

Annual List of Rulemaking Activity
Rules Adopted January 1, 2023 to December 31, 2023
Prepared by the Secretary of State pursuant to 5 MRS §8053-A(5)

Agency name: Department of Administrative and Financial Services (DAFS),
Bureau of Revenue Services (Maine Revenue Services – MRS)

Umbrella-Unit: **18-125**

Statutory authority: 36 M.R.S. §§ 112 and 193

Chapter number/title: **Ch. 102**, Electronic Funds Transfer (EFT)

Filing number: **2023-061**

Effective date: 5/3/2023

Type of rule: Routine Technical

Emergency rule: No

Principal reason or purpose for rule:

Maine Revenue Services is proposing to amend Rule 102 ("Electronic Funds Transfer (EFT)") to reflect the current EFT methods available for payment of Maine taxes and to make other technical updates.

Basis statement:

Maine Revenue Services is amending Rule 102 ("Electronic Funds Transfer (EFT)") to reflect the current EFT methods available for payment of Maine taxes and to make other technical updates. Specifically, the rule removes references to the ACH Teleddebit payment method, which has been discontinued, and adds references to the Maine Tax Portal ("MTP").

Fiscal impact of rule:

N/A

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Umbrella-Unit: **18-125**

Statutory authority: 36 M.R.S. § 576

Chapter number/title: **Ch. 202**, Tree Growth Tax Law Valuations – 2023

Filing number: **2023-062**

Effective date: 5/3/2023

Type of rule: Routine Technical

Emergency rule: No

Principal reason or purpose for rule:

There is a statutory requirement that each year the State Tax Assessor determine the 100% valuation for an acre of forestland, according to forest type (softwood, mixed wood, or hardwood) by economic region for parcels classified under the Tree Growth Law. The State Tax Assessor must certify his determination and transmit rules to the municipal assessors of each municipality with forestland therein on or before April 1 of each year.

Basis statement:

Amended Rule 202 provides updated valuation rates for each forest type by region. 36 M.R.S. § 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 anticipated FY 2023-24 amount appropriated to reimburse anticipated municipal claims for “taxes lost” due to the use of Tree Growth Valuations on classified forestland is \$10,800,000.

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Umbrella-Unit: **18-125**
Statutory authority: 36 M.R.S. § 112 & P.L. 2021, c. 681
Chapter number/title: **Ch. 325**, Sales to Tribes, Tribal Members, and Tribal Entities
Filing number: **2023-177**
Effective date: 9/30/2023
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

Rule 325 is being adopted to implement P.L. 2021, c. 681, *An Act To Enhance Tribal-State Collaboration, To Revise the Tax Laws Regarding the Houlton Band of Maliseet Indians, the Passamaquoddy Tribe and the Penobscot Nation and To Authorize Casinos, Off-track Betting Facilities, Federally Recognized Indian Tribes and Certain Commercial Tracks To Conduct Sports Wagering.*

Basis statement:

This rule is being adopted to implement P.L. 2021, c. 681. It provides definitions, explanations, and examples of taxable and non-taxable transactions related to sales to Maine Indian tribes, tribal members, and tribal entities, including sales sourced to tribal lands. The rule also addresses other potential sales and use tax issues related to such parties, including: requirements for qualifying as a “tribal entity”; sourcing complexities related to transactions and the use of property located within both tribal and non-tribal land; specific requirements for the sale of vehicles and leases of automobiles for periods of one year or more; and the treatment and reporting of sales to non-tribal members on tribal land.

Fiscal impact of rule:

None

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Umbrella-Unit: **18-125**

Statutory authority: 36 M.R.S. § 112 & P.L. 2021, c. 681, Pt. H

Chapter number/title: **Ch. 803**, Income Tax Withholding Report and Payments

Filing number: **2023-178**

Effective date: 9/30/2023

Type of rule: Routine Technical

Emergency rule: No

Principal reason or purpose for rule:

Maine Revenue Services is proposing to amend Rule 803 ("Income Tax Withholding Reports and Payments") to reflect recently enacted legislation and to make other technical updates.

Basis statement:

Maine Revenue Services is proposing to amend Rule 803 ("Income Tax Withholding Reports and Payments") to reflect recently enacted legislation that provides for an income tax withholding exemption for enrolled tribal members residing on tribal land in Maine with income derived from or connected with sources on tribal land in Maine, an income tax withholding exemption for out-of-state supplier of spirits sold to the Bureau of Alcoholic Beverages and Lottery Operations (BABLO), and to make other technical updates.

Fiscal impact of rule:

N/A

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Umbrella-Unit: **18-125**
Statutory authority: 36 M.R.S. § 112
Chapter number/title: **Ch. 805**, Composite Filing
Filing number: **2023-063**
Effective date: 5/3/2023
Type of rule: Routine Technical
Emergency rule: No

Principal reason or purpose for rule:

Maine Revenue Services is proposing to amend Rule 805 ("Composite Filing") to reflect how a federal partnership audit administrative adjustment request ("AAR") or final federal adjustment ("FFA") affects the filing of a composite return, and to make other technical updates.

Basis statement:

Maine Revenue Services is proposing to amend Rule 805 ("Composite Filing") to reflect how a federal partnership audit administrative adjustment request ("AAR") or final federal adjustment ("FFA") affects the filing of a composite return, and to make other technical updates.

Fiscal impact of rule:

N/A

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Umbrella-Unit: **18-125**

Statutory authority: 36 M.R.S. § 112

Chapter number/title: **Ch. 808**, Corporate Income Tax Nexus

Filing number: **2023-064**

Effective date: 5/3/2023

Type of rule: Routine Technical

Emergency rule: No

Principal reason or purpose for rule:

Maine Revenue Services is proposing to amend Rule 808 ("Corporate Income Tax Nexus") to reflect recently enacted legislation that provides for an exemption to the standard nexus rules for certain out-of-state suppliers of spirits to the Bureau of Alcoholic Beverages and Lottery Operations ("BABLO"), and to make other technical updates.

Basis statement:

Maine Revenue Services is proposing to amend Rule 808 ("Corporate Income Tax Nexus") to reflect recently enacted legislation that provides for an exemption to the standard nexus rules for certain out-of-state suppliers of spirits to the Bureau of Alcoholic Beverages and Lottery Operations ("BABLO"), and to make other technical updates.

Fiscal impact of rule:

N/A

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Umbrella-Unit: **18-125**

Statutory authority: 36 M.R.S. § 112

Chapter number/title: **Ch. 810**, Maine Unitary Business Taxable Income, Combined Reports, and Tax Returns

Filing number: **2023-065**

Effective date: 5/3/2023

Type of rule: Routine Technical

Emergency rule: No

Principal reason or purpose for rule:

Maine Revenue Services is proposing to amend Rule 810 ("Maine Unitary Business Taxable Income, Combined Reports, and Tax Returns") to reflect recently enacted legislation that provides for an exemption to the standard nexus rules for certain out-of-state suppliers of spirits to the Bureau of Alcoholic Beverages and Lottery Operations ("BABLO"), and to make other technical updates.

Basis statement:

Maine Revenue Services is proposing to amend Rule 810 ("Maine Unitary Business Taxable Income, Combined Reports, and Tax Returns") to reflect recently enacted legislation that provides for an exemption to the standard nexus rules for certain out-of-state suppliers of spirits to the Bureau of Alcoholic Beverages and Lottery Operations ("BABLO"), and to make other technical updates.

Fiscal impact of rule:

N/A

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Umbrella-Unit: **18-125**

Statutory authority: 36 M.R.S. § 112

Chapter number/title: **Ch. 812**, Credit for Educational Opportunity

Filing number: **2023-066**

Effective date: 5/3/2023

Type of rule: Routine Technical

Emergency rule: No

Principal reason or purpose for rule:

Maine Revenue Services is proposing to amend Rule 812 (“Credit for Educational Opportunity”) to reflect recently enacted legislation that limits the program to tax years beginning before January 1, 2022, and to make other technical updates.

Basis statement:

Maine Revenue Services is proposing to amend Rule 812 ("Credit for Educational Opportunity") to reflect recently enacted legislation that limits the program to tax years beginning before January 1, 2022, and to make other technical updates.

Fiscal impact of rule:

N/A

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Umbrella-Unit: **18-125**

Statutory authority: 36 M.R.S. § 112

Chapter number/title: **Ch. 813**, Property Tax Fairness Credit

Filing number: **2023-067**

Effective date: 5/3/2023

Type of rule: Routine Technical

Emergency rule: No

Principal reason or purpose for rule:

Maine Revenue Services is proposing to amend Rule 813 ("Property Tax Fairness Credit") to reflect recently enacted legislation that provides for an additional income tax credit for veterans totally and permanently disabled, and to make other technical updates.

Basis statement:

Maine Revenue Services is proposing to amend Rule 813 ("Property Tax Fairness Credit") to reflect recently enacted legislation that provides for an additional income tax credit for veterans totally and permanently disabled, and to make other technical updates.

Fiscal impact of rule:

N/A

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Umbrella-Unit: **18-125**

Statutory authority: 36 M.R.S. § 112 & P.L. 2021, c. 681, Pt. H

Chapter number/title: **Ch. 825**, Tribal Member Income from Sources on Tribal Land

Filing number: **2023-179**

Effective date: 9/30/2023

Type of rule: Routine Technical

Emergency rule: No

Principal reason or purpose for rule:

Maine Revenue Services is proposing to adopt Rule 825 ("Tribal Member Income from Sources on Tribal Land") to reflect recently enacted legislation that provides for income modifications for enrolled tribal members residing on tribal land in Maine with income derived from or connected with sources on tribal land in Maine.

Basis statement:

Maine Revenue Services is proposing to adopt Rule 825 ("Tribal Member Income from Sources on Tribal Land") to reflect recently enacted legislation that provides for income modifications for enrolled tribal members residing on tribal land in Maine with income derived from or connected with sources on tribal land in Maine.

Fiscal impact of rule:

N/A

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

Umbrella-Unit: **18-553**

Statutory authority: 8 MRSA §374 and 8 MRSA §372, sub-§2, ¶I

Chapter number/title: **Ch. 10**, Lottery Rules

Filing number: **2023-173**

Effective date: 9/24/2023

Type of rule: Routine Technical

Emergency rule: No

Principal reason or purpose for rule:

To update the rules to address lottery vouchers, update definitions that have changed with technological advances, clarify language and fix typographical errors.

Basis statement:

This amendment updates the existing rules governing the rules of the Maine Lottery. This amendment makes necessary changes to allow terminal generated vouchers to be handled consistent with other game tickets. This amendment also updates and clarifies definitions that have changed with advances in technology, gives the director the authority to temporarily suspend a licensee until such time a hearing can be held. There are also technical changes to clarify language and fix typographical errors.

Fiscal impact of rule:

No known fiscal impact

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Umbrella-Unit: **18-553**

Statutory authority: 8 MRSA §374 and 8 MRSA §372, sub-§2, ¶I

Chapter number/title: **Ch. 30**, Cash Pop Game Rules

Filing number: **2023-232**

Effective date: 11/19/2023

Type of rule: Routine Technical

Emergency rule: No

Principal reason or purpose for rule:

The Maine Lottery is going to offer a new game called Cash Pop. These rules will govern the game and establish the rules for which the game is played, retailers are compensated, costs to play, prize amount and all other requirements to operate the game.

Basis statement:

The Maine Lottery is going to offer a new game called Cash Pop. These rules will govern the game and establish the rules for which the game is played, retailers are compensated, costs to play, prize amount and all other requirements to operate the game.

Fiscal impact of rule:

No known fiscal impact