  
**Statutory authority:** 36 MRS §112  
**Chapter number/title:** Ch. 901, Maine Residents Property Tax Program  
**Filing number:** 2015-081  
**Effective date:** 5/5/2015  
**Type of rule:** Routine Technical  
**Emergency rule:** No

**Principal reason or purpose for rule:**  
*(See Basis statement.)*

**Basis statement:**

MRS has amended Rule 901 ("Maine Residents Property Tax Program"). The rule reflects the fact that the program does not apply to claim applications filed on or after August 1, 2013.

**Fiscal impact of rule:**  
None.

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**Agency name:** Bureau of Revenue Services (Maine Revenue Services – MRS)  
**Umbrella-Unit:** 18-125  
**Statutory authority:** 36 MRS §§ 112, 5217-D  
**Chapter number/title:** Ch. 812, Credit for Educational Opportunity  
**Filing number:** 2015-099  
**Effective date:** 5/27/2015  
**Type of rule:** Routine Technical  
**Emergency rule:** No

**Principal reason or purpose for rule:**

*(See Basis statement.)*

**Basis statement:**

MRS has amended Rule 812 ("Credit for Educational Opportunity"). The rule provides guidance for taxpayers who are qualified individuals for purposes of claiming the credit for educational opportunity. Particularly, the rule provides clarification on what type of degree qualifies as an associate's degree or bachelor's degree in science, technology, engineering or mathematics. In addition, the rule provides for the application of a proration factor when a bachelor's degree and a master's degree are earned and awarded simultaneously in order to properly determine the allowable credit with respect to the bachelor's degree.

**Fiscal impact of rule:**

Minimal.

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**Agency name:** Bureau of Revenue Services (Maine Revenue Services – MRS)  
**Umbrella-Unit:** 18-125  
**Statutory authority:** 36 MRS §§ 112, 201, 208, 305  
**Chapter number/title:** Ch. 201, Rules of Procedure Used to Develop State Valuation  
**Filing number:** 2015-112  
**Effective date:** 6/23/2015  
**Type of rule:** Routine Technical  
**Emergency rule:** No

**Principal reason or purpose for rule:**

MRS repeals and replaces Rule 201 ("Rules of Procedure Used to Develop State Valuation"). The rule is being replaced to update obsolete references and to enhance the readability of the rule. The State Tax Assessor must annually develop the state valuation for each municipality and for each county with property in the unorganized territory. This rule establishes the methodology used to develop state valuation and must be amended to reflect changes in state law.

**Basis statement:**

Repealed and replaced Rule 201 ("Rules of Procedure Used to Develop State Valuation") establishes the methodology used to develop state valuation for purposes of state revenue payments and reimbursements to municipalities.

The replaced rule updates obsolete references and enhances the readability of the rule. The State Tax Assessor must annually develop the state valuation for each municipality and for each county with property in the unorganized territory.

**Fiscal impact of rule:**

Minimal direct impact.

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**Agency name:** Bureau of Revenue Services (Maine Revenue Services – MRS)  
**Umbrella-Unit:** 18-125  
**Statutory authority:** 36 MRS §112  
**Chapter number/title:** Ch. 102, Electronic Funds Transfer (EFT)  
**Filing number:** 2015-123  
**Effective date:** 7/11/2015  
**Type of rule:** Routine Technical  
**Emergency rule:** No

**Principal reason or purpose for rule:**  
*(See Basis Statement)*

**Basis statement:**

MRS has amended Rule 102 ("Electronic Funds Transfer (EFT)"). The rule describes the requirements for tax and other payments by electronic funds transfer. Along with miscellaneous technical changes, MRS amended the rule by adding a definition of "combined tax liability during the lookback period". Obsolete references to mandates effective in previous years and the section relating to voluntary EFT payments were removed as these sections are no longer necessary for the administration of the rule.

**Fiscal impact of rule:**  
Minimal

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**Agency name:** Bureau of Revenue Services (Maine Revenue Services – MRS)  
**Umbrella-Unit:** 18-125  
**Statutory authority:** 36 MRS §§ 310-314  
**Chapter number/title:** Ch. 205, Certification of Assessors  
**Filing number:** 2015-154  
**Effective date:** 8/26/2015  
**Type of rule:** Routine Technical  
**Emergency rule:** No

**Principal reason or purpose for rule:**

Rule 205 (“Certification of Assessors”) is being amended to update obsolete references and make other housekeeping changes. Certification and the continuing education of property tax assessors in the State of Maine is the responsibility of the State Tax Assessor. This rule governs the nature and content of the certification examinations as well as the enforcement of the continuing education requirements required under 36 MRS §311.

**Basis statement:**

Amended Rule 205 (“Certification of Assessors”) governs the nature and content of assessor certification examinations as well as the enforcement of the continuing education requirements required under 36 MRS §311.

The amended rule updates obsolete references makes other housekeeping changes. Certification and the continuing education of property tax assessors in the State of Maine is the responsibility of the State Tax Assessor.

**Fiscal impact of rule:**

Minimal

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*Prepared by the Secretary of State, pursuant to 5 MRS §8053-A, sub-§5*

**Agency name:** Department of Administrative and Financial Services, **Bureau of Alcoholic Beverages and Lottery Operations (BABLO) / Maine State Liquor and Lottery Commission**

**Umbrella-Unit:** **18-553**

**Statutory authority:** 8 MRS §372 sub-§2

**Chapter number/title:** **Ch. 50**, Lucky for Life Rules

**Filing number:** **2015-083**

**Effective date:** 5/10/2015

**Type of rule:** Routine Technical

**Emergency rule:** No

**Principal reason or purpose for rule:**  
*(See Basis statement.)*

**Basis statement:**

This amendment updates the existing rules governing the draw game Lucky for Life. The amendment to the rules is necessary because of major games changes to Lucky for Life as determined by the “Lucky for Life Regional Game Agreement”, including a change to matrix to be 5 of 48 and 1 of 18; changing the odds for the Top Prize to 1:30,821,472; changing the overall odds to win a prize to 1:7.769; and adding 11 more lottery jurisdictions to change the game from a regional game to a multi-state national game. All of the lower tier prizes will be increasing with the change in the game as well. The Maine State Liquor and Lottery Commission must adopt uniform provisions and Maine specific provisions for the major components of the rules for Lucky for Life as required by the “Lucky for Life Regional Game Agreement”. The signatories of the “Lucky for Life Regional Game Agreement” are the governing body for the Lucky for Life game.

**Fiscal impact of rule:**

There is no known fiscal impact.

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**Agency name:** Department of Administrative and Financial Services, **Bureau of Alcoholic Beverages and Lottery Operations (BABLO) / Maine State Liquor and Lottery Commission**

**Umbrella-Unit:** **18-553**

**Statutory authority:** 8 MRS §374, §372 sub-§2

**Chapter number/title:** **Ch. 20**, Powerball Rules

**Filing number:** **2015-227**

**Effective date:** 11/24/2015

**Type of rule:** Routine Technical

**Emergency rule:** No

**Principal reason or purpose for rule:**

To conform to the procedures for the operation of the multi-jurisdictional lottery game Powerball in Maine as required by the Multi State Lottery Association. These rules will allow Maine to continue to sell the Powerball game.

**Basis statement:**

This amendment updates the existing rules governing the draw jackpot game Powerball. This amendment changes the game matrix from 5 of 59 and 1 of 35 to 5 of 69 and 1 of 26. The odds of winning the grand prize changes from 1:175,223,510 to 1:292,201.338. The 3rd tier prize changes from \$10,000 to \$50,000. The overall odds of winning a prize in the game changes from 1 :31.8464 to 1 :24.8671. In order to sell Powerball tickets in Maine, the Maine State Liquor and Lottery Commission must adopt uniform provisions of these rules for Powerball as required by Multi State Lottery Association and its selling agreement with Maine. The Multi-State Lottery Association is the governing body for the Powerball game.

**Fiscal impact of rule:**

There is no known fiscal impact.