

Form REW-1-1040  
2022

Real Estate Withholding Return for  
Transfer of Real Property  
By sellers who are individuals or sole proprietors



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To be completed by the buyer or other transferee required to withhold

**IMPORTANT - Multiple Sellers:** A separate Form REW-1 **must** be completed for each seller receiving proceeds (see instructions).

1. Use Form REW-1-1040 only for sellers who are individuals or sole proprietors.

Check here if  
installment sale

2. Name of **seller** (and seller's spouse, if married filing jointly on Form 1040ME) - See instructions.

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Seller's Last Name	Seller's First Name	M.I.	Seller's Social Security Number
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Spouse's Last Name (if filing jointly)	Spouse's First Name	M.I.	Spouse's Social Security Number

3. Address of seller

Name and Street Number

City State ZIP Code

4. Date of transfer

5. Total consideration

\$  .00

6. Percentage of total gross  
proceeds received by this seller.  %

7. Physical location and use of property

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Map	Block	Lot	Sub-lot

8. Date property acquired by seller

Street address Municipality/Township Use of property

9. Rate of withholding - attach certificate if less than 2.5%

a. 2.5% of sales price

b. Less than 2.5%  
(Enter certificate number:  )

10. Amount withheld for this seller

\$  .00

**DO NOT SEND CASH - Make check payable to:** Treasurer, State of Maine.  
Write seller's social security number on the check.

11. Name of buyer (**withholding agent or other transferee**)

12. Address of buyer/withholding agent

Number and street

City State ZIP Code

13. Social security number/federal ID number of withholding agent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct and complete.

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Signature of buyer	Date	Signature of buyer's spouse (if property held jointly)	Date
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Signature of seller	Date	Signature of seller's spouse (if married filing jointly)	Date

Seller's daytime phone number

**NOTE:** Payments received by Maine Revenue Services will not be refunded prior to filing of the taxpayer's Maine income tax return.



**Mail this form and check to:** Maine Revenue Services, Income/Estate Tax Division - REW, P.O. Box 9101, Augusta, ME 04332-9101.  
**Overnight delivery address:** Maine Revenue Services, Income/Estate Tax Division - REW, 51 Commerce Drive, Augusta, ME 04330.

Telephone: 207-626-8473 realestate.withholding@maine.gov

Revised: December 2021

## General Instructions

**Purpose of Form:** 36 M.R.S. § 5250-A requires a buyer to withhold state income tax when real property located in Maine is acquired from a nonresident of Maine. The buyer must withhold and remit to the state tax assessor 2.5% of the consideration received by the transferor (seller) on the transfer. A completed Form REW-1-1040 (for sellers who are individuals or sole proprietors), Form REW-1-1041 (for sellers that are estates or trusts), and/or Form REW-1-1120 (for sellers that are corporations) must accompany the remittance.

**Who Must File:** A buyer (individual, firm, partnership, association, society, club, corporation, estate, trust, business trust, receiver, assignee or any other group or combination acting as a unit) of a Maine real property interest who is required to withhold tax must file the applicable REW-1 forms. If two or more persons are joint transferees, each must withhold the required amount. However, the obligation of each will be met if one of the joint transferees withholds and remits to Maine Revenue Services the total amount required.

Be sure to complete the appropriate REW-1 form for each seller:

- REW-1-1040 - For sellers who will report this sale on the Maine individual income tax return, Form 1040ME. (Individuals, sole proprietors, grantor or revocable trusts, individual members of pass-through entities);
- REW-1-1041- For sellers who will report this sale on the Maine fiduciary income tax return, Form 1041ME. (estates, trusts); or
- REW-1-1120 - For sellers who will report this sale on the Maine corporate income tax return, Form 1120ME. (C corporations, other entities taxable at the corporate level).

**Important note (multiple sellers):** If there are multiple sellers, you **must** complete a separate REW-1 form for each seller receiving proceeds from the sale. For example, if the seller is a partnership, complete a separate REW-1 form for each partner receiving proceeds from the disposition.

**Exceptions:** The buyer is not required to withhold or file this return if any of the following applies:

- a. The seller furnishes to the buyer written certification stating, under penalty of perjury, that as of the date of transfer the seller is a resident of Maine, as defined in 36 M.R.S. § 5250-A;
- b. The seller or the buyer has received from the state tax assessor a certificate of waiver stating that no tax is due on the gain from the transfer or that the seller has provided adequate security to cover the liability;

- c. The consideration for the property is less than \$100,000;
- d. Written notification of the withholding requirements has not been provided to the buyer. The real estate escrow person is liable for the withholding tax unless it is shown that the failure to notify is due to reasonable cause;
- e. The seller is the State or an agency or a political subdivision of the State, the federal government or an agency of the federal government, an organization exempt from income taxes pursuant to the Internal Revenue Code, § 501(a), an insurance company exempt from Maine income taxes or a subsidiary of an insurance company described in 24-A M.R.S., § 1157 (5)(B)(1) that is exempt from Maine income taxes; or,
- f. The property is being transferred via a foreclosure sale. Foreclosure sale means a sale of real property incident to a foreclosure and includes a mortgagee's sale of real estate owned property of which the mortgagee, or third-party entity, retained or took ownership as the result of an unsuccessful attempt to sell the property at the time of a previous foreclosure auction.

### Withholding Certificate Issued by the State Tax Assessor:

A withholding certificate may be issued by the state tax assessor to reduce or eliminate withholding on transfers of Maine real property interests by nonresidents. The certificate may be issued if:

1. No tax is due on the gain from the transfer; or,
2. Reduced withholding is appropriate because the 2.5% amount exceeds the seller's maximum tax liability.

If one of the above is applicable, apply for the certificate no later than five business days prior to closing.

**When to File:** A buyer must report and remit the tax withheld to Maine Revenue Services with this form within 30 days of the date of transfer of the property. Any claim for refund of an overpayment of this withholding must be filed within three years from the time the return was filed or three years from the time the tax was paid, whichever expires later.

**Where to File:** Send Form REW-1-1040 with payment directly to: Maine Revenue Services, Income/Estate Tax Division - REW, P.O. Box 9101, Augusta, ME 04332-9101 (do not send payment or Form REW-1-1040 with the real estate transfer tax declaration). Provide one copy of Form REW-1-1040 to the real estate escrow person, one copy to the buyer, and two copies to the seller.

**Seller's Filing Requirement.** Generally, a seller who is a nonresident individual must file a Maine income tax return for the tax year during which the sale of the Maine property occurred. A return is not required if the capital gain from the sale, combined with other Maine-source taxable income, does not result in a Maine income tax liability. However, a Maine income tax return must be filed to get a refund of any real estate withholding amount in excess of the Maine income tax liability. The seller must attach a copy of the REW-1 form to the Maine income tax return to ensure proper credit for real estate withholding paid. For more information on the Maine filing requirements, see Maine Rule 806 and the instructions for Form 1040ME and Schedule NR or NRH at [www.maine.gov/revenue](http://www.maine.gov/revenue).

## Specific Instructions

**Important note:** If there are multiple sellers, you **must** complete a separate Form REW-1 for each seller receiving proceeds from the sale.

- Block 2.** Enter the name and social security number of the seller. Only enter the name and social security number of the seller's spouse if the seller is married and will be filing jointly on Form 1040ME.
- Block 3.** Enter the current mailing address of the seller. Do not list the address of the transferred property.
- Block 4.** Enter the date of this transfer.
- Block 5.** Enter the total consideration (see 36 M.R.S. § 5250-A(1)(A) for definition).
- Block 6.** Enter the percentage of total proceeds received by this seller.
- Block 7.** Enter the location of the property, including map, block, lot, and sub-lot numbers, as well as town and street address. Also enter what the property was used for before the transfer. For example, principal residence, vacation home, rental property, commercial, or vacant land.
- Block 8.** Enter the date the property was acquired by the seller.
- Block 9.** Check the appropriate space to indicate the rate of withholding. If the parties obtained a withholding certificate from the state tax assessor authorizing a reduced rate of withholding, enter the certificate number and attach a copy of the certificate to this return.
- Block 10.** Enter the dollar amount withheld for the seller in block 2.
- Block 11.** Enter the name of the withholding agent (buyer).
- Block 12.** Enter the address of the withholding agent (buyer).
- Block 13.** Enter the social security number or federal ID number of the withholding agent (buyer).