

Maine Residents

Property Tax and Rent Refund

“Circuitbreaker” Program

Application and Instructions for Refunds of:

- Property Tax Assessed in 2010
- Rent Paid during 2010

REFUNDS UP TO \$1,600 !

See back cover to see if you qualify



File online now

It's free at www.maine.gov/revenue
Applications must be filed by May 31, 2012

FOR HELP with the PROPERTY TAX and RENT REFUND PROGRAM

I-file: www.maine.gov/revenue (click on Electronic Services)

General Information: www.maine.gov/revenue (click on Tax Relief) or call 207-626-8475 - weekdays 8:00 a.m. - 5:00 p.m.

To get forms: Download from www.maine.gov/revenue (click on Forms, Publications & Applications) or call 207-624-7894 - everyday 24 hours (to leave your name and address).

Refund information: Please allow at least four weeks for your refund to arrive before calling us about your refund. This will allow us to process applications faster. Telephone calls about refunds before four weeks delay the processing of applications.

For automated information about the status of your refund, visit www.maine.gov/revenue (click on *Where's My Refund*) - everyday 24 hours. **You must have your social security number and total income ready.**

NexTalk (TTY service): 888-577-6690 Weekdays 8:00 a.m. - 4:30 p.m.

Write to: Maine Revenue Services, PO Box 1060, Augusta, Maine 04332-1060.

FAQs: For information and answers to Most Frequently Asked Questions (FAQs), go to www.maine.gov/revenue (select Tax Relief), everyday 24 hours a day.

SPECIFIC LINE-BY-LINE INSTRUCTIONS

Use blue or black ink only. **DO NOT USE RED INK.**

To *l-file* your completed application, visit our web site at www.maine.gov/revenue.

STEP 1. APPLICANT NAME, ADDRESS, SOCIAL SECURITY NUMBER(S) AND BIRTH DATE(S).

Print your first name, middle initial, and last name in the space provided. If you are married and living with your spouse, print your spouse's first name, middle initial, and last name. Print your mailing address. If you live in an apartment, print the apartment number.

If your spouse died during 2010, 2011 or 2012, print the date of death.

Social Security Number(s) and Birth Date(s): Print your social security number. Also print your date of birth (month, day, and year). If you are married and living with your spouse, print your spouse's social security number and date of birth. Also print the telephone number where you can be reached during the day.

STEP 2. APPLICANT INFORMATION.

Line 1. Read each question. Check either the "Yes" or "No" block for each question. NOTE: If you answer "yes," on **line 1e**, attach a complete copy of your 2010 federal tax return. Examples of business use of the home (or property) are office space in your home or a farm or construction business on the same property as your home.

Line 2. Location of Property. Print the physical location of the property where you lived during 2010. If you paid rent in 2010, write in your landlord's name and telephone number. If you need more space to write this information, include it on a separate sheet of paper.

STEP 3. DEPENDENTS. *A dependent is a person you support. They are people you claimed (or could claim) on your 2010 tax return. In general, to claim a dependent you must pay more than half the cost of support.*

Line 3. Print the number of your dependents in the spaces provided. Do not include you or your spouse. List your dependents who lived with you in 2010 *in order from oldest to youngest*. Print the first and last name of each dependent. Also print their social security number and date of birth. Answer the question for each dependent listed on the form. Fill in either the "Yes" or "No" block for the question. **If you have more than two dependents, print their names, dates of birth, and social security numbers on a separate sheet of paper.**

STEP 4. 2010 PROPERTY TAX OR RENT.

Line 4. Property Tax. If you owned your home in 2010, enter the amount of property tax assessed on your house and house lot up to 10 acres, even if you have not paid the taxes.

NOTE: If you do not have a spouse or dependent(s), only the first \$3,650 of your property tax will be used to calculate your refund. If you live with a spouse or dependent(s), only the first \$4,750 of your property tax will be used to calculate your refund.

Use the yearly property tax bill based on the April 1, 2010 assessment.

- Do not include interest or special assessments.
- Do not include property taxes on other property.
- Do not write the value of your home.
- Do not claim any tax that belongs to others. If the property is jointly owned by persons not members of the household, **enter**

only your share of the property tax bill. If you can prove that you are solely responsible to pay all the property tax, even though the home is partly owned by others, then you can claim all the tax on your form. **To do so, enclose with your application a letter signed and dated by each owner whose name is on the property tax bill stating that they do not live in the home and will not file a claim for refund for any portion of the property tax bill.** You can claim the tax on your home even if it is held in a revocable living trust.

- Do not include taxes on any part of your home or property used for business. *For example*, you owned a two-story building. You lived upstairs and ran a store downstairs. You can claim one-half of the property tax assessed. Do not include property taxes claimed as a business expense on your federal tax return.

- Do not include taxes on any part of your home or property that you rented (or could rent) out to others. *For example*, you lived in a two-family home. You rented half to someone else. You can only claim one-half of the property tax bill.

Include only the property tax on your house and the house lot up to 10 acres. If your house is on land that is more than 10 acres, call your town or city assessor to get the tax on your house and the land, up to 10 acres. This is the tax you can claim under this program.

If you moved during the year, attach an explanation on a separate sheet. Write in the date you moved. Write in the taxes or rent paid on each home. If you owned more than one homestead during the year, you must prorate the property tax assessed during April, 2010 on each home by the number of months you lived in the home. To do this, divide the tax assessed on each homestead by 12. Multiply the result by the number of months you owned and lived in each home. Enter the total on line 4. Do not include more than 12 months of property tax. Do not count any month in which you lived in the homestead for less than 15 days. Count any month that you lived in the homestead for more than 14 days as 1 month.

Note: You may be asked to provide a copy of the property tax bill that has your name on it before a refund is issued.

Line 4a. Was your home on a rented lot? If you owned a home that was on rented land or vice-versa, you can claim both tax and rent. One example is a mobile home located in a park. Enter on line 4 the tax on your home. Enter on line 5 the lot rent you paid.

Line 5. Rent. Enter the rent you paid in 2010. This is the rent you paid for the right to live in your apartment or house. Include Workfare payments received from your town used to pay your rent.

- Do not write in mortgage payments. **Mortgage payments are not rent.**
- Do not include rent for any part of your home used for business or that was rented out to others. *For example*, you use one room in your 5-room home as a business office. You can claim four-fifths of the rent paid. Do not include rent claimed as a business expense on your federal tax return.

Did the rent you paid include heat? If yes, and you know the amount paid for heat, subtract it from the total you paid. Write in only the part that is rent on this line. If you lived in subsidized housing, write in only the rent you paid. **You may be asked to provide copies of rent receipts before a refund is issued. You must attach copies of rent receipts or canceled checks if the rent you claim is over \$9,000.**

NOTE: If you do not have a spouse or dependent(s), only the first \$18,250 of your rent will be used to calculate your refund. If you live with a spouse or dependent(s), only the first \$23,750 of your rent will be used to calculate your refund.

Line 5a. Did your rent include heat? If the rent on line 5 includes heat, fill in the yes block. We will take out 15% from your rent when we figure your refund. If the amount on line 5 does not include an amount paid for heat, fill in the no block.

Line 5b. Was your rent paid in part by the government? This is rent that is limited to a percentage of income by a government program. If your rent was reduced or paid in part by the government, fill in the yes block. Government payments include certain Section 8 vouchers or public housing.

STEP 5. ANNUAL HOUSEHOLD INCOME.

Line 6a. Maine adjusted gross income. If you, or any member of your household, filed a 2010 Maine income tax return, enter the sum of the Maine adjusted gross income from all returns filed. **If the amount on this line is less than zero, attach a complete copy of the federal income tax return(s).**

- *Maine adjusted gross income is federal adjusted gross income* modified by the items in 36 MRSA § 5122.* This amount can be located on 2010 Form 1040ME, line 16 or 2010 Form 1040S-ME, line 15.

*For more information on **federal adjusted gross income**, refer to federal income tax forms and instructions at www.irs.gov.

Line 6b. Loss Add-Back. ONLY for losses claimed on 2010 income tax returns. You must include the sum of the absolute value of each business loss, net operating loss carry-over, capital loss, rental loss, and/or farm loss that is included in the Maine adjusted gross income for you and each member of your household. Any partnership and S corporation losses must also be included. These amounts can be located on federal income tax returns and supporting schedules. *For example, line 12 of your 2010 federal income tax return (Form 1040) includes business income of \$1,300, the net result of two Schedules C filed with your federal return. The first schedule reported business income of \$5,300. The second reported a business loss of \$4,000. You must enter \$4,000 on line 6b. This is the absolute value of the business loss reflected in your adjusted gross income. If you enter an amount on this line, attach a complete copy of the federal income tax return(s).*

Line 6c. Additional income. List only the items of income that are **not** already included in Maine adjusted gross income on line 6a.

Line (1). Salaries, Wages. To the extent not already included in Maine adjusted gross income (line 6a) for yourself and each member of your household, enter the total amount of salaries, wages and other compensation before taxes or other amounts are deducted. This amount is generally reported in box 1 of federal Form W-2 or on the federal Form 1099 issued by the payer.

Line (2). Dividends, Interest - all sources. To the extent not already included in Maine adjusted gross income (line 6a) for yourself and each member of your household, include:

- Interest received from the Federal Government or any of its instrumentalities. This amount can generally be located on the federal Form 1099 issued by the payer.
- Interest or dividends on obligations or securities of any State (including Maine) and its political subdivisions and authorities. This amount can generally be located on the federal Form 1099 issued by the payer.

- Any other interest and/or dividends received. This amount can generally be located on the federal Form 1099 issued by the payer.

Line (3). Social Security, Railroad Retirement, Annuities, Pensions, Veterans Compensation and Distributions from ROTH IRAs. To the extent not already included in Maine adjusted gross income (line 6a) for yourself and each member of your household, include:

- All payments received under the federal Social Security Act, including regular **social security benefits**, **social security disability benefits** and **supplemental security income**. You must include the gross amount before Medicare is subtracted. This amount can generally be located on federal Form SSA-1099.
- **Railroad retirement benefits** received. This amount can generally be located on federal Form RRB-1099 or RRB-1099-R.
- The gross amount of any **pension** or **annuity**, including **federal veterans' disability payments**. Also include amounts received from the **Maine Public Employees Retirement System**. These amounts can generally be located on the federal Form 1099 issued by the payer.
- Distributions from **ROTH Individual Retirement Accounts (IRAs)**. This amount can generally be located on the federal Form 1099 issued by the payer.

Line (4). Pension Income Deduction. ONLY for yourself and each member of your household who filed a 2010 Maine income tax return. Enter the amount of pension income deduction claimed on 2010 Maine income tax returns to the extent this amount is not already included as pension income on line (3). This is the amount from line 14 of Maine Form 1040S-ME or line 2d of Maine Form 1040ME, Schedule 1.

Line (5). Deferred Compensation and Employee Contributions to Pension, Annuity or Retirement Plans.

For yourself and each member of your household, include amounts contributed to an individual retirement account (IRA) under Section 408 of the Internal Revenue Code to the extent the amount is used to reduce federal adjusted gross income (see 2010 federal Form 1040, line 32). Do not include contributions to a ROTH IRA.

Also, for yourself and each member of your household, you must include the total amount of **tax deferred employee contributions**, including catch-up contributions, to any pension, annuity or retirement plan. Enter only amounts contributed as a result of payroll deductions from wages and salaries that result in a reduction in taxable wages reported in box 1 of Form W-2. These amounts will generally be reported on your check stub as payroll deductions to elective deferrals and should also be reported in box 12 of Form W-2 with one of the following codes: D, E, F, G, H or S. **Do not enter on this line any employer contributions to the pension, annuity or retirement plan.**

If you or members of your household are self-employed, enter only those contributions made as an employee, not as an employer. For example, under a SIMPLE IRA Plan, enter only the "salary reduction contribution" amount; do not include the "employer matching contribution" amount. For more information, see Internal Revenue Service Publication 560.

Some of the major retirement and pension plans to which employees may contribute include:

- An individual retirement account (IRA) under Section 408 of the Internal Revenue Code. This amount can generally be found on federal Form W-2.

- Salary reduction simplified employee pension plan (SARSEP).
- Savings incentive match plan for employees (SIMPLE).
- Deferred compensation plans under Section 457 of the Internal Revenue Code.
- Cash or deferred arrangements under Section 401 of the Internal Revenue Code.
- A Qualified Plan, including “Keogh” plans.

NOTE: Simplified Employee Pension plan (SEP). Because SEPs are generally funded by employer contributions and after-tax employee contributions, contributions to SEPs will not be counted as income for the Maine Residents Property Tax and Rent Refund Program.

If you are not sure if the contributions being made are tax deferred employee contributions, or you are not sure of the amount of contributions that must be included on this line, check with the employer that provided the plan or, if self employed, the plan administrator.

Line (6). Cash Public Assistance, TANF. For yourself and each member of your household, include the total amount of money received from the government for support, such as TANF benefits (Temporary Assistance for Needy Families). Also include Workfare payments. ***NOTE: Do not include gifts from nongovernmental sources or surplus foods or other relief in kind supplied by a governmental agency such as food stamps, WIC and Fuel Assistance or General Assistance payments from the town.***

If you are not sure of the amount of TANF benefits you received, check with your Regional Office of the Department of Health and Human Services, Bureau of Family Independence.

Line (7). Child Support Payments. For yourself and each member of your household, include the amount of Child Support Payments received.

Line (8). State Supplemental Income. For yourself and each member of your household, include the amount of State Supplemental Income benefits received (sometimes referred to as your “\$10-a-month check”). If you are not sure if you received State Supplemental benefits, check with your Regional Office of the Department of Health and Human Services, Bureau of Family Independence.

Line (9). Any other Income including:

- Alimony received.
- Capital gains not included in Maine adjusted gross income. Do not include any capital losses.
- Gambling and Lottery Winnings.
- Cash Inheritance, except from a deceased spouse.
- Jury duty payments.
- Life Insurance Proceeds received greater than \$5,000. ***NOTE: Do not count the first \$5,000.***
- Nontaxable lawsuit awards, such as slander, libel, and pain and suffering. Do not include reimbursements for medical and legal expenses associated with the case. This amount may be located on your legal documentation.
- Nontaxable strike benefits. This amount may be located on your final benefit statement.
- Nontaxable employee contributions to a flexible spending arrangement (also referred to as a flexible spending account) under a cafeteria plan as defined in Section 125 of the Internal Revenue Code.
- Employer paid benefits for a dependent care assistance program under Section 129 of the Internal Revenue Code. This amount can generally be located in box 10 of federal Form W-2.

- Prizes and Awards.
- Rental income and other business income (after expenses) not already included in Maine adjusted gross income (line 6a). Do not include any rental or business losses.
- Unemployment Compensation. This amount may be located on federal Form 1099.
- Workers’ Compensation and Loss of Time Insurance. These amounts may be located on federal Form 1099.
- Any other income - Income not included in any other line.

EXCEPTIONS - Do not count the following as income:

- Town or City General Assistance
- Property tax or rent refunds from the Maine Property Tax and Rent Refund Program
- The first \$5,000 from life insurance (count only the amount that is more than \$5,000)
- Gifts from friends or relatives
- Food stamps, WIC, fuel assistance, or other in-kind relief
- Money loaned to you

Line 6e. Pension Rollovers and Property Tax Refund from the Property Tax and Rent Refund Program. This line applies only if you entered an amount on line 6a. If the amount on line 6a includes an amount rolled over from an IRA, pension or annuity plan into another IRA, pension or annuity plan, enter the amount of the rollover on line 6e. If the amount on line 6a includes a property tax refund from the Maine Residents Property Tax and Rent Refund Program, include that amount on line 6e as well.

STEP 6. DIRECT DEPOSIT INFORMATION.

Line 7. Direct Deposit. You may have your property tax or rent refund directly deposited into your bank account. You should call your bank to make sure your direct deposit will be accepted. ***NOTE: To comply with banking rules, you must check the block if your refund is going to an account outside the United States. If you check the block, we will mail you a paper check.***

Line 7a. Routing Number (RTN): The routing number must be 9 digits. The RTN must begin with 01 through 12 or 21 through 32. If it does not, the direct deposit will be rejected and a refund check will be sent instead. Check with your bank to be sure you have the correct routing number.

Line 7b. Bank Account Number: Your account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes at the end blank. Call your bank to be sure you have the correct account number for either your checking or savings account.

Line 7c. Type of Account: Fill in the block to show whether your account is a checking or savings account.

STEP 7. THIRD PARTY DESIGNEE.

Line 8. If you would like to allow another person to discuss this application with Maine Revenue Services, fill in the “Yes” block. Also enter the person’s name, phone number, and any 5-digit number the person chooses as their personal identification number (PIN). If you fill in the “Yes” block, Maine Revenue Services will call the person you have chosen if there are any questions or if additional information is needed to process your application. Maine Revenue Services will only discuss your application with the person listed if that person knows the 5-digit PIN.

WE WILL CALCULATE YOUR REFUND FOR YOU!

GENERAL REFUND PROGRAM

We will calculate your refund for you. You only need to file your completed application. We will do the rest for you. The explanation and examples below should help you see how much your refund might be.

EXPLANATION OF HOW THE GENERAL PROGRAM REFUND IS CALCULATED

Note: The maximum refund is \$1,600.

“Benefit base” is the amount of property tax based on the April 1, 2010 assessment on your house and house lot (up to 10 acres). For renters, the benefit base is equal to 20% of the total rent paid in 2010 for the right of occupancy.

- If the rent paid included heat, we will subtract 15% of the rent paid before we determine your benefit base.
• The benefit base must be reduced if you rented out part of your home or used part of it for business purposes. See instructions for lines 4 and 5 of the application on pages 2 and 3.
• If you live alone, the benefit base cannot be more than \$3,650. If you live with a spouse or dependent(s), the benefit base cannot be more than \$4,750.

“Household income” is income received by all members of the household during 2010. This is the amount entered on line 6(f) of the application form.

To calculate the refund amount, you must:

1) Add: 50% of the benefit base that is more than 4% of household income, but not more than 8% of household income, plus 100% of the benefit base that is more than 8% of household income. (NOTE: The benefit base up to 4% of household income is not included in the refund calculation.)

2) Multiply: The result from 1) above x 80%. The refund may not be more than \$1,600.

Following is a refund calculation for a multi-member household whose 2010 household income was \$58,000 and whose 2010 property tax assessed (benefit base) was \$4,800 (limited to \$4,750): \$58,000 x .08 = \$4,640 (\$4,750 - \$4,640 = \$110); \$58,000 x .04 = \$2,320 (\$4,640 - \$2,320 = \$2,320).

- 1) \$1,160 (\$2,320 x .50) plus \$110 (\$110 x 1.00) equals \$1,270
2) \$1,270 x .80 = \$1,016 (the refund amount)

SENIOR REFUND PROGRAM

Senior claimants will receive the larger of either the Senior refund or the General refund.

Seniors. A senior is an individual who was age 62 or over on December 31, 2010 (age 55 or over if disabled). An applicant is considered disabled if they received federal disability payments. If married, both husband and wife must have received federal disability payments.

EXPLANATION OF HOW THE SENIOR PROGRAM REFUND IS CALCULATED

See the Senior Program Refund Chart below. The “benefit base” for the Senior Program is the amount of property tax based on the April 1, 2010 assessment on your house and house lot (up to 10 acres). For senior renters, the benefit base is equal to 25% of the total rent paid in 2010 for the right of occupancy. NOTE: If the rent paid included heat, we will subtract 15% of the rent paid before we determine your benefit base.

Senior Program Refund Chart

During 2010, if you did not have a spouse or dependent(s), and

Table with 4 columns: Household income range, Refund percentage, and Refund amount. Rows show income ranges from \$0 to \$14,700 with corresponding refund percentages (100%, 75%, 50%, 25%) and amounts up to \$400, \$300, \$200, and \$100.

During 2010, if you did have a spouse or dependent(s), and

Table with 4 columns: Household income range, Refund percentage, and Refund amount. Rows show income ranges from \$0 to \$18,200 with corresponding refund percentages (100%, 75%, 50%, 25%) and amounts up to \$400, \$300, \$200, and \$100.

Senior claimants receive the larger of either the Senior refund or General refund.

MAINE RESIDENTS PROPERTY TAX and RENT REFUND PROGRAM “The Circuitbreaker Program”

Who is Eligible? Homeowners or renters of any age who meet all of the following requirements:

- a) Were Maine residents for **all** 12 months of 2010.
- b) Owned or rented a home in Maine for **all** 12 months of 2010 **and** occupied that home for at least 6 months of 2010.
- c) **Lived alone** and total household income in 2010 was **\$64,950** or less; **OR, lived with a spouse or dependent(s)** and total household income in 2010 was **\$86,600** or less.
- d) Had a 2010 property tax bill that was more than 4% of total household income; **OR**, paid rent in 2010 that was more than 20% of total household income. **Except: Seniors do not need to meet this requirement when their income is not more than \$14,700 for those living alone or not more than \$18,200 when living with a spouse or dependent.**

Seniors may qualify under the Senior or General portion of the program. Senior claimants will receive the larger of either the Senior refund or the General refund.

Dependents. If you are a dependent of another person, you generally cannot file for a refund.

Estates. Estates may not file for a refund.

Household. Your household includes yourself, your spouse, if applicable, and any person you can claim as a dependent for the year for which relief is requested whether or not that dependent is actually claimed as a dependent on your tax return.

Household income. You must include income received by all members of the household during 2010 (see pages 3 and 4 for more information).

Seniors. A senior is an individual who was age 62 or over on

December 31, 2010 (**age 55 or over if disabled**). An applicant is considered disabled if they received federal disability payments. If married, both husband and wife must have received federal disability payments.

Subsidized housing. Renters who lived in subsidized housing (rent paid in part by the government) do not qualify for a refund. **EXCEPT:** Disabled applicants who are receiving social security disability benefits or supplemental security income disability benefits do qualify for a refund if they meet all the other requirements. Also, senior applicants who live in subsidized housing do qualify for a refund if they meet all the other requirements for a senior household.

How much is the refund? Your refund will be calculated for you. Refunds are between \$10 and \$1,600. Refunds are based on the amount of 2010 property tax or rent and 2010 household income. *Except for refunds issued under the Senior portion of the program, refunds less than \$10 are not issued.* **Senior claimants will receive the larger of the Senior refund or the General refund.** For more information, see page 7.

How do unmarried people who shared a home file for a refund?

Each must file a separate application. *For example*, three people owned a home and shared expenses. All three lived in the home in 2010. Each had their own income and no one was another's dependent. Each should file a form as if living alone. Each should list their own income. Each should claim their share of the total tax bill or rent paid. Each applicant must attach a copy of the property tax bill or rental agreement which shows the amount that they pay.

How do I change my application once it is filed? If you made a mistake on any part of the application or have additional information to give us, you must notify us of the changes. Call, write or send an email to income.tax@maine.gov to tell us the change(s). **Do not file another application.**