**Maine Payroll Taxes**

**ME State Income Tax Withholding**

ME Employer Withholding website: <https://www.maine.gov/revenue/taxes/income-estate-tax/employer-withholding-941me-meuc-1>

**Who Must Withhold ME State Income Taxes**

An employer that pays wages or other compensation to employees for services performed within ME State is required to register to remit income tax withholding. You can download a registration application on the Maine Revenue Services (MRS) website at [maine.gov/revenue/tax-return-forms](https://www.maine.gov/revenue/tax-return-forms), select the General Forms category. You may also register electronically on the Maine Tax Portal at [revenue.maine.gov](https://revenue.maine.gov/_/), select Register a New Business. Once you have set up your MTP account, you can file returns, make payments, update your entity’s contact information, submit bulk withholding files, and more.

Employers who reported Maine income tax withholding of $18,000 or more for the 12-month lookback period ending June 30 of the prior calendar year are required to make payments of income tax withholding on a semiweekly schedule.

Semi-weekly payments are based on payment of wages and are due according to the following schedule:

* For wages paid on Wednesday, Thursday or Friday, remit withholding payment on or before the following Wednesday.
* For wages paid on Saturday, Sunday, Monday, or Tuesday, remit withholding payment on or before the following Friday.

Once an employer is required to begin making semi-weekly payments, they must continue on that schedule regardless of the amount reported during the lookback period.

Employers who reported Maine income tax withholding of less than $18,000 for the 12 months ending June 30 of the prior calendar year are required to make payments quarterly.

Quarterly payments are due the last day of the month following the end of the quarter, or the next business day if the last day falls on a Saturday, Sunday, or a holiday.  The payment is due on the same day as the quarterly return.

You may make payments electronically either using the Maine Tax Portal (ACH debit) or via [Electronic Funds Transfer (EFT)](https://www.maine.gov/revenue/electronic-services/funds-transfer) (ACH credit).

Employers registered for Maine income tax withholding must electronically file Maine quarterly tax returns. File Forms 941ME electronically by using the Maine Tax Portal (MTP) at [revenue.maine.gov](https://revenue.maine.gov/_/).

Employers must file Forms W-2 by January 31st following the calendar year to which the information return relates. File these forms electronically with MRS using the MTP. Paper copies of Forms W-2 are not acceptable.

**ME W-4 Requirements**

An employee performing services for wages in Maine must complete and submit Form W-4ME, *Employee’s Withholding Allowance Certificate*, to their employer. You can download a current Form W-4ME on the Maine Revenue Services (MRS) website at [maine.gov/revenue/tax-return-forms](https://www.maine.gov/revenue/tax-return-forms), select the Employment Taxes category.

**ME State Unemployment Insurance**

In general, workers are covered by the unemployment law of the state in which the work is performed. Employers with employees working in Maine may register for unemployment tax and create a ReEmployMe employer account using the Maine Department of Labor’s Bureau of Unemployment Insurance self-service portal. Navigate to <https://assist.reemployme.maine.gov/ep/landing> and follow the on-screen prompts.

Governmental employing entities (state, county, municipal) are automatically liable for covered employment in Maine. Unlike other types of employers, there is no time period or wage level that establishes liability.

Governmental entities and 501(c)(3) nonprofit organizations may choose to make reimbursement payments to the Bureau of Unemployment Compensation for unemployment benefits paid in a calendar year instead of making contributions at a certain tax rate. This option obligates the employer to pay benefit assessments on a dollar-for-dollar basis, including dependency allowances, ***regardless of the reason the worker is separated from the employer.*** In choosing direct reimbursement, an employer forgoes purchasing unemployment insurance coverage. Contrary to the case when an employer makes regular unemployment contributions, direct reimbursement of benefit charges cannot be waived.

Please be advised that all Washington State Community and Technical Colleges have selected the Reimbursable method for Washington unemployment insurance. Whenever possible, it is recommended as a best practice for colleges to adopt the same approach for their non-Washington state unemployment insurance method.

To start direct reimbursement, the organization must request the direct reimbursement option in writing within 30 days of its status determination, or by December 1 of any calendar year. Submit Form ME C-24, *Election to Cover as a Direct Reimbursement Employer*, downloadable from the [ME DOL Unemployment Tax Publications and Forms website](https://www.maine.gov/unemployment/taxpublications/index.shtml). Direct reimbursement employers are required to keep thorough records and report payroll information on a quarterly basis.

Businesses will file Maine unemployment contributions using the ReEmployME application. Employers must create a portal account in ReEmployME prior to filing. Portal account creation and quarterly filing are performed at <https://www.maine.gov/reemployme>.

Employers must submit the Quarterly Report (Form ME UC-1) no later than **30** days after the end of a calendar quarter. 

ME has adopted the Interstate Reciprocal Coverage Arrangement for unemployment insurance, but will only enter into a reciprocal agreement if coverage cannot be determined by applying the four-part test. Under this arrangement, if an employee works in more than one state, an employer may elect to cover all the services of such a worker in any state in which: (1) any part of the worker's service is performed, (2) the worker has his or her residence, or (3) the employer maintains a place of business. The agreement should be initiated through the state where the employer wants to report the payroll. A Washington employer may request to elect reciprocal coverage with another state by following the filing process outlined by Washington Administrative Code 192-300-150: <https://app.leg.wa.gov/wac/default.aspx?cite=192-300-150>.

**ME State Workers’ Compensation**

The law requires almost all public and private employers to have workers’ compensation coverage. The Workers’ Compensation Board may impose penalties for failure to have coverage when required by law. Failure to obtain coverage does not relieve the employer of their responsibility for payments required due to a workers’ compensation claim.

Washington State Department of Enterprise Services (DES) administers a [Workers' Compensation Insurance program](https://des.wa.gov/sites/default/files/2023-08/Out-Of-State-Workers-Compensation-FAQs.pdf) for state workers. If your employee works outside of Washington in a single other state for more than 30 days (240 hours) per year, **your agency must work with DES** to insure your out-of-state employee. For more information, contact Kimberly Haggard kimberly.haggard@des.wa.gov at DES Risk Management.

**ME State Paid Family / Medical Leave**

Maine’s PFML law will provide up to 12 weeks of paid leave for family leave / medical leave to deal with the transition of a family member’s pending military deployment or stay safe after abuse or violence. The Maine Department of Labor is responsible for the implementation of this new program.

Payroll withholdings from employee’s pay for the Paid Family Medical Leave program began

on January 1, 2025. Both the employer and the employee contribute to the PFML Fund. All funds are pooled to pay for future claims and other administrative costs. Although benefits will not go live until May 1, 2026, contributions began in 2025 to allow time to accumulate sufficient funds to operate the program.

For calendar years 2025-2027, the combined contribution rate is set at either 0.5 or 1 percent of wages based on the size of the employer. Employers with 15 or more employees will contribute 1 percent of wages and may deduct up to half of the contribution from the employees’ wages. Employers with less than 15 employees will contribute 0.5 percent of wages and may deduct the entire amount from the employees’ wages. An employer may pay the employee’s share of 0.5 percent.

Employers will submit premiums and wage reports quarterly through the Maine Paid Leave Contributions Portal: <https://pfml.maine.gov/contributions/_/>. All employers are required to register with the Department via this portal to determine their liability for PFML contributions.

Visit <https://www.maine.gov/paidleave/> for updates as more information becomes available. Sign up for the “Get Notified” email list to get program and portal information as it is released.

Washington Paid Family & Medical Leave (PFML) and Washington Cares benefits are not available to employees who are physically working in Maine. Agencies with WA PFML or WA Cares policy questions may email Washington Employment Security Department at esddlpfmlpolicy@esd.wa.gov.

**Helpful resources for Maine**

ME Income Tax Withholding FAQs: <https://www.maine.gov/revenue/faq/income-tax-withholding>

For additional information on the many features of the Maine Tax Portal (MTP), including Instructional Videos, visit [maine.gov/revenue/portal](https://www.maine.gov/revenue/portal).

ME Unemployment Insurance Tax Publications and Forms: <https://www.maine.gov/unemployment/employersfaq/>.

ME Unemployment Insurance Employers FAQs website: <https://www.maine.gov/unemployment/faq/index.shtml>.

ME Department of Labor Unemployment Employer Services website: <https://www.maine.gov/unemployment/employers/index.shtml>.

ME Workers’ Compensation Board Employer Resources website: <https://www.maine.gov/wcb/employers.html>.

For ctcLink vendor setup, the ME employer withholding tax mailing address is:

Maine Revenue Services

PO Box 9101

Augusta, ME 04332-9101

Vouchers should be made payable to “Treasurer, State of Maine”.

For ctcLink vendor setup, the ME unemployment insurance tax mailing address is:

Maine Revenue Services

PO Box 1065

Augusta, ME 04332-1065

Vouchers should be made payable to “Treasurer, State of Maine”.

For ctcLink vendor setup, the ME Paid Family and Medical Leave mailing address is:

Main Department of Labor

54 State House Station

Augusta, ME 04333-0054

Payments should be remitted electronically.