

● MAINE INCOME TAX LAW

STATUTORY CITATION: Me. Rev. Stat. Title 36, §§ 5101 – 5403

GENERAL SUMMARY: The Maine Income Tax Law imposes a tax on certain income received by residents of the state, and on taxable income of non-residents which is derived from sources within the state, including wages from employment. The law requires every employer who pays to any worker taxable wages subject to federal income tax withholding, to deduct and withhold from such wages an amount estimated to equal the worker's state income tax liability with respect to those earnings.

On or before January 31 of the following calendar year — or within 30 days after the last payment of wages, in the case of an employee whose job terminates before the close of the current calendar year — the employer is required to provide the employee with a written statement showing the amount of wages paid and the amount of state income tax withheld during calendar year being reported.

PROVISIONS APPLICABLE TO AGRICULTURE: Under the U.S. Internal Revenue Code, agricultural employers who pay at least \$2,500 in wages for agricultural labor during the year are required to deduct and withhold federal income tax from the wages of their agricultural employees. In those cases, farm employers in Maine must also withhold state income tax from their workers' wages.

Likewise, an employer whose annual agricultural payroll expenditures amount to less than \$2,500, but who pays at least \$150 in cash agricultural wages to a particular worker during the year, is required to withhold federal income tax from that worker's wages, and thus would be obligated to withhold state income tax as well.

SPECIAL NOTES OR ADVISORIES

TAX RETURNS AND LIABILITY — Even if exempt from tax withholding, a farmworker may be required to file an annual state income tax return and may be liable for payment of taxes, depending on total net income during the tax year and other circumstances.

ADMINISTRATION AND ENFORCEMENT

PRIMARY ENFORCEMENT AGENCY — *Withholding Division, Maine Revenue Services, Department of Administrative and Financial Services, Augusta, Maine 04332 (207-626-8475).*

SECONDARY OR ASSOCIATED ENFORCEMENT AGENCY — *None.*