

MAINE STATE LEGISLATURE

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JANET T. MILLS
GOVERNOR

STATE OF MAINE
MAINE REVENUE SERVICES
P.O. BOX 1060
AUGUSTA, MAINE
04332-1060

ADMINISTRATIVE & FINANCIAL SERVICES

KIRSTEN LC FIGUEROA
COMMISSIONER

BRUCE R. LIVINGSTON
TAXPAYER ADVOCATE

August 12, 2020

Governor Janet T. Mills
1 State House Station
Augusta, ME 04333-0001

Senator Ben Chipman
Representative Ryan Tipping
Joint Standing Committee on Taxation
100 State House Station
Augusta, ME 04333-0100

State Tax Assessor Jerome D. Gerard
Maine Revenue Services
PO Box 1060
Augusta, ME 04332-1060

Dear Governor Mills, Co-Chairs Chipman and Tipping and Assessor Gerard:

Pursuant to Public Law 2011, Chapter 439, Section 151-C (3), I have enclosed herewith the annual report regarding the activities of the Taxpayer Advocate. Please feel free to contact me if you have any questions about this report.

Respectfully submitted,

A handwritten signature in cursive script that reads "Bruce R. Livingston".

Bruce R. Livingston
Taxpayer Advocate

cc: Members of the Joint Standing Committee on Taxation
Commissioner Kirsten LC Figueroa, DAFS



Annual Report of the Taxpayer Advocate

**A Report Prepared for the Governor, the Assessor and
the Joint Standing Committee on Taxation
Pursuant to PL 2011, c. 439**

**Department of Administrative and Financial Services
Maine Revenue Services**

**Bruce R. Livingston
Taxpayer Advocate**

August 12, 2020

This report is due annually by August 1st as provided in PL 2011, c. 439, Section 4. 36 MRSA §151-C is enacted to read: (3) Annual report. “Beginning in 2012, the taxpayer advocate shall prepare and submit by August 1st an annual report of activities of the taxpayer advocate to the Governor, the assessor and the joint standing committee of the Legislature having jurisdiction over taxation matters.”

Background of the Position

The Taxpayer Advocate (Advocate) position was created in 1995. The purpose/mission/role of the Advocate has been to assist taxpayers who have questions about Maine tax law; concerns about their tax situation as it relates to some aspect of Maine tax law; are confused about their tax situation; or disagree with some action by Maine Revenue Services (MRS), usually an assessment of tax or collection of an amount due. I have been the Advocate since July 1997.

From 1995 to June 30, 2012, the Advocate had been employed by MRS and had reported directly to the State Tax Assessor or Legal Counsel. This allowed the Advocate to function as independently as possible from MRS operating divisions.

Legislation passed by the One Hundred Twenty-Fifth Legislature (PL 2011, c. 694) resulted in the following provisions in 36 MRSA § 151-C. Taxpayer advocate. It became effective July 1, 2012.

- 1. Appointment.** The Commissioner of Administrative and Financial Services shall hire the taxpayer advocate as an employee of the bureau. The taxpayer advocate need not be an attorney. Chapter 694 amended PL 2011, c. 439 by adding “as an employee of the bureau.”
- 2. Duties and Responsibilities.** The duties and responsibilities of the taxpayer advocate are to:
 - A. Assist taxpayers in resolving problems with the bureau;
 - B. Identify areas in which taxpayers have problems in dealings with the bureau;
 - C. Propose changes in the administrative practices of the bureau to mitigate problems identified under paragraph B; and
 - D. Identify legislative changes that may be appropriate to mitigate problems identified under paragraph B.
- 3. Annual Report.** Beginning in 2012, the taxpayer advocate shall prepare and submit by August 1st an annual report of activities of the taxpayer advocate to the Governor, the assessor and the joint standing committee of the Legislature having jurisdiction over taxation matters.
- 4. Investigation.** The taxpayer advocate may investigate complaints affecting taxpayers generally or any particular taxpayer or group of taxpayers and, when appropriate, make recommendations to the assessor with respect to these complaints. The assessor shall provide a formal response to all recommendations submitted to the assessor by the taxpayer advocate within 3 months after submission to the assessor.
- 5. Response.** The assessor shall establish procedures to provide for a formal response to all recommendations submitted to the assessor by the taxpayer advocate.

Effective July 1, 2012, while the Advocate continues to respond to inquiries regarding specific tax issues, the Office of Tax Policy within MRS responds to correspondence regarding administration of tax policy.

Duties and Responsibilities A. Assist taxpayers in resolving problems with the bureau.

Historically, the Advocate has worked with taxpayers concerning all taxes and programs administered by MRS, including income tax, withholding tax, sales and use tax, property tax, excise tax, the former tax and rent (Circuitbreaker) program, the present Property Tax Fairness Credit and the Homestead Exemption. The Maine Residents Property Tax and Rent Refund "Circuitbreaker" Program was terminated as part of the 2013 State budget, PL 2013, c. 368, Pt L, §2 and was replaced by the refundable Property Tax Fairness Credit beginning with tax year 2013.

The Advocate receives many telephone calls and communications regarding taxpayers who are experiencing problems with Maine tax situations. Taxpayer problems or concerns reach the Advocate from many different sources - taxpayers themselves, the Governor's Office of Constituent Services, Maine Legislators or their staff, the DAFS Commissioner's staff, staff for Members of Congress, taxpayer representatives, MRS staff and the Office of the Federal Taxpayer Advocate.

The Advocate thoroughly reviews tax matters referred to him, discusses the case with staff from the applicable tax division and makes any suggestions or recommendations that he thinks are appropriate, perhaps an alternative remedy or decision/determination. No matter what the source of the referral, one of the Advocate's basic roles is informational, to provide sound advice and direction to those who contact him.

Since the Advocate is an office of one, logistically it is not possible for the Advocate to take over the management of a case. Nonetheless, depending on the complexity of the situation and the facts involved, the Advocate may spend a lot of time involved with some cases. However, the Advocate is not a step in any appeals process.

When working with the Compliance Division trying to resolve a tax situation, usually the collection of a tax debt that is legally due, a taxpayer may ask, "Who else can I talk to about this?" Often, the Advocate is the "who else". I understand the dynamics I deal with on a daily basis and I always remember that to the taxpayer, the situation they are presently dealing with may well be the most important thing in their lives at that time. As an advocate, I can only review the case and advise the taxpayer, utilizing the provisions of Maine tax law as a basis. Unless there is a compelling reason to do something different, it is important to be consistent with collection/compliance practices and policy in the way cases are treated, as governed by the provisions of Maine tax law.

Duties and Responsibilities B. Identify areas in which taxpayers have problems in dealings with the bureau and C. Propose changes in the administrative practices of the bureau to mitigate problems identified under paragraph B.

The Advocate works with MRS staff in identifying areas where taxpayers have had problems in dealings with MRS. From time to time, changes in administrative practices are recommended, most often in regard to content or format of various documents and correspondence (notices). In order to serve taxpayers, it is essential that the Advocate keep up to date on proposed, pending and enacted Maine tax law and with any procedural changes made by MRS.

Tax problems and situations encountered by Maine taxpayers are rarely easy to deal with, either from the taxpayer's point of view or that of MRS. In some cases, the taxpayer has an unrealistic expectation that contacting the Advocate will result in the elimination of tax or interest or penalties or maybe all three.

It has been my experience that taxpayers have a tendency to leave out some of the important details about their tax situation. As staff from the Governor's Office of Constituent Casework, the DAFS Commissioner's staff and Legislative Aides can attest, I often fill in the rest of the story within the parameters of taxpayer confidentiality. I review each, often unique, set of facts to see if there is some alternative to how the matter is being handled. If there is a suggestion or recommendation, I can make to help resolve the case, I do so.

Sometimes a taxpayer will say to me that I don't seem to be their advocate. This usually means they do not like what I am telling them about their case, basically the matter as I see it. Many times, it is the same information or advice the taxpayer has already been given by a division of MRS, usually compliance, and the taxpayer has contacted me looking for a different answer that would be in their favor. I explain that as Taxpayer Advocate, I have to follow the provisions of Maine tax law as it applies to their case.

Duties and Responsibilities D. Identify legislative changes that may be appropriate to mitigate problems identified under paragraph B. (B. Identify areas in which taxpayers have problems in dealings with the bureau).

Another provision of PL 2011, c. 439, duties and responsibilities of the Advocate, calls for the Advocate to identify legislative changes that may be appropriate to mitigate problems in areas in which taxpayers have problems in dealings with MRS.

This is a very unusual period in our nation's history. As I am working on this report, the COVID-19 pandemic has taken on new proportions in many states. Many states that had opened have had to retreat because of the large increase in coronavirus cases. As of mid-July, Maine is doing very well. According to an article in the July 14th *Portland Press Herald*, COVID-19 is spreading in Maine at the "lowest rate of any state in the nation according to a nonprofit, nonpartisan site drawing on U.S. data."

The second session of the 129th Maine Legislature adjourned on March 17, 2020 because of the pandemic and, as of this report date, has not reconvened. Accordingly, there is little to actually report or to recommend in regard to legislative changes.

As of July 17th, there are ten (10) Tax Committee bills that are listed as Committee Bills Carried Over. In regard to other bills carried over, there are forty (40) bills listed as Bills Carried Over on the Special Appropriations Table.

An area addressed in 2012 concerned the interest rate charged by the State in tax matters. Title 36 MRSA §186, Interest, provided that the rate of interest equals the highest prime rate as published in the Wall Street Journal, rounded up to the next whole percent plus three percentage points. Until a recent change, the interest rate had been 7% since 2010. Pursuant to legislation enacted in 2017, LD 1551, approved by Governor LePage on June 14, 2017, for calendar years beginning on or after January 1, 2018, the annual calculation of the rate of interest became the prime rate rounded up to the next whole percent plus one percentage point (it had been 3 percentage points), effectively reducing the interest rate to 6%. (36 MRSA §186)

Items of concern and possible legislative changes in the 2013 and other reports involved the taxation (income tax) of pensions, primarily military pensions and pensions earned in another state by someone who then becomes a Maine resident and a Maine taxpayer.

Until recently, interest from former military personnel advocating for military pensions to be exempt from Maine income tax seemed to increase every year. A \$6,000 exemption was implemented several years ago, followed by the \$10,000 exemption for tax years beginning with 2014. The good news for military retirees was that for tax years beginning on or after January 1, 2016, benefits received under a military retirement plan, including survivor benefits, are fully exempt from Maine income tax.

Another area of concern mentioned in earlier reports involves the Maine taxation of retirement income from other states. Taxpayers have moved to Maine and have become Maine residents and taxpayers. They receive a pension earned in another state where, as with State of Maine employees and educators, a portion of it has already been taxed in the other state. Governors, Maine legislators and others have been contacted by taxpayers concerning the Maine taxation of their pensions earned and taxed in another state but received now as Maine residents.

LD 2242, An Act To Prevent Double Taxation of Retirement Benefits from Other States, was presented to the Legislative Council, but was not accepted, either initially or on appeal.

LD 1142, An Act Regarding the Taxation of Out-of-State Pensions, was presented during the 126th legislative session. The Summary explained that “this bill avoids double taxation of certain employee contributions to retirement benefit plans made in other states by exempting from Maine income tax the portion of retirement benefits attributable to the taxpayer’s contribution to an employee retirement plan or an individual retirement account that was taxed by another jurisdiction.” LD 1142 was carried over to any Special or Regular Session of the 127th Legislature where it was addressed during the Second Regular Session of the 127th Maine Legislature, but nothing came of it and it died.

Similar legislation, LD 935, was presented during the First Regular Session of the 128th Maine Legislature. The Summary explained that “this bill exempts from Maine income tax certain income from out-of-state pensions in order to avoid double taxation of that income.”

It was reported out as ought not to pass and it died. I am not aware of any other proposal presented to the 2018 session.

The issue of the taxation of out-of-state pensions has not gone away. LD 561, An Act To Exempt from Taxation Certain Out-of-state Pensions, was presented during the First Regular Session of the 129th Maine Legislature. The summary explained that “this bill exempts from Maine income tax certain income from out-of-state pensions in order to avoid double taxation of that income. The exemption is only for the amount of the contribution made by the taxpayer divided by the life expectancy of the taxpayer and applies only if the income is included in federal adjusted gross income and not deducted under the general pension deduction.” Further, “in order to qualify for the exemption, the contribution must have been made using income on which income tax was paid and is available only if the state in which the taxpayer resided at the time of the contribution provides a similar exemption to a former resident of Maine.” In other words, reciprocity with the state where the now Maine resident used to live.

LD 561 was referred to the Committee on Taxation and later died. The legislative summary states that the last Senate action was on April 11, 2019 and that pursuant to Joint Rule 310.3, the bill was placed in legislative files (dead).

Another bill, LD 1019, An Act to Eliminate the Double Taxation of Out-of-state Pensions, was also presented to the First Regular Session of the 129th Maine Legislature. According to the summary, “this bill eliminates double taxation of certain employee contributions to retirement benefit plans made in other states by exempting from Maine income tax the portion of retirement benefits attributable to the taxpayer’s contribution to an employee retirement plan or an individual retirement account that was taxed by another jurisdiction if those benefits are included in federal adjusted gross income.”

Background notes to LD 1019 indicate that “similar bills presented in recent legislative sessions include: 129th - LDs 162, 276, and 561; 128th - LDs 513 and 935; 127th - LD 1142.” I don’t see that LD 162 and LD 276 have much, if anything, to do with out-of-state pensions. LD 162 is An Act To Eliminate the State Income tax on Maine Public Employees Retirement System Pensions and LD 276 is An Act To Provide Equity in the State Income Tax Deduction for Maine Public Employees Retirement System Pensions.

LD 513 was An Act To Eliminate the State Income Tax for Maine Public Employees Retirement System Pensions. On September 13, 2018 it was in possession of the Senate when the Senate Adjourned Sine Die and placed in the legislative files (dead).

A consideration voiced in regard to LD 1019 is that it does not resolve the two-state taxation issue for Maine public employees who move to a state that subjects pension benefits to an income tax.

LD 1019 was Carried Over on the Special Appropriations Table to any Special or Regular Sessions, or both, of the 129th Legislature pursuant to Joint Order HP 1322. And, as of July 17, 2020, LD 1019 is still on the Special Appropriations Table.

An amendment to LD 1019 would increase the maximum pension deduction by \$5,000 per year, starting in 2019, until the maximum reaches \$35,000. The annual cost for the amended version of LD 1019 is in the tens of millions of dollars.

Other Legislation of note that is sitting on the Special Appropriations Table

LD 71, An Act to Reinstate the Income Tax Deduction for Contributions to College Savings Accounts. The bill reinstates a Maine income tax deduction (up to \$250) for contributions made to a qualified tuition program established under Section 529 of the Internal Revenue Code. An identical Maine income tax subtraction modification was available to Maine taxpayers for tax years 2007 through 2015. The deduction was repealed in 2015 for tax years beginning after 2015. The deduction was repealed in the FY2016-17 biennial budget along with other items that provided a minimal tax incentive to a small number of taxpayers.

A taxpayer contacted Governor Mills saying that their family benefited from the program when saving for college and was disappointed that the program had been discontinued. It was explained to the taxpayer that contributions to 529 plans continue to receive a tax benefit at both the federal and State levels by exempting all withdrawals from taxable income used to pay qualified expenses.

The taxpayer was also advised that LD 71, An Act To Reinstate the Income Tax Deduction for Contributions to College Savings Accounts, was still pending before the Legislature, carried over on the Special Appropriations Table.

LD 72 Military pay, An Act To Provide an Income Tax Exemption for Military Pay without Regard to Where the Military Service Was Performed. According to the Summary, the bill provides an income tax exemption for military compensation for active duty service by members of the Armed Forces of the United States, including reserve components, when that service is performed within the State. Military compensation for service performed outside of the State is currently exempt from taxation.

LD 164, An Act To Reduce Property Taxes for Maine Residents. LD 164 increases the total exemption under the Maine resident homestead property tax exemption program to \$50,000 (from \$25,000) for property tax years beginning on or after April 1, 2020. The bill also increases state reimbursement to municipalities for homestead property tax exemptions from 62.5% to 100% for property tax years beginning on or after April 1, 2020. An amendment would increase the exemption to \$30,000.

LD 1158, An Act To Provide Property Tax Relief. The Summary states that the bill “amends the property tax fairness credit (PTFC) under the income tax laws for tax years beginning on or after January 1, 2020 by changing the formula for calculation of benefits to reflect the calculation that applied under the Maine Residents Property Tax Program, referred to as ‘the circuitbreaker program’ which was in effect prior to enactment of the property tax fairness credit.” The circuit breaker was also commonly known as the tax and rent program.

Legislation in 2013 terminated the circuitbreaker program and implemented the PTFC for tax years beginning on or after January 1, 2013.

Early on, the benefit from the circuitbreaker program was \$1,000. For the period August 2005 through May 2010 the benefit had risen to \$2,000 and for the application period from August 2010 through the programs demise in 2012 it was \$1,600.

At the outset, beginning with tax year 2013, the PTFC benefit was for an amount up to \$300 and up to \$400 for taxpayers age 70 years and older. From 2014 through 2017, the benefit increased to \$600 and \$900 for taxpayers age 65 and older. Beginning with tax year 2018, the benefit increased to \$750 and \$1,200 for taxpayers age 65 and older.

LD 1164, An Act To Improve the Educational Opportunity Tax Credit (EOTC) was carried over, is on the Special Appropriations Table and will be covered later in this report.

LD 1194, An Act To Increase Property Tax Relief for Veterans. Beginning on or after April 1, 2020, this bill would increase the property tax exemption from \$6,000 to \$10,000 for qualifying veterans.

Continuing areas of concern and examples of situations handled by the Taxpayer Advocate since the August 12, 2019 annual report. Some of these are included, not because they are of any great significance, but rather to show the variety of the tax situations that I deal with.

Governmental programs include certain criteria to determine if an applicant qualifies for the program benefits. Not everyone qualifies for every program administered by MRS or the State, whether it was the former Circuitbreaker Program, the current Property Tax Fairness Credit, the Educational Opportunity Tax Credit (EOTC) Program, the Homestead Property Tax Exemption or any other program. I am sometimes contacted by taxpayers who are upset that their application for a program has been adjusted or denied by MRS. Upon review, I usually discover that the taxpayer simply did not meet the requirements of the program and thus is not entitled to program benefits.

Sales Tax In the past, Maine lost millions of sales tax dollars a year on online sales. Under Maine tax law, Maine residents who purchase items for use in Maine from retailers who did not charge sales tax, such as many out-of-state mail order and internet sellers, are required to report and pay the sales tax with their income tax return, but very few do so.

The June 21, 2018, US Supreme Court *Quill* issue ruling in *South Dakota v Wayfair* made it easier for states to collect sales tax from online sellers. The June 2018 ruling means that states can now pass laws requiring remote sellers to collect sales tax on their sales in the State to Maine residents and to remit the sales tax to the State. Similar legislation, LD 1405, An Act To Require Remote Sellers To Collect and Remit Sales and Use Tax on Sales into Maine, was passed in Maine in 2017, effective October 1, 2017.

In addition, the 128th Legislature enacted LD 1805, “An Act To Amend the Maine Tax Laws”, which expanded the provision for sellers required to register to collect and report sales taxes to include online real property rental platforms and those engaged in the facilitation of the rental of living quarters.

Also, the 129th Legislature enacted LD 1452, “An Act Regarding the Collection of the Sales and Use Tax by Marketplace Facilitators” which required a marketplace facilitator to collect and remit the sales tax on sales of tangible personal property and taxable services that are facilitated on the marketplace facilitator’s marketplace. In simpler language, the summary on LD 1452 states, “This bill ensures that persons making sales through physical or electronic marketplaces of tangible personal property and taxable services subject to the sales and use tax are subject to the same sales and use tax collection and remittance responsibilities as other sellers.”

The impact of LD 1452 is very important and may be the biggest boost to Maine sales tax revenue of all of the recent pieces of legislation because marketplace facilitator sales are becoming a larger portion of remote sales and represent the largest percentage of MRS’ estimated range of additional revenue. FY21 will be the first full year that the State will be benefiting from LD 1452. It is estimated the State will receive \$75 to \$85 million more this fiscal year than it would have if the same laws were in effect as of January 1, 2017.

From LD 1452 here is the definition of a marketplace. “Marketplace” means a physical or electronic location, including, but not limited to, a store, a booth, an Internet website, a catalog or a dedicated sales software application, where tangible personal property or taxable services are offered for sale, regardless of whether the marketplace, marketplace facilitator, marketplace seller or tangible personal property is physically present in this State.

The definition of a marketplace facilitator. “Marketplace facilitator” means any person that facilitates a retail sale by providing a marketplace that lists, advertises, stores, or processes orders for tangible personal property or taxable services for sale by marketplace sellers and directly, or indirectly through one or more agents, contractors or affiliated persons, does any of the following:

- A. Transmits or otherwise communicates an offer by the marketplace seller or an acceptance between the customer and marketplace seller;
- B. Collects payment from the customer and transmits that payment to the marketplace seller; or
- C. Engages in any of the following activities with respect to the marketplace seller’s products or taxable services:
 - (1) Fulfillment or storage services;
 - (2) Customer service; or
 - (3) Accepting or assisting with returns or exchanges.

Effective October 1, 2013, Sales Tax rates were temporarily increased from October 1, 2013, through June 30, 2015. The general sales tax rate of 5% increased to 5½%. The 7% tax rate on the rental of living quarters increased to 8%. Later legislation retained the general sales/use tax rate of 5½% for purchases made on or after July 1, 2015 and the 8% rate on the casual rental of living quarters through December 31, 2015, when it increased to 9% effective January 1, 2016.

The "temporary" sales tax of 5½%, effective October 1, 2013, was originally scheduled to expire or sunset on June 30, 2015. However, it was permanently extended by the 2014 biennial budget. The general sales tax rate remains 5½%, the tax on meals and prepared foods stayed at 8% and the tax on lodging increased to 9% on January 1, 2016.

Homestead Exemption LD 1001 became law, effective June 17, 2019, increasing the homestead exemption to \$25,000 for property tax years beginning on or after April 1, 2020. As noted earlier, LD 164 would increase the homestead exemption to \$50,000 or as amended to \$35,000. An application must be filed on or before April 1st of the year with the municipality where the property is located.

Divorce When a divorce is brought to my attention, the usual situation is that the taxpayers have a joint Maine income tax obligation. As such, they are both individually and/or jointly liable for the entire amount and MRS (and the IRS) may take appropriate action to collect the outstanding tax liability from either or both of them. The entire tax debt might be collected from only one of the taxpayers if that is the way it plays out.

From my experience with those who call regarding a joint Maine income tax obligation and a divorce, it is not widely understood that a divorce decree, even if it says so, does not absolve one spouse from a joint Maine income tax obligation incurred with the now ex-spouse. Taxpayers often think they are in the clear regarding taxes because the court order states something such as “the parties were divorced by a judgment and pursuant to that judgment, defendant was obligated to pay a tax debt to the IRS and to the Treasurer of the State of Maine and to hold plaintiff harmless for the same.”

It is important to note that if a taxpayer ends up paying some of the joint obligation, even if a court decree orders otherwise, their remedy is to take the necessary steps to enforce the court order in their divorce decree against their ex-spouse, to return to court to seek to have the ex-spouse held in contempt and for reimbursement for what the taxpayer has had to pay. Hopefully, counsel will have advised the taxpayer of this.

Another problem occurs when a divorce decree specifies which one of the now divorced couple may claim one or more of the children as dependents for income tax credit purposes and the non-entitled parent files their federal and/or State income tax return first, claims the children as dependents and receives a refund they are not entitled to. In all likelihood, when the other parent files their return and claims the credit, the return will be rejected because the other parent has already received the credit. The aggrieved ex-spouse’s remedy is to file another income tax return with proof of their right to claim the dependents (a copy of the divorce decree). Eventually the IRS should take whatever steps are necessary to rectify the situation and to notify MRS.

Income Tax Refunds Every year Governor Mills receives inquiries from taxpayers regarding the status of their Maine income tax refund. Especially so during this pandemic, MRS understands and recognizes that income tax refunds may be crucial for many Maine taxpayers.

Sometimes, however, the taxpayer’s Maine income tax return is incomplete, perhaps missing Forms 1099-R or W-2s, and the return has been placed in a pending status. In that case, MRS will send the taxpayer a Request for Information notice asking the taxpayer to provide copies of the missing forms. The request for information usually mentions that if the taxpayer does not provide the requested information within 15 days, the return will be processed based on the information available to MRS. If the taxpayer does not respond, sometimes MRS determines there is just too

much missing information to allow MRS to go forward with its review, unverified withholding amounts for example, and then sends another request for information notice to the taxpayer. Thus any delay has been caused by the taxpayer, not MRS.

As a safety policy, MRS reviews all refunds in excess of \$10,000 and also randomly review other refunds for less than that amount. The larger refunds are reviewed to prevent fraud and to identify any mistakes in processing such as scanning errors. Over time, this additional review has caught and corrected very large refunds and saved the State many tens of thousands of dollars. Some were in a pending status only because of the \$10,000 threshold.

A taxpayer contacted Governor Mills' Office of Constituent Casework to find out why it was taking so long for them to receive their refund. The taxpayer was contacted and advised that part of the delay resulted from this safety policy.

Automobile Taxes - Excise Tax Every year, the Governor receives correspondence from Maine taxpayers who are unhappy with Maine excise tax law. Usually they argue that the excise tax should be based on the sale price of the vehicle rather than the Manufacturer's Suggested Retail Price (MSRP).

As stated in the statute, the motor vehicle excise tax is a tax "for the privilege of operating a motor vehicle or camper trailer on the public ways" of the State of Maine. The money collected from the annual excise tax stays with the town or city and is used for municipal purposes such as road repair. Along with the property tax, the excise tax is a major source of municipal revenue generating some \$256 million a year statewide according to the latest available figures. Taxpayers are often surprised to learn that excise tax funds do not go to the State, but rather stays with the local municipality.

The excise tax on motor vehicles was first enacted by the Maine Legislature in 1929. As it does now, the law at that time stated the excise tax paid by a person registering a motor vehicle was based on the vehicle's MSRP. The excise tax on a new vehicle is 24 mills per each \$1,000 of the MSRP and decreases to 4 mills for the sixth and following years. Thus, if a taxpayer registers a new car with an MSRP of \$30,000, the excise tax would be \$720. When the same car is six years old, the excise tax would be \$120 and would remain the same for each subsequent year.

At present, all owners of the same type of vehicle pay the same excise tax whether they register the vehicle in Fort Kent, Bangor or Kittery, which is fair as the tax is based upon the value of the vehicle (similar to the property tax). This would not be the case if the excise tax was based on a vehicle's sale price as high-volume dealers are able to sell vehicles at lower prices.

In the recent years, proposals to significantly reduce the mill rate applied in the early years of ownership to remove the burden the excise tax imposes on owners of new vehicles and lengthen the time to when the rate reaches 4 mills have not made it through the legislative process.

Other bills have unsuccessfully sought to have the excise tax based on the sale price of the vehicle. Legislative records indicate that other unsuccessful bills have been presented at legislative sessions over the past fifteen years. I am not aware of any excise tax bills that are pending at this time.

A taxpayer complained to Governor Mills that their town had told them the excise tax would never go down on their motor home. They stated it did not seem fair that the excise tax on automobiles went down but the excise tax on motor homes did not. I explained that both are treated the same and that the rate remains the same (4 mills) for both for year six and every year thereafter.

Looking around the State, the latest figure and the amount from the year before - Fort Kent received \$1,152,767/\$1,155,097; Washburn \$269,961/\$264,192; Presque Isle \$1,691,337/\$1,461,718; Calais \$572,360/\$576,325; Bangor \$6,414,515/\$6,156,619; Ellsworth \$1,714,013/\$1,665,639; Rockland \$1,146,440/\$1,122,297; Farmington \$1,008,082/\$927,802; Fryeburg \$580,439/\$568,943; Auburn \$4,105,241/\$3,978,413; Augusta \$3,255,215/\$3,290,428; Wiscasset \$695,188/\$669,083; Topsham \$2,020,008/\$1,918,721; Portland \$12,401,909/\$11,851,170; York \$3,250,000/\$3,378,666 and Kittery \$1,958,762/\$1,836,540.

Educational Opportunity Tax Credit (Title 36, §5217-D. Credit for educational opportunity) LD 1164, An Act To Improve the Educational Opportunity Tax Credit (EOTC)

From my 2019 Annual Report - I do not do a lot with the Educational Opportunity Tax Credit (EOTC) and frankly I do not know much about it, but occasionally a taxpayer will contact the Governor's Office about their EOTC situation, and the matter is referred to me for review and response to the taxpayer.

The credit was created by legislation in 2007 with 2008 being the first year the credit was available. For the first five years (2008 - 2012) there was no consideration for a STEM degree (science, technology, engineering and mathematics). The program has been modified since 2008 with goals to address eligibility and inequities and to provide favorable treatment to degree programs. STEM and refundability were introduced for tax years beginning with 2013.

Criteria changes have included such things as residency, employer and employment location, year of graduation, type of degree, number of credits obtained after 2007, number of credits required for the degree that were obtained out-of-state, the date a student transferred to a Maine school and the tax year.

Since the EOTC is claimed on Schedule A, Adjustments to Tax, of a taxpayer's Maine income tax return, on line 4 of Section 1, Refundable Credits, and on line 14 of Section 2, Nonrefundable Credits, the program is administered by MRS' Income/Estate Tax Division. Since many of the changes were effective only for future years, that makes the program difficult to administer and confusing in regard to eligibility criteria for students seeking program benefits.

I am advised that an area of particular difficulty is when MRS has to make a determination as to what qualifies as STEM when many schools offer a degree program that requires a student to elect into one of several different concentration options, not all of which meet STEM requirements.

Accordingly, when reviewing a student's particular situation and responding, I rely on information provided by those in the income tax division, all the way up to the Director. In doing so, it has become apparent to me that a lot of time and energy is being spent working with a statute that in

my words, not theirs, may have become very difficult, if not impossible, to work with in a timely and efficient manner in order to arrive at a determination that is fair and reasonable to all concerned and in accordance with Maine tax law.

One step to improve the program is LD 1164, An Act To Improve the Educational Opportunity Tax Credit (EOTC). Information available for my review points out the difficulties with the present law, that it has grown into a complex credit, that repeated modifications have made it difficult to administer and have resulted in increased taxpayer confusion regarding the differing eligibility criteria related to specific tax years.

A summary states, “for tax years beginning on or after January 1, 2020, the bill proposes to simplify the Educational Opportunity Tax Credit (EOTC) for all eligible college graduates who have earned a degree after 2007 from either a Maine or non-Maine college or university and for employers of eligible graduates. The bill also exempts student loan payments included in federal adjusted gross income made on behalf of the taxpayer by a student loan repayment program funded by FAME.”

As noted earlier, LD 1164 was carried over and is on the Special Appropriations Table.

Tax Problems As in years past, on a regular basis, we receive inquiries from the Governor’s Office of Constituent Casework and Legislative aides regarding constituents who contact the Governor or a Legislator about some tax problem they are having. These are promptly addressed either by myself or, if the question/issue pertains to something better answered by Income Tax, Sales Tax, Compliance or Property Tax, by someone from those Divisions.

When working with a taxpayer to try to resolve a tax problem, especially when setting up a payment plan, the Compliance Division will ask the taxpayer to fill out a Personal Financial Statement (PFS), basically a listing of a taxpayer’s assets and liabilities. Sometimes I receive a call regarding a taxpayer’s reluctance to provide a PFS. Some express the feeling that it is too personal, and they should not have to provide it. In my experience, some taxpayers have tried to hide such things as ATVs, motorcycles, snowmobiles, expensive vehicles and the like, that carry significant monthly payments to the bank or credit union. Often, the taxpayer feels a need to pay on these to the detriment of paying on a tax bill.

A PFS is part of the process in setting up a payment plan. It is a very important document since it provides a lot of taxpayer information for MRS to review be able to analyze a taxpayer’s ability to pay on their tax obligation in order to arrive at a fair, reasonable and affordable payment plan.

Mistaken Identity A taxpayer contacted the Department of Administrative & Financial Services (DAFS) and complained about the treatment and lack of service they had received at the South Portland Office. Even though they were at the facility, they were told they needed to make an appointment and could not receive any assistance that day. MRS does not have an office in South Portland. The taxpayer was at the IRS Office in South Portland.

Courtesy Calls A taxpayer received a notice of underpayment and assessment of interest and penalties. According to the notice, payment was due within fifteen days. Before the fifteen days

had gone by, a Tax Examiner from the Compliance Division contacted the taxpayer. Some taxpayers have not appreciated such a call and have voiced their concern. When one such instance was brought to my attention, I explained to the taxpayer that the call was a courtesy call and was not meant to harass them.

Review of communication data shows that MRS makes thousands of telephone calls every month, many of them being courtesy calls. I learned that courtesy calls on a new debt are often a very positive service for a taxpayer. It reminds them of the debt, allows them to pay over the telephone or to set up a payment plan and reduces the amount of interest and penalty by getting the debt paid off quicker. It is also beneficial to the State because the calls have proven to produce revenue.

While a taxpayer may voice a concern once in a while, for the most part the courtesy call program is a positive one. Negative remarks are few and far between and many taxpayers express appreciation for the reminder and for the opportunity to help get their Maine delinquent Maine income tax situation in order.

Compliance I receive a fair number of calls from Legislative Aides for our Congressional Delegation and Aides for State Legislators. If I am asked to respond directly to the constituent/taxpayer, I usually mention that a staff member may have advised them that as a federal legislator the Senator or Congressman/Congresswoman does not have jurisdiction over matters pertaining to State agencies such as MRS, but the Member of Congress wishes to be responsive to constituent inquiries and members of their staff sometimes contact MRS (the Advocate) asking that we review certain tax matters and for any information we can provide to assure their constituents that their concerns are being addressed. In Congressional cases, a signed Privacy Act Form is furnished so that MRS can provide confidential tax information.

Contact Some taxpayers think they will get faster service, quicker answers to their questions and perhaps the answer they are looking for if they contact as many officials as they can think of. Thank goodness it does not happen very often, but it is a bit frustrating when I am working on a gubernatorial inquiry only to learn that the taxpayer has also contacted the Commissioner of DAFS directly and Members of Congress as well as their State Senator and Representative, all of whom want to be responsive to constituent inquiries to be able to assure their constituents that their concerns are being addressed. What happens is that several members of MRS staff are working on the same case because they have been contacted by different people from the various offices. Thus, sometimes it means that I am keeping several aides in the loop, so to speak.

Federal Stimulus and IRS Refunds It had calmed down by early July but before then I was receiving more than twenty emails or telephone calls a week from taxpayers who wanted to know when they would be receiving their federal stimulus check and/or their IRS income tax refund. For some reason, a lot of taxpayers were getting my email address and/or telephone number off some website, thought I was the IRS, and were contacting me about a federal tax situation. I would explain that I was the Taxpayer Advocate for the State of Maine, Maine Revenue Services and not for the IRS. I provided them with the telephone number for the federal Taxpayer Advocate in Augusta.

Some were actually annoyed that I was not the federal Taxpayer Advocate because they had found my email address or telephone number on the internet. Checking websites, I found that some taxpayers were picking out my email address or telephone number from a listing several entries down the list and maybe Taxpayer Advocate - Maine thinking that I was the federal Taxpayer Advocate for Maine. I think another reason taxpayers may have contacted me was the fact that I was rather accessible and answered my email and telephone whereas many complained they would be on hold for an hour or more when they called a federal 800 number.

A taxpayer asked if I could please help get their stimulus payment of \$1,200. I advised that the fact they had filed a Maine income tax return had nothing at all to do with them not receiving their federal stimulus check. I gave them the telephone number for the federal taxpayer advocate.

Injured Spouse The Maine statute, Title 36, §5287, defines an injured spouse as one who meets the qualifications for relief of an injured spouse under IRS procedures. Basically, an injured spouse is one who has his or her share of a Maine income tax refund used to reduce a debt that is the responsibility of the injured spouses' partner. In cases that are brought to my attention, it is most often a debt to DHHS for back child support.

A taxpayer called me whose rather large joint Maine income tax refund had been set off to DHHS Support Enforcement for the other spouse's back child support. It is something that happens every year. The remedy is to file the appropriate injured spouse paperwork with DHHS. DHHS will review the information and eventually the injured spouse's share of the setoff will be sent to them.

In this case, I kept checking with the taxpayer to see if their share had been returned to them. I located an appropriate person at DHHS and asked them to take a look at the case. As it turns out, the claim for injured spouse had been received and reviewed at DHHS and a check for the injured spouse's share of the refund had been sent to them months earlier. DHHS obtained a copy of the cashed check, contacted the injured spouse who confirmed it was their signature and apologized for the error. They never contacted me to apologize though.

Sales Tax Every year I come across situations where a business owner has fallen behind in payment of their sales tax. Often it is a small business just getting started with an inexperienced owner that is not very good at handling the books. The usual excuse is that they had to use some of the sales tax they had collected to pay their employees, or to fix the roof, or to pay the rent, or to pay the electricity bill.

I point out to taxpayers that even if they cannot pay the sales tax that is due, they should file a timely sales tax return in order to avoid the failure to file penalty.

Sales tax is a trust fund tax in that it is a tax collected from a customer and held in trust for the State Tax Assessor until remitted to the State of Maine along with an appropriate and timely sales tax return. Trust funds belong to the State and are not to be diverted to any other purpose. To do so is against Maine law and can result in criminal action. It is never acceptable to use the State's money for other purposes. These cases are being worked utilizing regular collection practices and policies during the pandemic.

Property Tax Many elderly taxpayers have contacted Governor Mills worried about their property taxes and whether they are going to be able to remain in the homes they have owned and lived in for many years. Because of their age or income many who participated in the circuitbreaker program did not have to file a Maine income tax return to receive benefits whereas now they have to file a Maine income tax return to participate in PTFC.

I mention to taxpayers that property tax relief can come through the property tax fairness credit program (PTFC), the homestead exemption (\$25,000) and the veteran's exemption (\$6,000). And, unlike the former circuit breaker (tax and rent) program that had a separate application, the PTFC application is within a taxpayer's Maine income tax return and a taxpayer has to file a Maine income tax return in order to participate in the PTFC program.

The schedule/application for the current Property Tax Fairness Credit (PTFC) and the Sales Tax Fairness Credit take up four pages in the Maine Resident Individual Income Tax Booklet whereas the former Maine Residents Property Tax and Rent Application (circuitbreaker) was a separate two-page document.

Another possibility would be something called a poverty abatement. I do not know much about such a program, but it is my understanding that a taxpayer who is struggling financially can apply to their municipality for help in reducing their property tax. No doubt certain financial criteria must be met, but it might be worth their while to inquire at the town office to see if there might be any help in this area.

Offset of Income Tax Refunds The issue of the offset (set-off) of federal income tax refunds to Maine or the offset of State income tax refunds to a State agency is one that arises every year. Taxpayers who reach the Advocate are not pleased that their federal or State refund has been offset to a debt they have with MRS or a State agency. I explain the process and that, in my experience, it is unlikely MRS will refund any of the offset. If appropriate, I point out to taxpayers that a paragraph on the Demand to Pay Notice that has been sent to them (by certified mail) contains language that federal law authorizes MRS to submit any outstanding state income tax liability to the U.S. Department of the Treasury for offset of any federal (IRS) income tax refund to which they would otherwise be entitled.

In similar fashion, if a liquidated debt is owed to an agency of the State, that agency may certify the debt to the State Tax Assessor. Pursuant to State law, the Assessor will then offset any Maine income tax refund to which the taxpayer is entitled to the certifying agency. I explain that any issues regarding the offset, including a claim of injured spouse, are between the taxpayer and the agency and do not involve MRS.

MRS sends the taxpayer a Disposition of Tax Refund Notice that explains what has happened. The notice contains the following paragraph:

“If you do not agree that you owe the debts against which the tax refund was set-off you have the right to request a hearing. You have 60 days from the receipt of this notice to request a hearing. If you wish to request a hearing, call or write the agency receiving the setoff at the address or telephone number below.” (emphasis added)

According to the provisions of Title 36, §5276-A., Setoff of debts against refunds, MRS sends a notice which includes advising the taxpayer that they have the right to request a hearing before the creditor agency. “The hearing must be held in accordance with the provisions of the Maine Administrative Procedures Act but is limited to the issues of whether the debt became liquidated and whether any post liquidation event has affected the liability.” (Paragraph 2)

Paragraph 4. Appeal. “The decision of the agency seeking setoff as to the existence of a liquidated debt constitutes final agency action appealable under the Maine Administrative Procedures Act, Title 5, chapter 375.”

A taxpayer was not pleased that their 2019 Maine income tax refund had been offset toward their Maine income tax debt. I explained to the taxpayer that in applying their 2019 Maine income tax refund to their old Maine income tax debt, MRS was only following State tax law. Simply put, there is no provision in the law to do anything differently and there have been no instructions to MRS to forgo collecting back taxes.

Another taxpayer called about a set-off of their Maine income tax refund to a part of the UMaine system. I advised they had received a Disposition of Tax Refund notice that stated if they did not agree that they owed the debt, they had the right to request a hearing. However, the notice advised not to contact MRS to request a hearing, that any request for a hearing would be made to the university. The taxpayer was adamant that they did not owe the debt, had been contesting it for several years and that any “hearing” was all done by emails. Since I had not had the occasion recently to review the particulars of what a State agency should do when a taxpayer requests a hearing, I took a look at the law. Parts of the applicable Maine tax law are noted above.

COVID-19 The problems caused by COVID-19 have been around for several months now and do not show any serious signs of going away anytime soon. Fortunately, Maine is doing better than a lot of other states. MRS is well aware of the socio-economic problems that the pandemic has caused and has heard from many taxpayers who have been adversely affected economically. They may tell MRS that they are unable to make a scheduled payment that is due, most likely from loss of employment. As it has always done, MRS continues to work with taxpayers to help them resolve the balances on their accounts. This may include resetting a scheduled payment, so it is due in the following month. When speaking with taxpayers, MRS staff emphasize the importance of staying in contact with MRS. Depending on where a taxpayer’s case is in the billing stream, the electronic record-keeping system may automatically impose the demand penalty if a payment plan should break.

Depending on how long this pandemic will affect taxpayers, staff are aware they may also receive follow-up phone calls requesting additional time to make payments. Taxpayers need to keep MRS informed of their situation so that MRS can continue to work with them to help them get through this troublesome time. Other than the income tax filing deadline being extended to July 15th with the corresponding waiver of interest and failure to pay penalty until July 15th, there have been no provisions to waive interest and penalties on existing tax obligations.

Wait Until the Last-Minute A taxpayer called advising an attorney had told them there was a problem with the title to the Maine real estate they were selling. When is the closing, I asked?

In two days. What is the problem? Tax liens. At first, I thought it was an out-of-state seller looking for an exemption from paying the 2½% real estate withholding fee. But I was advised that the sellers were technically Maine residents. After reviewing the case and asking the MRS Lien Coordinator to work with them to resolve the matter, I wondered if that were so, why hadn't they filed a Maine income tax return in the last five years.

Wage and Bank Levies When a bank levy is mentioned, to me that means that the case is a long way down the collection road. Bank levies are sort of a last resort when the taxpayer has not made adequate voluntary payments on a debt they owe. MRS staff take whatever steps are appropriate to try to collect taxes that may be due. That may well include levying a bank account when an account is identified with the delinquent taxpayer's name on it. Often, there are multiple names on the account. With certain reservations, the monies in an account are available for a creditor of any of the account holders.

I explain the process and that, in my experience, it is unlikely MRS will refund any of the offset. If circumstances warrant, I may recommend that compliance/collection staff modify a payroll deduction plan or refund a portion of the funds levied from a bank account. There are times, however, when there is little, if anything, that the Advocate can suggest other than to encourage the taxpayer to work with the compliance/collection staff to try to resolve the matter in a mutually satisfactory fashion.

A common complaint is that the levy came out of the blue with no notice that it might happen. If appropriate, as with the federal offsets, I point out to taxpayers that a paragraph on the Demand to Pay Notice that has been sent to them (by certified mail) contains a statement that if payment in full is not postmarked or received within 10 days from the date they receive the notice, MRS will impose an additional penalty of 25% of the tax due and "may: (a) levy (seize), and if necessary sell, their non-exempt property to cover the unpaid tax and the expenses of the levy:..." "Property subject to levy includes any right, title and interest held in property whether real or personal, tangible or intangible, such as **salaries, wages, commissions, bank accounts, and real estate.**" **(emphasis added)**

When discussing a levy with a taxpayer, I indicate the above notice language and point out that the demand for payment notice was sent by certified mail. Often, a taxpayer will state they never received the notice. Sometimes the notice has been returned by the U.S. Postal Service as unclaimed. In that case, the notice will then be sent by regular mail to the taxpayer at their last known address. More often than not, though, in checking certified mail records, I find that the notice was signed for by the taxpayer.

Joint Bank Accounts Sometimes a taxpayer will have a bank account that is levied due to a delinquent tax debt of another person on the account, usually a close relative. I explain to the primary account holder that all MRS is doing is trying to collect what the other person owes. This is very often an unfortunate circumstance, but nonetheless the money was in a joint bank account that the other person had full access to, whether they used it or not.

MRS staff are obligated to take whatever steps are appropriate to try to collect taxes that may be due. That may well include levying a bank account when an account is identified with the

delinquent taxpayer's name on it. Often, there are multiple names on the account. With certain reservations, such as Social Security benefits, the monies in an account are fair game for a creditor of any of the account holders. The caution, I suppose, is whom do you choose to share a bank account with?

Since the joint account holder has full right to any money in the bank account and could have withdrawn any or all of it at any time, the State has the same right to levy that account.

Estimated Payments When appropriate, I advise taxpayers with a Maine income tax problem, especially those who are self-employed and think they will owe money at filing time, to consider making estimated payments during the year. It is an option to make four periodic payments during the year in April, June, September and January, rather than the potential of a large amount due in April which includes interest and penalties if payment is not made by April 15th. I recommend that they discuss the possibility of estimated payments with their accountant.

Often when discussing a Maine tax debt with a taxpayer, usually an income tax debt, I find that they know little about the Maine income tax return they have filed. They relate to me that their accountant did the return, or it was done electronically through a tax filing program.

In difficult economic times, some taxpayers withdraw money from their pension or other retirement plans to live on. Although the standard proposed withholding is 20% federal and 5% for the State, in many of the situations that reach me there has been no withholding at all. More often than not, this creates a major tax problem when payment of income tax becomes due in April. In most cases, the taxpayer is advised to work with the Compliance Division to try to resolve the matter.

Conformity The 2018 conformity bill was LD 1655, An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes. The bill's summary noted that the bill updated references to the United States Internal Revenue Code of 1986 contained in the Maine Revised Statutes and primarily affected Maine income tax laws. On September 12, 2018, LD 1655 became law without the Governor's signature.

By way of comparison, the 127th Legislature's conformity bill, LD 1583, An Act To Provide for Tax Conformity and Funding Methods, was approved by Governor LePage on March 10, 2016. As emergency legislation, it took effect when it was approved. The 126th Legislature's conformity bill, LD 1705, An Act To Conform the Maine Tax Laws to the United States Internal Revenue Code, was approved by Governor LePage on March 6, 2014 and, as emergency legislation, took effect when it was approved.

The 2019 conformity bill was LD 1744, An Act To Update References to the United States Internal Revenue Code of 1986 Contained in the Maine Revised Statutes. As did the 2018 conformity bill, the summary for LD 1744 noted that the bill updated references to the United States Internal Revenue Code of 1986 contained in the Maine Revised Statutes and primarily affected Maine income tax laws. LD 1744 was approved by Governor Mills on June 7, 2019 and, as emergency legislation, took effect when approved.

As a result of COVID-19 and tax changes at the federal level through the CARES Act, there will likely be another conformity bill presented during the next legislative session.

Summation

In my twenty-three years as Taxpayer Advocate, the job remains the same. Taxpayers have tax problems with anything and everything - refunds, assessments, bank and wage levies, offsets, tax liens, payment plans, non-filer issues, communication issues, issues with benefit programs, inattention to their tax matters and often avoidance of their tax problems.

The pandemic has certainly added a new twist to how tax matters are handled. As mentioned, many taxpayers contacted me, looking for their stimulus check or federal income tax refund, and thinking that I was the federal Taxpayer Advocate. Like the rest of MRS, I am well aware of the socio-economic problems that the pandemic has caused and recognize that many tax problems may have to be handled somewhat differently than in the past.

State and federal tax laws can be complicated. The complexity of Maine tax law certainly makes my job interesting. Sometimes difficult too, but manageable. Although all Maine tax law is mostly under Title 36 - income tax, property tax, sales tax and compliance - each of those components has its own laws to work with. Take Maine income tax returns as an example. Every line, box and schedule on Maine income tax returns is there because of a specific provision in Maine tax law. MRS has made the forms and associated instructions as simple as humanly possible, while still ensuring that the instructions cover the gamut of tax situations and the forms elicit the necessary information.

Nonetheless, whereas the former Maine Residents Property Tax and Rent Application (circuitbreaker or tax and rent) was a separate two-page document, the schedule/application for the current Property Tax Fairness Credit (PTFC) and the Sales Tax Fairness Credit (STFC) takes up four pages within a taxpayer's Maine income tax return and a taxpayer has to file a Maine income tax return in order to participate in the PTFC program.

Sales tax is another example - there are now more than 100 exemptions to Maine sales tax and each legislative session usually brings bills seeking exemption for something else.

It often takes a while to do a full and necessary review of any tax matter that is referred to me. It would be nice if there were only a button or two to push to bring up an entire picture of what has happened in any particular case, but it doesn't work that way. Depending on how old the case is, it can take several hours to review everything that I feel is necessary in order to get a complete picture of the matter, the past, present and where the case may be going. There is no legislation that would change that.

As I have said before, in the end what I try to accomplish is to carry out the duties and responsibilities of the Taxpayer Advocate to the best of my abilities, to do the right thing that is fair to both the taxpayer and to the State of Maine according to the provisions of Maine tax law.