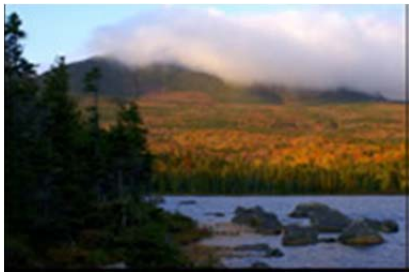


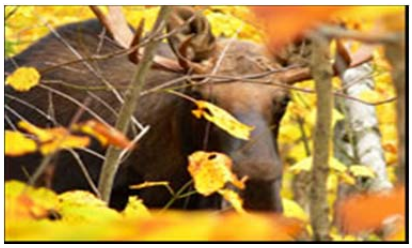
24 State House Station
Augusta, ME 04333-0024

ERO Handbook for Electronic Filers of Maine Individual Income Tax Returns

Modernized e-File (MeF)

Tax Year 2014

Draft: November 12, 2014



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Introduction

Maine is now in its sixth year of participating in the Federal Modernized e-File (MeF) program. The Federal / State MeF program is a cooperative effort between the Internal Revenue Service (IRS) and participating state revenue departments. MeF provides electronic filing and payment options for individual income tax as well as corporate tax to taxpayers and tax practitioners.

Maine will be providing electronic filing and payment options for corporate tax. Information relating to corporate tax will be published in a separate ERO handbook.

This publication provides details of individual income tax filing for the MeF program and is intended for software developers, transmitters, and ERO's.

To develop software for use with the MeF system, software developers should use this publication along with Maine XML schema and business rules in appendix A and B. They can also be found at www.maine.gov/revenue/developers or by contacting the MeF / E-File Help Desk at efile.helpdesk@maine.gov.

Maine conforms to all requirements, rules, and regulations governing tax preparers set forth by the Internal Revenue Service for the Modernized E-File program. Information found in this publication is subject to change.

Maine Contact Information

Any question relating to electronic filing problems or communications with the network including establishing communications with the network should be referred to the Maine E-file Help Desk. **Please use only the below contact information rather than contacting E-File personnel at their personal phone numbers or e-mail addresses.** The E-File Helpdesk telephone line and e-mail address are monitored by all E-File staff members. By contacting an individual using their personal contact information, you run the risk of not getting a timely response if they happen to be out of the office.

Phone: (207) 624-9730
Fax: (207) 287-6628
E-mail: efile.helpdesk@maine.gov

Mail: Maine Revenue Services
ATTN: E-file Operations
24 State House Station
Augusta, ME 04333-0024

Maine Electronic Filing Calendar

MeF ATS testing begins (in conjunction with the IRS)	November 20, 2014
Begin transmitting MeF returns to IRS/Maine	January 20, 2015
Last day for timely Efile transmitted returns on extension*	October 15, 2015

*MeF will be available until mid-November 2015, final date to be determined by IRS.

What's New

Maine Residents Property Tax Fairness Credit - For tax years beginning on or after January 1, 2014, residents who paid property tax that exceeds 6% of Maine Adjusted Gross Income or rent that exceeds 40% of Maine Adjusted Gross Income are allowed a refundable Property Tax Fairness Credit against Maine income tax. Those filing "Single" with Maine Adjusted Gross Income of $33,333 or less may qualify. There are higher income thresholds for "Married" and "Head of Household" filers. The credit is capped at $600 ($900 for individuals 65 years of age or older). This credit replaced the Tax and Rent Refund (Circuit Breaker) program beginning with tax year 2013 and is claimed on the Schedule PTFC which is supported by the Maine MeF program

New line 26 on 1040ME – A line to claim previous refunds when submitting an amended return has been added.

Scheduled CP - Donations for the Maine Asthma and Lung Research Fund are no longer accepted.

Schedule 1 Line 1e and 1f – On the 2013 Schedule 1, there were lines for Bonus Depreciation Add-back (Line 1e) and Maine Capital Investment Credit Bonus Depreciation Add-back (Line 1f). At this time, the federal provisions allowing bonus depreciation are not extended to years beyond 2013. In the event that the federal government further extends these provisions, schemas will be updated accordingly.

Schedule 1, Line 2d Pension Income Deduction - The maximum pension income deduction has increased from $6,000 to $10,000.

Itemized Deduction Limits - For tax years beginning on or after January 1, 2014, Maine itemized deductions are capped at a maximum of $27,950 plus medical and dental expenses.

Credit For New Markets Capital Investment - In order to claim this refundable credit, a supporting worksheet and documentation will be requested for credits claimed.

Credit For Wellness Programs - In order to claim this non-refundable credit, a supporting worksheet and documentation will be requested for credits claimed.

Maine Tax Changes for Tax Year 2014

State of Maine - Individual Income Tax
2014 Rates

Note: Indexing of the individual income tax rate schedules has been suspended for tax years 2014 and 2015. The 2014 tax rate schedules dollar bracket amounts are the same as those contained in the 2013 individual income tax rate schedules (see 36 MRSA §5403).

Do not use these schedules to determine income tax withholding from wages.

Tax Rate Schedule #1

For Single Individuals and Married Persons Filing Separate Returns

If the taxable income is:	The tax is:
Less than $5,200	$0
$5,200 but less than $20,900	6.5% of excess over $5,200
$20,900 or more	$1,021 plus 7.95% of excess over $20,900

Tax Rate Schedule #2

For Unmarried or Legally Separated Individuals who Qualify as Heads-of-Households

If the taxable income is:	The tax is:
Less than $7,850	$0
$ 7,850 but less than $31,350	6.5% of excess over $7,850
$31,350 or more	$1,528 plus 7.95% of excess over $31,350

Tax Rate Schedule #3

For Married Individuals and Surviving Spouses Filing Joint Returns

If the taxable income is:	The tax is:
Less than $10,450	$0
$10,450 but less than $41,850	6.5% of excess over $10,450
$41,850 or more	$2,041 plus 7.95% of excess over $41,850

Personal Exemption: $3,950

Standard Deduction: Single - $6,200 Married Filing Jointly - $12,400
Head-of-Household - $9,100 Married Filing Separate - $6,200

Additional Amount for Age or Blindness:
$1,200 if married (whether filing jointly or separately) or a qualified surviving spouse. The additional amount is $2,400 if one spouse is 65 or over <u>and</u> blind, $2,400* if both spouses are 65 or over, $4,800* if both spouses are 65 or over <u>and</u> blind, etc.

*If married filing separately, these amounts apply only if you can claim an exemption for your spouse.

$1,550 if unmarried (single or head-of-household). The additional amount is $3,100 if the individual is both65 or over and blind.

Note: If taxpayer can be claimed as a dependent on another person's return, the standard deduction is the greater of $1,000 or earned income plus $350 (up to the standard deduction amount).

For a comprehensive list of other tax changes that may affect tax preparation, but not necessarily e-file, please refer to our website (www.maine.gov/revenue).

Electronic Filing Mandates

For returns filed in calendar year 2011 or any subsequent calendar year, a tax return preparer must file by electronic data submission all original Maine tax returns for individual income tax that are eligible for electronic filing, except:

1. When for the previous calendar year, the tax return preparer prepared 10 or fewer original Maine tax returns for individual income tax that are eligible for electronic filing;

2. When the taxpayer refuses to allow the return to be filed by electronic data submission and the tax return preparer notes the refusal in the taxpayer's records; or

3. When the tax return preparer has been granted a waiver from mandatory participation under section .06.

Acceptance and Participation

The Maine Electronic Transmitter Identification Number (ETIN) is the same number as the five-position ETIN assigned by the IRS. Maine will automatically accept those ETINs and EFINs that have been assigned and are valid with the IRS. Maine will automatically accept returns electronically from any IRS approved software provider. Acceptance is conditional upon the successful submission of annual PATS/ATS tests. The ETIN will be activated for production processing once the software developer PATS/ATS testing is successfully completed.

Maine Revenue Services reserves the right to revoke electronic filing privileges of any electronic filer who varies from these requirements, specifications, or who does not consistently transmit error-free returns.

Assurance Testing

- Transmitters and ERO's are required to test with MRS on an annual basis. The Department will accept and review test returns from transmitters for approval prior to accepting live production returns.
- All vendors will need to ATS test using the same IRS assigned SSNs. The actual test SSNs to be used are provided in the ATS test scenario document.
- The Software Developer must transmit ALL the test returns, in one single transmission, without any errors.
- Maine will send acknowledgments for all tests received.
- Developers must attempt to resolve issues raised by the reviewers prior to re-submitting affected Maine ATS/PATS scenarios.
- Software products must pass Maine ATS/PATS prior to submitting "live" tax returns.
- Maine Revenue Services issues an approval letter to software companies in the form of an email for products passing Maine ATS/PATS.
- PATS/ATS test scenarios can be found at www.maine.gov/revenue/developers.

E-File Provider Responsibilities

Confidentiality

Maine Revenue Services expects tax software companies to develop products that help their customers protect taxpayer data. Software companies are encouraged to heed IRS Publication 4557, *Safeguarding Taxpayer Data: A guide for your business*.

Maine Revenue Services encourages tax software companies to develop products that implement the IRS's six e-file security and privacy standards to better protect taxpayer information collected, processed, and stored by Authorized IRS E-File Providers.-

All Electronic Filers

Electronic filers must comply with all of the requirements of the Maine Electronic Filing Program and/or the Modernized E-file program and must maintain a high degree of integrity to continue to participate. Electronic filers must ensure electronic returns are filed in a timely manner. The determination of whether an electronic return is filed timely is made the same way as for a paper return. The receipt date of the electronic transmission will constitute the receipt date of the return if Maine Revenue Services acknowledges it. Any return not acknowledged by Maine Revenue Services is considered not filed. It is the responsibility of the filer to ensure every return filed electronically is acknowledged as "Accepted." A return filed electronically with errors and not acknowledged as "Accepted" is not considered filed with Maine Revenue Services. You must correct any errors within 24 hours of acknowledgment In addition; return preparation dates as entered on returns are monitored to make sure returns are

submitted in a timely manner. The following guidelines are provided as an overall measurement of timeliness:

- Original filings. The electronic record must be submitted within 72 hours of receipt of initial taxpayer information.
- Built-in delays. If the preparation, collection or submission procedures result in built-in delays in submitting taxpayer returns, you must advise the taxpayer in writing at the time of the initial contact with the taxpayer for your services.
- Error correction. Electronic records returned in error must be resubmitted within 24 hours of receipt of the electronic acknowledgment In addition the Electronic Return Originator must call (207) 624-9730 within 24 hours should errors occur three times for the same return.
- Acknowledgment. If an electronic acknowledgment has not been received within 48 hours for any transmitted return, the electronic filer must immediately contact Maine Revenue Services Electronic Filing Help Desk (see Chapter 17) for further instructions. It is the responsibility of the filer to ensure that every return electronically filed is acknowledged as accepted.
- Changes. After an electronic return is accepted, it cannot be recalled or intercepted. If either the electronic filer or the taxpayer wishes to change any entries after the return has been accepted, an amended return (on paper) must be filed.
- Errors. Errors in filing, as determined by error acknowledgments, must be cleared within three days. Maine Revenue Services monitors the timeliness of the error correction process when an error acknowledgment is sent. Failure to provide timely correction of erroneous returns can cause a revocation of privileges.

ERO Responsibilities

- Use approved software for the Maine electronic filing program.
- Give the taxpayer copies of all forms filed, including attachments.
- Retrieve the State acknowledgment within two days of transmission by MRS.

On-line filers

- Use the official Form 1040ME-PV or an approved substitute form which duplicates the official 1040ME-PV in format, language, content and size. Use of unapproved forms could result in suspension from the program. Preparers who develop a substitute form must request approval to use the substitute form in writing from:

  Maine Revenue Services
  Attn: Forms Management Team
  24 State House Station
  Augusta, ME 04333-0024

Or

- Submitted in electronic format via email to: VendorForms.MRS@maine.gov

All questions regarding substitute forms may also be directed to this email address. Please refer to our vendor website at www.maine.gov/revenue/vendors for more information regarding the approval of substitute forms.

Filers should promptly satisfy Maine Revenue Services requests to provide copies of forms within ten workdays upon request by Maine Revenue Services.

- Provide Maine Revenue Services with access to all material required to be maintained.
- Promptly and satisfactorily answer any and all inquiries about the preparation, processing, handling and filing of all tax returns submitted for electronic filing.

NOTE: *The return address entered on the tax return is to be that of the taxpayer, not the Electronic Return Originator.*

Transmitter

Electronic filers who function as transmitters must:

- Transmit electronic returns and retrieve the acknowledgment files in a timely manner.
- Match the acknowledgment files and resubmit corrected returns for processing. Only returns that have been acknowledged as accepted will be considered for processing.
- Contact Maine Revenue Services E-file Help Desk at (207) 624-9730 or efile.helpdesk@maine.gov with any electronic filing issues.
- Ensure the security of all return data and information.
- Follow the instructions provided in this manual.
- Retain copies of all acknowledgment files received from Maine Revenue Services. This material must be retained for six months after transmission unless Maine Revenue Services notifies the filer otherwise.
- Transmit electronic returns from accepted electronic filers only.
- Provide each of their clients with the acknowledgment files of their transmissions within two days after receipt of the acknowledgment Failure to do this could lead to suspension from the program.

Software Developers

Electronic filers who function as software developers must:

- Follow the specifications provided in this manual.
- Quickly correct software errors that cause electronic returns to be rejected to ensure the timely filing of electronic returns.
- Notify the E-file Help Desk of any problems associated with the return process or any questions you may have concerning electronic filings.

-
- Distribute software corrections, if any, to users promptly, together with any documentation and training needed.

Monitoring

Maine Revenue Services will monitor the quality of filer transmissions. Accepted returns will be monitored along with rejects, errors and other defects. The timely resolution of errors will also be monitored by MRS. If quality deteriorates, the electronic filer will receive a warning, or in extreme cases, a letter suspending the electronic filer from electronic filing. When suspended, the ETIN authorization will be inactivated and further processing of electronic returns suspended.

Electronic filers are expected to place the taxpayer first in providing return preparation and transmission services. Regardless of changes in business address, company names, telephone numbers, organization or personnel, the taxpayer must always have convenient access to his/her return. This includes but is not limited to: access to current status of the return and access to organization representatives to resolve any questions or concerns.

Maine Revenue Services will advise electronic filers of problems originating in branch offices. If there are repeated problems or continuing problems, the "parent" electronic filer will be required to drop that office from the program. Failure to take corrective action will lead to the initiation of suspension against the "parent" electronic filer, including all branches.

Suspension of Electronic Filing Privileges

Maine Revenue Services reserves the right to suspend or revoke the electronic filing privileges of any filer who varies from the Maine requirements and specifications.

Administrative Review Process

Maine Revenue Services will notify a provider by letter if it is suspended from the Maine electronic filing program for reasons described above. Suspensions for any reason not listed will be fully detailed in the suspension letter.

Any applicant or filer who has been denied or suspended from participation in the Electronic Filing Program may request an administrative review.

Any request for administrative review must be made within 30 days from the date of denial or the date of suspension. All requests should be mailed to:

Maine Revenue Services
ATTN: E-File Operations
24 State House Station
Augusta, ME 04333-0024

Filing an Electronic Return

Federal Data Requirements

A complete copy of the federal 1040 return and attachments as filed with the IRS must be provided in the Maine submission.

Caution: The IRS rejects "linked" state submissions that fail to link to an "accepted" federal submission. Maine never receives state submissions rejected by the IRS.

General Data Requirements

Omit elements/fields intended to be unreported; do not send empty data elements/fields.

Unreported "optional" amounts are treated as having a value of zero.

Ratios and percents may be reported using as many decimal places as the schema allows unless the tax form or its instructions specify otherwise.

Excluded from Maine Electronic Filing

- Fiscal filers
- Short period filings (filing for less than 12 months)
- Composite returns
- Consolidated filers
- Prior year returns
- Returns where the filing status on the federal 1040 would differ from the 1040ME except when a Schedule NRH is filed.

Supported by Maine Individual Electronic Filing

- Online returns prepared by a taxpayer using commercially purchased software or software provided by an online internet site.
- Returns prepared by an ERO and/or Paid Preparer using commercially purchased professional software.
- Linked (preferred) and Unlinked filings ACH Debit payment for the total amount due (including underpayment penalty)
- Estimated tax payments for the forthcoming tax year ACH direct deposit refunds into one account

- Calendar Year (12-month tax period normally ending December 31)
- Amended returns (2013, 2014 only)
- Supporting documentation – Taxpayers are sometimes instructed to “attach” supporting information to the tax return. This includes tax forms, statements, explanations, elections, notices, schedules, or other types of miscellaneous information explained on tax forms, instructions, regulations, or publications.
- Federal forms – When Maine instructions call for federal forms to be attached, Maine expects requisite forms to be present within the IRS MeF submission copy provided to Maine. Maine does not redefine federal forms in its schemas.
- Simple explanation attributes or elements have been defined in the schema when appropriate to convey supporting textual statements.
- Optional PDF binary attachments are provided for within the Maine submission when other methods of inclusion are insufficient. If software or practitioner cannot provide binary attachments in the electronic submission, hardcopy attachments must be attached to a signed transmittal form, retained by preparer until requested, and mailed to MRS. Please do not submit password protected attachments

Supported Maine Income Tax Forms

Form 1040ME	Maine Individual Income Tax Form
Schedule CP	Voluntary Contributions and Park Passes
Maine Schedule PTFC	Maine Residents Property Tax Fairness Credit
Maine Schedule 1	Income Modifications
	Pension Deduction Worksheet
	Supporting Worksheet for Schedule 1, Line 2f
Maine Schedule 2	Itemized Deductions
	Supporting Worksheet for Schedule 2, Line 2a
Maine Schedule A	Adjustments to Tax
Maine Schedule A Worksheets	Supporting Worksheet for Rehabilitation Of Historic Properties After 2007
	Supporting Worksheet for Child Care Credit
	Supporting Worksheet for Educational Opportunity Credit
	Supporting Worksheet for Income Taxes Paid to Other Jurisdictions
	Supporting Worksheet for Maine Seed Capital Credit
	Supporting Worksheet for Research Expense Tax Credit
	Supporting Worksheet for Wellness Programs Credit
	Supporting Worksheet for High Technology Credit
	Supporting Worksheet for Pine Tree Development Zone Credit
Maine Schedule NR	Nonresident Credit
Maine Worksheet A	Residency Information
Maine Worksheet B	Income Allocation Worksheet

Maine Schedule NRH	Schedule for Calculating Nonresident Credit for Married Person Electing to File Single
Form 2210ME	Annualized Income Installment
Form W-2	Wage and Tax Statement
Form W-2G	Certain Gambling winnings
Form 1099R	Distributions from Pensions, Annuities…
Form 1099G	Certain Government Payments
Form 1099ME	Maine Pass-through Withholding
Form 1099 DIV	Dividends and Distributions
Form 1099OID	Interest and Original Issue Discount

Refunds

Taxpayers may opt for overpayments to be:

- Applied to next year's estimated tax
- Issued in the form of a refund check.
- Directly deposited into their financial institution or NextGen account if the amount of the refund is $10,000 or less*
- Split so that a portion is applied to next year's estimated tax and the balance received as direct deposit or paper check. A refund cannot be split between a direct deposit and paper check.

*Refunds greater than $10,000 that are requested to be direct deposited will automatically be turned into a paper check.

When direct deposit is requested the taxpayer must show the ERO proof of account from the financial institution that the taxpayer designates to receive the direct deposit. EROs must verify the information entered is correct and is the same information transmitted to MRS. MRS will issue a paper check if direct deposit information is invalid.

In compliance with federal International ACH Debit Transmissions regulations, Maine will not send direct deposits to financial institutions outside the United States. MRS will mail a paper check to the taxpayer.

Refunds directed to Next Gen Accounts

Overpayments that are directed to a NextGen college savings account must be done so by selecting "C" in the "TypeAcct" line of the Maine 1040 return schema and by entering the following required data in the Financial Transaction schema:

- Account number = NextGen Account Number (without hyphens)
- Routing Transit Number = 084301767

Delay of Refunds

Refunds may be delayed when:

- Overpayment is offset for an outstanding liability to MRS, another state agency, a Maine county, or the IRS. Any remainder of the overpayment after the offset will be processed as the taxpayer opted.
- Errors in the calculation of the return
- Additional review is needed

Please instruct the taxpayer to wait four business days after you receive a valid acknowledgment before contacting Maine Revenue Services' Income Tax Division about their return or refund. We recommend they inquire about their refund using "Where's My Refund?" online at https://portal.maine.gov/refundstatus/

Payments

The balance due must be paid by the due date to avoid late fees. Payment options for balance due returns and estimated payments:

- Electronic E-file (direct debit)
    - Use the tax software to authorize MRS to debit the taxpayer account. Payment may be scheduled up to and including the tax due date, or if return is submitted after tax due date, payment date must be the date the return is submitted. Payment must be the total amount due (including underpayment penalty)

- Mail your payment
    - Print Form 1040ME-PV when completing taxpayer return, paid provider must provide Form 1040ME-PV to taxpayer. Mail to MRS along with payment as instructed on the payment voucher.

- Estimate Payments for 2015 Tax Liability
    - Estimate payments for 2015 tax liability may be scheduled at the time a taxpayer files their 2014 tax return. Taxpayers may schedule one, two, three, or four payments. Each payment must include a payment settlement date, the date upon which Maine Revenue Services will withdraw the funds from the taxpayer specified bank account.

Direct Deposit Responsibilities

An Electronic Return Originator submitting electronic payments via the MEF system must follow the same rules and guidelines for the Maine Direct Deposit as specified in

the IRS handbook for Electronic Filing (Publication 1346), under Refunds and Direct Deposit, Responsibilities, Eligibility Requirements and Proof of Account.

Maine Revenue Services will make every attempt to effect a direct deposit. However, if a direct deposit cannot be properly completed, a paper check will be issued.

Taxpayer/Preparer Instructions

Maine does not require an electronic signature document. However, the ERO must ensure the return is correctly completed and all instructions are followed. After the return has been prepared electronically and before the return is transmitted, the taxpayer must verify the information on the return. The ERO must furnish the taxpayer with a copy of the electronic return, including all supporting documentation. This information may be displayed on facsimiles of official forms. This material is to be provided to the taxpayer before the return is transmitted. The ERO must provide the taxpayer with a copy of the following items:

- Any non-transmittable signed documents, W-2's and 1099's
- A hard copy of the return as filed electronically with the State
- Electronic Funds Withdrawal Affirmation, if the taxpayer chose the Electronic Funds Withdrawal Affirmation method of payment.
- Perjury statements/attestation at the time of taxpayer filing/submission. The language may be obtained from the paper versions of the forms posted to Maine Revenue Services website.

After the taxpayer has reviewed the return with the ERO, the transmitter will transmit the electronic portion of the return to Maine Revenue Services in accordance with specifications in this manual. By transmitting the electronic portion of the return, the electronic filer certifies that the return has been reviewed by the taxpayer.

Filing a tax return is the responsibility of the taxpayer, and filing returns electronically requires an agreement between the taxpayer and the ERO. Maine Revenue Services is not a party to this agreement.

If the ERO changes the electronic tax data after the taxpayer's review of it, but before the transmission to Maine Revenue Services, the taxpayer must be notified of the changes.

Exceptions:

- The total tax, the withholding or the refund fields differ from the corresponding amounts on the electronic tax return by less than $5, and
- The total income amount differs from the corresponding amount on the electronic tax return by less than $25.

Such changes are limited to corrections within the above tolerances for arithmetic errors, transposition errors, misplaced entries and spelling errors. Rounding off to

whole dollars and dropping cents do not constitute significant changes or alterations to the tax return. All rounding should be done in accordance with standard accounting principles. Be sure that your rounding process occurs at the field level and that any totals are computed based on whole dollars.

Fraud Prevention

You can assist in identifying potentially fraudulent returns before they are transmitted. If you suspect false information is being submitted to you for electronic filing, we encourage you to contact the MRS Compliance Division by calling (207) 624-9600 or on-line at: http://www.maine.gov/revenue/Compliance/homepage.html.

Also, it is the policy of Maine Revenue Services to discourage the use of the return preparer's address as the taxpayer's present address on the Maine Individual Income Tax Return. While the taxpayer may, in fact, request it and even sign a paper requesting such address usage, it is not in the interest of either the taxpayer or the State to do so. It causes problems when a return preparer's address is used on the return, such as:

- The address on the return is the address to which next year's tax information will be sent.
- The refund may be delayed while we review the return manually as part of our fraud detection process.
- Any future notices or correspondence with the taxpayer would be sent to the return preparer rather than the taxpayer.
- Regardless of the legality of using the return preparer's address on the tax return, we strongly discourage this practice.

Under no circumstances shall non-address information be entered in the address fields. These fields are for address data only.

Transmitting the Electronic Return

MeF

The IRS prescribes SOAP and packaging specifications. For MeF Transmission File Structures for Internet Filing Application (IFA) and Application-to –Application (A2A), refer to IRS publications:

- Pub 4164, Modernized eFfile (MeF) Guide for Software Developers and Transmitters
- MeF Submission Composition Guide
- ISS MeF State and Trading Partners ICD

To indicate State of Maine submission, value "ME" must occur in the Jurisdiction element of /ReturnState/ReturnHeaderState.

The MeF manifest must indicate a submission type of ME1040 for individual income tax returns.

Tax preparers and transmitters accepted in the IRS Fed/State Program may submit federal and/or State returns to the IRS. The State submission can be linked to the IRS submission by including the Submission ID of the federal return. If the State submission is linked to an IRS submission (also referred to as Fed/State return), the IRS will check to see if there is an accepted IRS submission under that Submission ID. If there is not an accepted federal return for that tax type, the IRS will deny the State submission and a rejection acknowledgment will be sent to the transmitter. MRS has no knowledge that the State return was denied (rejected) by the IRS. If there is an accepted federal return under that Submission ID, MeF will perform minimal validation on the State submission. MeF will then pass along to the State what the ERO/taxpayer sends in the State submission. After the State data is retrieved, it will be acknowledged and, if accepted, processed by MRS.

Note: The IRS recommends if a state submission is linked to an IRS submission, send the IRS submission first and, after it has been accepted, send in the state submission.

State Stand Alone E-file

Tax preparers and transmitters accepted in the IRS e-file program may submit State Stand Alone returns when supported by the software. If the ERO does not link the State return to a previously accepted federal return (also referred to as State Stand Alone return) the IRS will perform minimal validation on the State submission. The State data will then be made available for retrieval by MRS. After the State data is retrieved, it will be acknowledged and, if accepted, processed by MRS.

Maine accepts both linked and un-linked submissions. In both submission types, the federal data is required and there are some specific business rules that perform validation against the federal data. A submission that does not contain federal data will fail the business rule validation and cause rejection.

Acknowledgments

Acknowledgment Turnaround

The Maine MeF system generates an acknowledgment for each state submission and sends it to the IRS MeF system for the transmitter to retrieve. A Maine acknowledgment is separate from the federal acknowledgment. Receiving a federal acknowledgment does not mean that Maine received the state submission. Only a Maine acknowledgment guarantees the Maine submission was received.

This acknowledgment signals e-file providers that Maine has either accepted or rejected the corresponding MeF submission. Maine Revenue Services endeavors to acknowledge submissions hourly, but staffs the MeF system to resolve technical issues during weekday business hours only.

Missing Acknowledgments

If one or more of the following occurs:

- Maine acknowledgments were received for some returns, but not all returns submitted in a single transmission
- A transmission day was skipped (for example, received Maine acknowledgments for Tuesday and Thursday transmissions, but none for Wednesday)

Then verify:

- The IRS has accepted the federal return linked to the state return
- The transmitter has received all available Maine acknowledgments from the IRS
- The ERO has retrieved all available Maine acknowledgments from the transmitter.

Transmitters that do not receive Maine acknowledgments within a few hours may expect to receive them within one business day of MRS receiving state returns from the IRS. EROs should contact their transmitter who will work with the Maine E-file help desk support staff to resolve the issue. The following information is needed in order to assist with researching the missing acknowledgments:

- Electronic Transmitter ID number (ETIN)
- Electronic Filer ID number (EFIN)
- EFIN of the submission in question
- Transmission date
- Submission ID
- Date of federal return acknowledgment
- Transmitter contact name and telephone number

Schemas/File Layouts and Specifications for Software Developers

Schemas

The Maine schemas are in the IRS standard Extensible Markup Language (XML) format. They have been approved by the Tigers Committee and can be found at www.maine.gov/developers

The Maine MeF system rejects submissions that fail to comply with schema formatting and business rules. Rejected submissions are considered “not filed”, but are maintained on the federal MeF server and can be accessed by authorized MRS

personnel to assist with error identification / correction, if needed. ACH Debit payments submitted with returns are processed only when returns are accepted.

Business Rules

MeF Business Rules for Maine Individual Income Tax can be found at: www.maine.gov/revenue/developers

Maine Rule Number – Each business rule has a number that uniquely identifies the business rule within the Maine MeF system. MeF business rules begin with either X or ME. X indicates an XML business rule, ME indicates a Maine form / schedule / worksheet business rule.

Maine Business Rule Examples:

X0000-002	XML – data must conform to specified XML schema
ME1040-1109	Maine form 1040, last four digits equal legacy error number

Rule text – Each business rule prescribes what is expected in order to comply with a requirement. Rule text uses business terms (as opposed to programming terms) that are readily understood by tax subject matter experts, electronic return originators, and transmitters familiar with Maine forms. Rule text pertaining to forms and schedules usually follow a pattern. Reference in the rule to other affected data elements are only by form and/or line number.

Advertising, Media Communications and Endorsement Restrictions

Electronic filers shall comply with the advertising, media communication and endorsement restrictions specified in the Internal Revenue Service Revenue Procedure for Electronic Filing of Personal Income Tax Returns, Publication 1346, as it may apply to Maine.

Acceptance in the Maine Electronic Filing Program does not imply endorsement by Maine Revenue Services. Therefore, any public communication that refers to a user's electronic filing capabilities, whether through publication or broadcast, must clearly indicate acceptance of the user for electronic filing. This does not constitute an endorsement or approval by Maine Revenue Services of the quality of tax preparation services provided. No advertisement may state or infer that electronic filing changes in any way the filing, payment or legal obligations of the taxpayer. Please be conservative in advertising refund times.

MRS posts a list on its web site of software companies having approved products as a courtesy to taxpayers. MRS does not endorse software companies nor guarantee their products, services, or prices. Software companies must provide technical support for their products. MRS does not offer technical assistance for software products.