

## GENERAL INSTRUCTIONS

Returns must be completed and filed with Maine Revenue Services each quarter according to the following schedule:

| Quarter   | Period Covered       | Due Date |
|-----------|----------------------|----------|
| Quarter 1 | 01-01-10 to 03-31-10 | 04-30-10 |
| Quarter 2 | 04-01-10 to 06-30-10 | 07-31-10 |
| Quarter 3 | 07-01-10 to 09-30-10 | 10-31-10 |
| Quarter 4 | 10-01-10 to 12-31-10 | 01-31-11 |

**Note:** A return must be filed each quarter, even if you had no income tax withheld for that period. Each page submitted must have your Withholding Account Number clearly printed at or near the top of the page. Do not write notes on the withholding listing pages.

Form 941ME is used to report total income tax withheld for the quarter and to reconcile 900ME voucher payments made during the quarter. If you also make, or expect to make, unemployment contributions, call the Central Registration Unit at (207) 621-5129 to request the appropriate combined withholding tax and unemployment contribution booklet (Form 941/C1-ME).

Each quarterly return in this booklet is preprinted with the quarter being reported, due date, Withholding Account Number, calendar period covered and business name(s). Generally, your Withholding Account Number consists of your federal employer identification number plus a two-digit state suffix, but some accounts are setup with your social security number plus a two-digit state suffix.

Complete Form 941BN-ME when the business terminates or the requirement

to withhold permanently ceases, or if there has been a change in the business name, address or telephone number. **Do not make changes on Form 941ME.**

When using a paid preparer or payroll processor, enter their federal employer identification number (EIN) and Maine payroll processor license number in the designated fields.

If your current Federal Employer Identification Number (Maine Withholding Account Number) changes, call the Central Registration Unit at (207) 621-5129.

**Amended Returns.** If it is necessary to correct a withholding tax amount you reported or made for a particular employee or payee in a previous quarter, submit an amended return (Form 941A-ME) for that period along with an explanation of the change. We will correct your account for the period involved. Do not make an adjustment on the current Form 941ME.

Direct any questions regarding this form or income tax withholding in general to Maine Revenue Services at telephone number (207) 626-8475, select 1, then option 4.

**Interest and Penalties.** Beginning January 1, 2010, the interest rate is 7% per annum, compounded monthly. The penalty for failure to pay the withholding tax on time is 1% per month up to a maximum of 25%. The penalty for failure to file the return on time is 10% of the tax liability or \$25, whichever is greater. If the return is filed more than 30 days after demand, the penalty is 100% of the tax due.

## SPECIFIC INSTRUCTIONS

**Note:** The forms in this booklet are designed to comply with optical scanning requirements. Spaces underlined in red must be completed carefully in black or blue ink. Letters and numbers must be entered legibly within the outline area. Letters must appear in upper case only and start on the left; numbers start from the right. For example:

|                            |                     |
|----------------------------|---------------------|
| Name:                      | C O M P A N Y I N C |
| Address:                   | 1 2 3 F I R S T S T |
| Maine Income Tax Withheld: | 1 2 3 4 5 . 0 0     |

Do not mail photocopies of the forms in this book to Maine Revenue Services. Photocopied forms cannot be processed by the scanning system.

Additional forms are available on the MRS web site at [www.maine.gov/revenue/forms](http://www.maine.gov/revenue/forms) (See "Employment Taxes").

**Line A. Number of payees.** Enter the total number of employees or payees subject to Maine withholding this quarter.

**Line B. For non-wage withholding filers only.** Check this box if you have received written permission to file payee Form 1099 withholding data annually by magnetic media to Maine Revenue Services. **This box must be checked every quarter for which the permission is effective.**

**Line 1.** Enter the total amount of Maine income tax withheld from Schedule 2 – Income Tax Withholding Listing, line 11. **All taxpayers filing Form 941ME must complete Schedule 2 – Income Tax Withholding Listing.**

**Line 2.** Enter the total amount of semiweekly payments remitted during the quarter from Schedule 1 - Reconciliation of 900ME Voucher Payments or Electronic Payments of Income Tax Withholding, line 6. If you are not required to make payment of income tax withholding semiweekly, enter zero. For information about who is required to make semiweekly payments of income tax withholding, see instructions for

Schedule 1 below.

**Line 3a.** Enter the total Maine income tax withholding due with this return if line 1 is greater than line 2. Enclose your remittance with the return.

**Line 3b.** Enter the total Maine income tax withholding overpaid if line 2 is greater than line 1. A refund will be sent to you.

If line 1 equals line 2, leave lines 3a and 3b blank.

### Account Cancellation

When a business is discontinued or the requirement to withhold permanently ceases, complete the Business Change Notification form, 941BN-ME.

### Schedule 1 Reconciliation of 900ME Voucher Payments or Electronic Payments of Income Tax Withholding

Taxpayers who reported Maine income tax withholding of \$18,000 or more for the 12 months ending June 30, 2009 are required to make payments of income tax withholding on a semiweekly schedule. Taxpayers who reported Maine income tax withholding of less than \$18,000 for the 12 months ending June 30, 2009 are required to make payments quarterly. See page 3 of this booklet to find your withholding tax remittance schedule (frequency).

| Semiweekly Schedule                        |   |
|--|---|
| Day Wages Paid                             | Remittance Due                          |
| Wednesday,<br>Thursday, or Friday .....    | On or before the<br>following Wednesday |
| Saturday, Sunday,<br>Monday, Tuesday ..... | On or before<br>the following Friday    |

If you are required to pay income tax withholding on a semiweekly basis, you must complete Schedule 1. Complete one line of the schedule for each payroll during the quarter. Payments may be made by paper voucher (Form 900ME) or electronically (EFT or EZ Pay).

## SPECIFIC INSTRUCTIONS, continued

**Line 5.** Add the subtotals for the Withholding Amount columns and enter the total withholding for this quarter. The total withholding should equal the amount entered on Form 941ME, line 1.

**Line 6.** Add the subtotals for the Payment Amount columns and enter the total payment for this quarter. Enter the total payment on Form 941ME, line 2. The Payment Amount includes all payments made in the quarter, whether such payments have been made by Forms 900ME or electronically (EFT or EZ Pay).

### Schedule 2 Income Tax Withholding Listing

**All filers must complete Schedule 2, lines 10 and 11.** If you paid wages or made non-wage payments during the quarter, complete all information in columns 7, 8 and 9 and line 10 on each withholding listing page submitted. Use as many pages as necessary to report all wages and non-wage payments. Include backup withholding, pension withholding, non-wage payments withholding, etc. If you did not pay wages or make non-wage

payments during the quarter, complete only lines 10 and 11. See further instructions below.

**Column 7.** Enter the last name, first name and middle initial of each payee who received wages or non-wage payments during the quarter.

**Column 8.** Enter the social security number of each payee who received wages or non-wage payments during the quarter.

**Column 9.** Enter the total Maine income tax withheld for each payee who received wages or non-wage payments during the quarter. If a payee's withholding is greater than \$999,999.99, enter the withholding on two or more lines to add up to the total withholding for the payee. Also include backup withholding, pension withholding, distribution withholding, etc.

**Line 10.** Enter the total Maine income tax withheld for payees listed on the page. If no income tax was withheld, enter zero.

**Line 11. On the last Schedule 2 page only,** enter the total Maine income tax withheld in the quarter for all pages. If no income tax was withheld, enter zero. Enter this amount on Form 941ME, line 1.

## ELECTRONIC FILING REQUIRED FOR SOME EMPLOYERS/PAYORS



Rule 104 (Electronic Filing of Maine Tax Returns) requires electronic filing of Maine income tax withholding returns if the employer or payor has 5 or more employees/clients/payees in 2010. Employers/payors unable to meet the electronic filing requirement because of undue hardship may request a waiver from the State Tax Assessor. To view Rule 104, see [www.maine.gov/revenue](http://www.maine.gov/revenue) (select "Laws & Rules").

The **Maine Employers Electronic Tax Reporting System (MEETRS)** allows employers and non-wage withholders to file multiple forms with a single login, including quarterly returns and the annual reconciliation (Form W-3ME). Employers/payors using software capable of producing a file that conforms to the Maine Revenue Services ICESA specifications may upload that file to MRS via the web. Quarterly return file specifications are available to view or download from the Maine Revenue Services web site at [www.maine.gov/revenue](http://www.maine.gov/revenue) (select "Electronic Services" and scroll to "Payroll Taxes").

The quarterly return and Form W-3ME may also be filed via the MRS Internet filing program (Maine I-file), which does not require any special software. For your convenience, you may upload wage listing spreadsheet files via the Maine I-file program.

Experienced personnel can walk you through your initial registration and answer any questions you may have. **Call (207) 626-8475, select option 1, then option 4** for a direct connection to the Maine Business Tax Unit. For more information, see [www.maine.gov/revenue](http://www.maine.gov/revenue).

## Electronic Payment Options



Maine Revenue Services ("MRS") offers a convenient 24-hour electronic payment option called **EZ Pay**. You can access **EZ Pay** on our web site at [www.maine.gov/revenue/netfile/ezpay.htm](http://www.maine.gov/revenue/netfile/ezpay.htm). Almost any type of tax payment can be made, including withholding and unemployment taxes. To avoid having to make payments earlier than necessary, payments may be scheduled in advance and will automatically be withdrawn on the payment date you select.

To use **EZ Pay**, simply register online at the time you want to make your first payment. Once registered, the system will ask you to select the tax type you want to pay. If you are making a semiweekly payment, select "900ME Withholding Semiweekly Payment." If you are paying a tax balance due with your quarterly withholding return, select "Withholding Payment." If you are paying a balance due from a bill or notice that you received from MRS, select "Bill Payment." If you make semiweekly payments electronically, do not send paper copies of Form 900ME to MRS.

MRS accepts both ACH credit method and ACH debit payments for income tax withholding quarterly returns. ACH Credit and ACH Teledebit (phone payment system) require the submission of an EFT registration application prior to use.

**EFT Required.** Taxpayers with an annual total combined tax liability for all taxes of \$25,000 or more must pay electronically. Payroll processing companies must remit electronically for all clients, even if clients are not mandated to pay electronically. A payroll processing company may request a waiver from this requirement for good cause. MRS also encourages voluntary participation in the EZ Pay program by those not required to pay electronically. There are no payment minimums.

**ACH Credit.** A taxpayer may make payments using this method by authorizing their bank to withdraw the tax payment from the taxpayer's deposit account and transfer it to the state's account. You must have previously established a relationship with a bank that provides this service (generally larger commercial banks) and you must have previously registered with the MRS EFT Unit as a credit method payer.

**ACH Debit.** A taxpayer may make payments using this method by authorizing MRS to electronically transfer tax payments from the taxpayer's deposit account to the MRS deposit account. ACH Teledebits are initiated through a telephone call to the MRS electronic withdrawal payment system (207-624-7777). This telephone payment system allows taxpayers to arrange for debit payments with effective dates up to 15 days in the future. Another option available is for the amount due shown on the return you I-file to be deducted from your account within 3 business days from the date you authorize the transfer.

**Penalty for Insufficient Funds.** The penalty for insufficient funds applies to electronic funds transfers. The penalty is \$20 or 1% of the payment amount, whichever is greater.

**Penalty for Failure to Pay by Electronic Funds Transfer.** Any person required to pay by electronic funds transfer who fails to do so is liable for a penalty equal to the lesser of 5% of the tax due or \$5,000.

For more information, an application or a copy of Rule 102, visit [www.maine.gov/revenue](http://www.maine.gov/revenue) and select Electronic Services; send an email to [efunds.transfer@maine.gov](mailto:efunds.transfer@maine.gov); send a fax to (207) 287-6975; call (207) 287-8276; or write to: EFT Unit, Maine Revenue Services, PO Box 9100, Augusta, ME 04332-9100.