

2024 MAINE

Resident

Individual Income Tax Booklet

Form 1040ME

Maine Electronic Filing Payment Services



For more information, see maine.gov/revenue

Free internet access is available at most local libraries in Maine. See your librarian for details about free internet access.

TAXPAYER ASSISTANCE and FORMS

Get refund status: Visit revenue.maine.gov or call (207) 624-9784 - Weekdays 9:00 a.m. - 12:00 p.m.

To download or request forms or other information: Visit maine.gov/revenue/tax-return-forms or call (207) 624-7894 - Every day 24 Hours.

TTY (for persons who are hard of hearing): 7-1-1 - Weekdays 9:00 a.m.- 12:00 p.m.

Taxpayer Assistance: (207) 626-8475 - Weekdays 9:00 a.m. - 12:00 p.m. Note: MRS does not provide tax return preparation assistance over the telephone.*

Federal income tax information and forms: Call the Internal Revenue Service at (800) 829-1040 or visit irs.gov.

Visit maine.gov/revenue to obtain the latest tax updates, view frequently asked questions (FAQs), or email tax-related questions.

Collection problems and payment plans: (207) 621-4300 - Weekdays 8:00 a.m. - 5:00 p.m. Call this number if you have a tax balance due that you would like to resolve.

*Individuals qualified for free tax preparation assistance may schedule an appointment by contacting the: **AARP Foundation Tax-Aide Program** at aarp.org/money/taxes/aarp_taxaide, or email MaineTaxAide@gmail.com, or call 888-AARP NOW (888-227-7669); or the **Ca\$h Coalition of Maine** at cashmaine.org/free-tax-prep, or call 2-1-1.

Form 1040ME due date: Tuesday, April 15, 2025

IMPORTANT CHANGES for 2024

Lincoln Mill Facilities District bond interest. L.D. 2270; P. & S.L. 2023, c. 23, § 7. Certain bonds issued by the Lincoln Mill Facilities District are, together with interest on and income from the bonds, exempt from all taxes, including the Maine income tax. Effective April 16, 2024.

United States Space Force. 36 M.R.S. §§ 5122(2)(M-2), 5122(2)(HH), and 5122(2)(LL); L.D. 2023; P.L. 2023, c. 523, Pt. B, §§ 1, 2, and 3. The law is amended to include the Space Force as an active or reserve component of the United States Armed Forces for purposes of the Maine pension income deduction and the income subtraction modifications for annuity payments made to the survivor of a deceased member of the military and non-Maine active duty military pay.

Pension income deduction. 36 M.R.S. § 5122(2)(M-2); L.D. 258; P.L. 2023, c. 412, Pt. ZZZ, § 2. For tax years beginning on or after January 1, 2024, the pension income deduction is increased to the maximum annual benefit that an individual eligible to retire at the retirement age, as defined in 42 United States Code, Section 416(l), as of January 1st of the tax year may receive under the federal Social Security Act and amendments to that Act as of June 28, 2023. Benefits received under a military retirement plan, including survivor benefits, continue to be fully exempt from Maine income tax.

Installment sale election. 36 M.R.S. § 5147; L.D. 1808; P.L. 2023, c. 441, Pt. C, §§ 5, 9, and 11. For tax years beginning on or after January 1, 2024, the law provides that interest associated with an installment sale of property for which the election is made by a nonresident individual taxpayer to pay the Maine tax on the gain in the year of the sale or in a subsequent tax year is excluded from Maine taxable income in the year of the election and any subsequent tax year.

Property tax fairness credit. 36 M.R.S. §§ 5219-KK(1)(A-1)(4), 5219-KK(2-D), and 5403(6); L.D. 258; P.L. 2023, c. 412, Pt. S and L.D. 2023; P.L. 2023, c. 523, Pt. B, § 4. For tax years beginning on or after January 1, 2024, the property tax fairness credit is increased for individuals 65 years of age or older by 1) increasing the maximum benefit base to \$4,000, regardless of the individual's filing status and number of qualifying children and other dependents, and 2) increasing the maximum benefit from \$1,500 to \$2,000. The benefit base amount is adjusted annually for inflation for tax years beginning after 2024.

Credit for certain homestead modifications. 36 M.R.S. § 5219-PP(6); L.D. 1808; P.L. 2023, c. 441, Pt. C, §§ 6 and 11. For tax years beginning on or after January 1, 2024, the credit for certain homestead modifications is repealed except that unused credit amounts may be utilized to the fullest extent allowed by the carryforward provisions for the credit.

Dependent exemption tax credit. 36 M.R.S. §§ 5219-SS, 5403(9), and 5403, ¶ 2; L.D. 258; P.L. 2023, c. 412, Pt. ZZZ, §§ 6, 10, and 11. For tax years beginning on or after January 1, 2024, the dependent exemption tax credit is refundable and for tax years beginning after 2024, the credit is adjusted for inflation. The credit is subject to phaseout.

Estimated income tax payments; short taxable year. 36 M.R.S. § 5228(7); L.D. 2023; P.L. 2023, c. 523, Pt. B, § 5. The law is amended to clarify that the payment of estimated income tax payments for a short taxable year must be made in accordance with existing due dates for estimated tax installments that fall within the short taxable year.

Information returns. 36 M.R.S. § 5242; L.D. 2023; P.L. 2023, c. 523, Pt. B, § 6. The law is amended to clarify that certain returns of information are required to be filed by persons making payment or crediting in a calendar year the amounts of \$600 or more, or \$10 or more in the case of interest or dividends, to a person who may be subject to Maine income taxes. Failure to file such returns, or filing a false or fraudulent return, may result in a penalty of \$50 for each such failure. Generally, returns of information include Forms W-2, Forms 1099, and other similar forms containing tax information necessary for filing Maine income tax returns.

See the complete 2024 Summary of Tax Law Changes available at maine.gov/revenue/publications/rules.

MAINE REVENUE SERVICES MISSION STATEMENT

MRS' mission is to fairly and efficiently administer the State's tax laws with integrity and professionalism.

GENERAL INSTRUCTIONS

Who must file? A Maine income tax return must be filed by **April 15, 2025**, if you are a resident of Maine who is required to file a federal income tax return or if you are not required to file a federal return, but do have income subject to Maine income tax resulting in a Maine income tax liability. Even if you are required to file a federal income tax return, **you do not have to file a Maine income tax return if you have no income addition modifications (Form 1040ME, Schedule 1A, line 12) and your income subject to Maine income tax is less than the sum of your Maine standard deduction amount plus your personal exemption amount.** However, you must file a return to claim any refund due to you. Generally, if you are a nonresident or a safe harbor resident who has income from Maine sources resulting in a Maine income tax liability, you **must** file a Maine income tax return. See below for more information on residency, including safe harbors. Nonresidents - see Schedule NR instructions for minimum taxability thresholds. Also see, 36 M.R.S. § 5142(8-B) and Rule 806.

For answers to frequently asked questions (FAQs), visit maine.gov/revenue/faq.

What is my Residency Status?

To determine your residency status for 2024, read the following.

Domicile: *Domicile is the place an individual establishes as their permanent home and includes the place to which they intend to return after any period of absence. A number of factors associated with residency are relevant in the evaluation of a claimed domicile. A domicile, once established, continues until a new, fixed and permanent home is acquired. To change domicile, a taxpayer must exhibit actions consistent with a change. No change of domicile results from moving to a new location if the intent is to remain only for a limited time, even if it is for a relatively long duration.*

- **Full-year Resident:** 1) Maine was my domicile for the entire year of 2024; or 2) I maintained a permanent place of abode in Maine for the entire year and spent a total of more than 183 days in Maine.
- **Safe Harbor Resident** (treated as a nonresident):
 - General Safe Harbor** - Maine was my domicile in 2024, I did not maintain a permanent place of abode in Maine, I maintained a permanent place of abode outside Maine and I spent no more than 30 days of 2024 in Maine. An individual qualifying under the safe harbor rule will be treated as a nonresident for Maine individual income tax purposes.
 - Foreign Safe Harbor** - I spent at least 450 days in a foreign country during any 548-day period occurring partially or fully in the tax year. The taxpayer must also meet other eligibility criteria. If you qualify for the Foreign Safe Harbor, you will be considered a safe harbor resident and treated as a nonresident for the 548-day period even though you were domiciled in Maine.
- **Part-year Resident:** I was domiciled in Maine for part of the year and was not a full-year resident as defined in 2) above.
- **Nonresident:** I was not a resident or part-year resident in 2024, but I do have Maine-source income. **Follow the federal filing requirements for filing status, federal adjusted gross income, and standard or itemized deductions.**

NOTE: Safe harbor residents, part-year residents, and nonresidents, file Form 1040ME and Schedule NR or NRH.

Schedules NR and NRH are available at maine.gov/revenue/tax-return-forms.

For additional information on determining Maine residency or if you are in the military, see the Maine Revenue Services Guidance Documents titled *Determining Residency Status* and *Residency Safe Harbors for Residents Spending Time Outside Maine* available at maine.gov/revenue/tax-return-forms (select *Income Tax Guidance Documents*).

SPECIFIC INSTRUCTIONS — FORM 1040ME

Note: References to federal form line numbers are subject to change.

Form 1040ME is designed to comply with optical scanning requirements. Fill in the white boxes carefully in black or blue ink. Letters and numbers must be entered legibly within the outline area. Letters must be in upper case only. Begin writing name(s), address, etc., from the left; dollar amounts start from the right.

Use whole dollar amounts. Round down to the next lower dollar any amount less than 50 cents. Round up to the next higher dollar any amount 50 cents or more. Do not enter dollar signs, commas, or decimals. **Due to scanning requirements, only original forms and schedules may be submitted.**

Taxpayer Information. Print or type your name(s) and **current** mailing address in the spaces provided. **Social security number(s) must** be entered in the spaces provided. Do not use dashes.

Check the box above your social security number if this is an **amended** return. You must file an amended Maine income tax return if (1) you have filed an amended federal income tax return that affects your Maine income tax liability; (2) the Internal Revenue Service has made a change or correction to your federal income tax return that affects your Maine income tax liability; or (3) an error has been made in the filing of your original Maine income tax return. For more information, see the frequently asked questions at maine.gov/revenue/faq.

Line A. Maine Property Tax Fairness Credit/Maine Sales Tax Fairness Credit for Maine residents and part-year residents only. See Schedule PTFC/STFC. Check the box on line A only if (1) you are claiming the Property Tax Fairness Credit on line 25d and/or the Sales Tax Fairness Credit on line 25e; (2) you have no Maine income modifications on Form 1040ME, Schedule 1A or Schedule 1S; **AND** (3) you do not file a federal income tax return. Otherwise, leave the box blank. See the Schedule PTFC/STFC instructions for Step 1. **Note:** Schedule PTFC/STFC is available at maine.gov/revenue/tax-return-forms.

Line 1. FOR MAINE RESIDENTS ONLY. The **Maine Clean Election Fund** finances the election campaign of certified Maine Clean Election Act candidates. *Checking this box does not increase your tax or reduce your refund but reduces General Fund revenue by the same amount.*

Line 2. Check if at least two-thirds of your gross income for 2024 was from **commercial farming or fishing** as defined by the Internal Revenue Code. Include your spouse's income in your calculation if you are filing a joint return.

Lines 3-7. Use the **filing status** from your federal income tax return. **If you filed a married filing jointly federal return and one spouse is a part-year resident, nonresident or safe harbor resident, see the Guidance Documents for Schedule NR and Schedule NRH** available at maine.gov/revenue/tax-return-forms (select *Income Tax Guidance Documents*). If you are filing married filing separately, be sure to include your spouse's name and social security number.

Lines 8-11a. See the General Instructions above to determine your residency status. **Nonresident aliens:** check box 11 if you were a nonresident of Maine or box 11a if you were a resident of Maine during all or part of the tax year. **If you check box 8a, 9, 10, 11, or 11a, enclose a copy of your federal tax return.**

Line 13. Personal exemptions. If your Filing Status on lines 3 through 7 is:	Enter on line 13:
<ul style="list-style-type: none"> ● Single*; ● Married filing separately*; ● Head of household; or*; 	1
<ul style="list-style-type: none"> ● Qualifying surviving spouse* 	1
*Except, if you may be claimed as a dependent on another person's return OR	0
*If married filing separately AND you would claim a federal personal exemption for your spouse, if not for the temporary suspension of the federal personal exemption deduction	2
● Married filing jointly**	2
**Except, if married filing jointly AND BOTH you and your spouse may be claimed as dependents on another person's return OR	0
**If married filing jointly AND only ONE spouse may be claimed as a dependent on another person's return	1

Line 13a. Enter the number of qualifying children and dependents for whom you are eligible to claim the federal child tax credit or the credit for other dependents (from federal Form 1040 or Form 1040-SR, "Dependents," columns (1) through (4)). Also see Form 1040ME, Schedule A, line 1 or line 9, and related instructions.

Note: If you are filing Form 1040ME only to claim the PTFC/STFC, have no income addition or subtraction modifications, and do not file a federal income tax return, skip to Line 25d.

Part-year residents, Nonresidents, and Safe Harbor residents, see Schedule NR or NRH.

Line 14. Enter the **federal adjusted gross income** shown on your federal Form 1040, line 11 or Form 1040-SR, line 11.

Line 15a. Income Addition Modifications. Complete Maine Schedule 1A to calculate your entry for this line.

Line 15b. Income Subtraction Modifications. Complete Maine Schedule 1S to calculate your entry for this line.

Line 17. Deduction. CAUTION: If the amount on Form 1040ME, line 16 is more than \$97,150 if single or married filing separately; \$145,750 if head of household; or \$194,300 if married filing jointly or qualifying surviving spouse, you must complete the Worksheet for Standard/Itemized Deductions below to calculate your deduction amount for line 17.

If your income does not exceed the amount for your filing status and you use the standard deduction on your federal return, enter the amount from federal Form 1040, line 12 or Form 1040-SR, line 12 for your filing status.

If you itemized deductions on your federal return, complete Form 1040ME, Schedule 2. If the amount on Schedule 2, line 7 is less than your allowable standard deduction, use the standard deduction, **except**, if you are filing as a nonresident alien, you must use itemized deductions.

Worksheet for Standard / Itemized Deductions (for Form 1040ME, line 17)

Use this worksheet to calculate your standard deduction or itemized deduction if your Maine adjusted gross income for 2024 is greater than \$97,150 if single or married filing separately; \$145,750 if head of household; or \$194,300 if married filing jointly or qualifying surviving spouse.

1. Enter your 2024 Maine adjusted gross income (Form 1040ME, line 16) 1. _____
2. Enter \$97,150 if single or married filing separately; \$145,750 if head of household; or 2. _____
\$194,300 if married filing jointly or qualifying surviving spouse.
3. Subtract line 2 from line 1. If zero or less, STOP here. Your deduction is not limited 3. _____
4. Enter \$75,000 if single or married filing separately; \$112,500 if head of household; or 4. _____
\$150,000 if married filing jointly or qualifying surviving spouse.
5. Divide line 3 by line 4. If one or more, enter 1.0000 5. _____
6. Enter your 2024 standard deduction. (See federal Form 1040, line 12 or Form 1040-SR, line 12) or your 6. _____
2024 Maine itemized deductions from Form 1040ME, Schedule 2, line 7, whichever applies
7. Multiply line 6 by line 5 7. _____
8. **2024 Maine itemized deductions or standard deduction.** Subtract line 7 from line 6. Enter this amount 8. _____
on Form 1040ME, line 17

Line 18. Exemption. Multiply the amount shown on line 13 by \$5,000. **CAUTION:** If the amount on Form 1040ME, line 16 is more than \$323,900 if filing single; \$356,300 if head of household; \$388,650 if married

filing jointly or qualifying surviving spouse; or \$194,325 if married filing separately, you must complete the Worksheet for Phaseout of Personal Exemption Deduction Amount below to calculate your exemption amount for line 18.

Worksheet for Phaseout of Personal Exemption Deduction Amount (for Form 1040ME, line 18)

Use this worksheet to calculate your personal exemption amount if your Maine adjusted gross income for 2024 is greater than \$323,900 if single; \$356,300 if head of household; \$388,650 if married filing jointly or qualifying surviving spouse; or \$194,325 if married filing separately.

1. Enter your 2024 Maine adjusted gross income (Form 1040ME, line 16) 1. _____
2. Enter \$323,900 if single; \$356,300 if head of household; \$388,650 if married filing jointly or qualifying 2. _____
surviving spouse, or \$194,325 if married filing separately
3. Subtract line 2 from line 1. If zero or less, STOP here. Your personal exemption deduction amount is not limited... 3. _____
4. Enter \$125,000 if single or head of household or married filing jointly or qualifying surviving spouse; \$62,500 if 4. _____
married filing separately
5. Divide line 3 by line 4. If one or more, enter 1.0000 5. _____
6. Enter the 2024 personal exemption deduction amount (multiply the amount on Form 1040ME, line 13 by 6. _____
\$5,000)
7. Multiply line 6 by line 5 7. _____
8. **2024 Maine personal exemption deduction amount.** Subtract line 7 from line 6. Enter this amount on 8. _____
Form 1040ME, line 18

Line 20a. Enter the amount of credits previously used to reduce Maine income tax that are now subject to recapture. Enclose supporting documentation or applicable worksheet(s) to show the calculation of the amount entered on this line.

Line 21. Note: Schedules NR and NRH are available at maine.gov/revenue/tax-return-forms.

Line 24. Subtract line 23 from line 22. **Nonresidents and Safe Harbor Residents only - Note:** Unused **business credits** claimed on Schedule A, lines 14 through 19 may be eligible to be carried over to future tax years. See the instructions for Maine Schedule A.

Line 25a. Enter the total amount of **Maine income tax withheld**. Enclose (**do not staple or tape**) supporting W-2, 1099 and 1099ME forms. Unless the 1099 form is required as supporting documentation for another schedule or worksheet, send 1099 forms only if there is State of Maine income tax withheld shown on them.

Line 25b. Enter the total amount of Maine estimated tax paid for tax year 2024. Also include on this line extension payments and amounts withheld for on the **sale of real estate in Maine**. Enclose a copy of Form REW-1-1040 or, for electronic payments, a copy of the *Summary of your Real Estate Withholding Payment* to support your entry. If you are filing an amended return, include amounts paid with your original, or previously adjusted return, including use tax, voluntary contributions, and estimated tax penalty amounts.

Line 25d. For Maine residents and part-year residents only. Enter the amount from Schedule PTFC/STFC, line 16.

Line 25e. For Maine residents and part-year residents only. Enter the amount from Schedule PTFC/STFC, line 17 or line 17a, whichever applies.

Line 26. If you are filing an **amended** return, include any carryforward or refund amount allowed on the original, or previously adjusted return.

Line 29. If the amount on line 27 is a negative amount, treat it as a positive amount and add it to the amount on line 24.

Note: For purposes of calculating Form 1040ME, lines 28 and 29, any negative amount entered on Form 1040ME, line 24 should be treated as zero.

Line 30. If you purchased items for use in Maine from retailers who did not collect the Maine sales tax (such as businesses in other states or countries and unregistered mail order and internet sellers), you may owe **Maine use tax** on those items. The tax rate for purchases in 2024 is 5.5%. If you paid another state's sales or use tax on any purchase, that amount may be credited against the Maine use tax due on that purchase. If you do not know the exact amount of Maine use tax that you owe, multiply your Maine adjusted gross income from line 16 by .04% (.0004).

Note: For items that cost \$1,000 or more, you must add the tax on those items to the percentage amount. Use tax on items that cost more than \$5,000 **must** be reported on an individual use tax return by the 15th day of the month following its purchase. For additional information, visit maine.gov/revenue/taxes/sales-use-service-provider-tax or email sales.tax@maine.gov.

Line 30a. If you collected \$2,000 or less in **sales tax on casual rentals of living quarters**, you may report the tax on this line. Enter the amount of tax collected on rentals made in 2024 not already reported on a sales tax return. The tax rate on casual rentals occurring during 2024 is 9%.

Note: To report sales tax greater than \$2,000, you must file a sales/use tax return at revenue.maine.gov.

Line 32. Underpayment Penalty. If line 24 less the sum of lines 25a, 25c, 25d, 25e, and REW amounts included in line 25b is \$1,000 or more, use Form 2210ME to see if you owe an underpayment of estimated tax penalty. Form 2210ME is available at maine.gov/revenue/tax-return-forms.

Line 34b. Refunds of \$1.00 or more will be issued to you.

Lines 34c-34e. To comply with banking rules, you must check the box to the left of line 34d if your refund is going to an account outside the United States. If you check the box, a paper check will be mailed.

The account to receive the **direct deposit** must be in your name. If you are married, the account can be in either spouse's name or both spouses' names. **Note:** Some banks will not allow a joint refund to be deposited into an individual account.

Line 34c. Routing Number ("RTN") must be 9 digits.

Line 34d. Bank Account Number can be up to 17 characters (both numbers and letters). Omit hyphens, spaces, and special symbols. Enter the number from left to right.

Line 35. Total Amount Due. **Do not send cash.** If you owe less than \$1.00, do not pay it. Remit your payment of \$1.00 or more using the Maine Tax Portal ("MTP") at revenue.maine.gov or enclose (**do not staple or tape**) a check or money order payable to Treasurer, State of Maine with your return. Include your complete name, address and telephone number on your check or money order.

Lines 36a-36e. Easy Enrollment Health Insurance Program. Complete this section if you live in Maine and you, your spouse (if married), or any of your dependents **do not** have health insurance coverage and would like to be contacted by the Maine Department of Health and Human Services, Office of the Health Insurance Marketplace ("CoverME.gov") to determine whether you and/or your household are eligible for MaineCare or a CoverME.gov qualified health plan. Check all boxes that apply. You **must** check box 36a, **and** at least one of boxes 36b-36d, **and** box 36e, to authorize MRS to share your information with CoverME.gov. Be sure to include the necessary contact information (your mailing address or phone number on Form 1040ME, page 1, or your email address on Form 1040ME, page 3).

Third Party Designee. Complete this section if you would like to allow MRS to call or accept information from another person to discuss your 2024 Maine individual income tax return. Choose any 5-digit personal identification number which will be used to ensure MRS employees speak with only the individual you have designated. This authorization will automatically end on April 15, 2026.

Payment Plan. Check the box below your signature(s) if you are requesting a payment plan. Your first payment should be submitted with your return and you should continue to make payments until Maine Revenue Services contacts you.

Payment plans may also be requested by logging into your account on the Maine Tax Portal at revenue.maine.gov. For more information email compliance.tax@maine.gov.

Injured Spouse. Check the box below your signature(s) if you are an injured spouse for a Maine Revenue Services **income tax debt only**. (See federal Form 8379 and related instructions.) If you have a married joint refund which may be set off to a State agency including DHHS, you must submit your claim form directly to that agency. For more information email compliance.tax@maine.gov.

For more information on Maine income modifications, visit maine.gov/revenue/tax-return-forms.

Also include the taxpayer's distributive share of addition modification items from partnerships, S corporations, and other pass-through entities.

Line 1. Enter the **income from municipal and state bonds, other than Maine**, that is not included in your federal adjusted gross income (i.e., enter bond interest from City of New York but not Portland, Maine). 36 M.R.S. § 5122(1)(A).

Line 2. Net operating loss recovery adjustment. Enter on this line any amount of federal net operating loss carry forward that has been previously used to offset Maine addition modifications. For more information, go to maine.gov/revenue/tax-return-forms (select *Income Tax Guidance Documents*). 36 M.R.S. §§ 5122(1)(H) and 5122(1)(M).

Line 3. Enter 2024 **Maine Public Employees Retirement System contributions**. See your Maine state or municipal W-2 form. 36 M.R.S. § 5122(1)(G).

Lines 4 and 5. Bonus depreciation add-back. Lines 4 and 5 relate to Maine's decoupling from the federal special depreciation deduction through IRC § 168(k), commonly known as bonus depreciation. To calculate the amount to enter on these lines, complete a pro forma federal Form 4562 as if no bonus depreciation was claimed on the property placed in service in tax year 2024.

The total addition modification is the difference between the federal depreciation claimed on Form 4562 and the depreciation calculated on the pro forma Form 4562. If any of the property placed in service in tax year 2024 is located in Maine and the Maine capital investment credit is claimed, the total addition modification must be divided between lines 4 and 5. Otherwise, the entire addition must be entered on line 4. Enclose copies of the original and pro forma federal Forms 4562, along with the add-back calculation, with the completed Form 1040ME.

For more information, go to maine.gov/revenue/tax-return-forms (select *Income Tax Guidance Documents*). Also, refer to the instructions for Schedule 1S, line 10 below.

Line 4. Bonus depreciation add-back: Enter on this line the total bonus depreciation add-back calculated above less the amount of Maine capital investment credit add-back from line 5. Amounts entered on this line are eligible for the recapture subtraction modification on Schedule 1S in future years (for example, see Schedule 1S, line 10). 36 M.R.S. § 5122(1)(KK)(2).

Line 5. Maine capital investment credit bonus depreciation add-back: The Maine capital investment credit is available to businesses that place depreciable property in service in Maine during the taxable year. 36 M.R.S. § 5122(1)(KK)(1).

Enter on this line the portion of the bonus depreciation add-back calculated above relating to property for which the Maine capital investment credit is claimed, based on original basis of property placed in service in tax year 2024. For example, if you purchased \$400,000 of eligible property and \$100,000 of that property is located in Maine and included in the credit base, the portion of the add-back to include on this line is \$100,000/\$400,000 or 25% of the total bonus depreciation add-back calculated above.

Property that is transferred out of state or disposed of within 12 months after being placed in service in Maine is not eligible for the Maine capital investment credit. Amounts entered on this line are eligible for the recapture subtraction modification on Schedule 1S in future years.

Line 6. Enter your share of a **fiduciary adjustment** (addition modifications) relating to income from an estate or trust (36 M.R.S. § 5122(3)). Attach a copy of your federal Schedule K-1.

Line 7. Election to recognize total gain from the sale of Maine real or tangible property – nonresidents only. Nonresident individuals may elect to recognize the entire gain from an installment sale during the taxable year of real or tangible property located in Maine. The election may only be made on a timely filed original return and, once made, is irrevocable. Enter on this line the total gain from the sale of the Maine property that would have been included in your federal adjusted gross income if you had not reported the gain on the installment sale basis, less the amount of the gain from the sale already included in your federal adjusted gross income reported on Form 1040ME, line 14. An entry on this line constitutes an election under this paragraph. 36 M.R.S. § 5147.

Line 8. Adjustment for loss, deductions, and other expenses of a pass-through entity financial institution subject to Maine franchise tax. Under Maine law, financial institutions are subject to the Maine franchise tax, regardless of how the institution is organized. This includes a financial institution organized as a pass-through entity, such as a partnership or limited liability company. Maine law provides that the income from an ownership share in a pass-through entity financial institution is not taxable income on the owner's Maine income tax return. In like manner, any loss, deduction, or expense of a pass-through entity financial institution reflected in an owner's federal income is not permitted in calculating the Maine taxable income of the owner. 36 M.R.S. § 5122(1)(K).

Line 9. Wellness programs tax credit adjustment. Maine taxpayers who claim the Maine credit for wellness programs under 36 M.R.S. § 5219-FF and deducted related expenses on their federal tax return must increase Maine taxable income by the amount federal income was reduced. 36 M.R.S. § 5122(1)(EE).

Line 10. Enrolled tribal members in Maine. If the amount on Schedule ETM column C, line 5 is negative, enter that amount on Schedule 1A, line 10 as a positive number. Enclose Schedule ETM available at maine.gov/revenue/tax-return-forms. Also see Form 1040ME, Schedule 1S, line 25.

Line 11. Other. This line is reserved for future use, if needed. Do not enter an amount on this line, unless specifically instructed to do so.

For more information on Maine income modifications, visit maine.gov/revenue/tax-return-forms.

Also include the taxpayer's distributive share of subtraction modification items from partnerships, S corporations, and other pass-through entities. If you are a resident of Maine and have income taxed by another state, you may be eligible for the Credit for Income Tax Paid to Other Jurisdictions. See Form 1040ME, Schedule A, line 13.

Line 1. If included in federal adjusted gross income, enter **income from direct obligations of the U.S. Government**, such as Series EE and Series HH Savings bonds and U.S. Treasury bills and notes. 36 M.R.S. § 5122(2)(A).

Line 2. Enter the amount of any **state or local income tax refund** included on federal Form 1040 or 1040-SR, Schedule 1, line 1. 36 M.R.S. § 5122(2)(F).

Line 3. If included in federal adjusted gross income, enter the taxable amount of **social security benefits** issued by the U.S. Government and **railroad retirement benefits (tier 1 and tier 2)** and **unemployment and sick benefits** issued by the U.S. Railroad Retirement Board. 36 M.R.S. § 5122(2)(C).

Line 4. Enter the **pension income deduction** from the Worksheet for Pension Income Deduction, line P7. Include copies of your 1099 forms to verify the subtraction. 36 M.R.S. § 5122(2)(M-2).

Line 5. Non-Maine active duty military pay received by a Maine resident and military compensation received by a nonresident of Maine. 36 M.R.S. § 5122(2)(LL).

Maine residents - If included in federal adjusted gross income and not otherwise removed from Maine income, enter the amount of military pay earned during the portion of the taxable year that you were a Maine resident for service performed outside of Maine in compliance with written military orders.

Military pay is compensation for: (1) active duty service in the active components of the United States Army, Navy, Air Force, Marines, Coast Guard, or Space Force if your permanent duty station during the performance of such service was located outside of Maine; OR (2) active duty service in the active or reserve components of the United States Army, Navy, Air Force, Marines, Coast Guard, Space Force, or in the Maine National Guard if such service was in support of a federal operational mission or a declared state or federal disaster response when the orders were either at federal direction or at the direction of the Governor of Maine. **Note:** A "federal operational mission" is limited to activity in support of overseas deployment and excludes standard duty activity, such as training and administrative activities.

Nonresidents - If included in federal adjusted gross income and not otherwise removed from Maine income, enter the amount of military compensation received during the portion of the taxable year that you were a nonresident of Maine. 36 M.R.S. § 5142(7).

Line 6. Military annuity payments made to a survivor of a deceased member of the military as a result of service in the active or reserve components of the United States Army, Navy, Air Force, Marines, Coast Guard, or Space Force, under a survivor benefit plan or reserve component survivor benefit plan in accordance with 10 United States Code, Chapter 73 are exempt from Maine individual income tax. The deduction must exclude any amount included in the Maine pension income deduction on Form 1040ME, Schedule 1S, line 4. 36 M.R.S. § 5122(2)(HH).

Line 7. Use this line only if you retired after 1988 and are receiving retirement benefits from the **Maine Public Employees Retirement System (MainePERS)**. Subtract the amount in box 16 from the amount in box 2a on Form 1099-R issued by MainePERS. Also enter on this line MainePERS rollover amounts previously taxed by the state, whether or not included in federal adjusted gross income. Rollover amounts may be subtracted fully or in part during the tax year of the rollover. Any amount not subtracted in the tax year of the rollover may be subtracted within the

two years immediately following the year of the rollover. However, the total amount subtracted over the three-year period may not exceed the pick-up contributions previously taxed by Maine. 36 M.R.S. § 5122(2)(E).

Line 8. If your federal adjusted gross income is not more than \$100,000 if single or married filing separately or \$200,000 if married filing jointly, qualifying surviving spouse, or head of household, enter up to \$1,000, per beneficiary, of contributions made to a Maine or non-Maine **qualified tuition program ("529 college savings plan")**. 36 M.R.S. § 5122(2)(YY).

Line 9. Enter your share of a **fiduciary adjustment** (subtraction modifications) relating to income from an estate or trust (36 M.R.S. § 5122(3)). Enclose a copy of the federal Schedule K-1.

Line 10. Bonus Depreciation and Section 179 Recapture amounts required to be added to income under 36 M.R.S. § 5122(1) may be recaptured over the life of the applicable asset in accordance with 36 M.R.S. § 5122(2), paragraphs Q, AA, II, MM, NN, OO, and RR. Individual owners of certain electing S corporations may be allowed bonus depreciation recapture over the life of the applicable asset pursuant to 36 M.R.S. § 5122(2)(X). For more information and examples, visit maine.gov/revenue/tax-return-forms (select *Income Tax Guidance Documents*).

Line 11. Eligible registered caregivers, registered dispensaries, and manufacturing facilities as defined by 22 M.R.S. § 2422 may claim a deduction for **expenses related to carrying on a medical cannabis trade or business**, in an amount equal to the deduction that would otherwise be allowable for Maine purposes to the extent the deduction was disallowed under Internal Revenue Code, Section 280E. Also enter your registration number or business sales tax number. Enclose a copy of a pro forma federal Schedule C or pro forma federal Form 1065 or 1120-S, including Schedules K and K-1, showing the calculation of the expenses included on this line. 36 M.R.S. § 5122(2)(PP).

Line 12. Eligible adult use cannabis establishments and testing facilities as defined by 28-B M.R.S. § 102 may claim a deduction for **expenses related to carrying on an adult use cannabis trade or business**, in an amount equal to the deduction that would otherwise be allowable for Maine purposes to the extent the deduction was disallowed under Internal Revenue Code, Section 280E. Also enter your registration number or business sales tax number. Enclose a copy of a pro forma federal Schedule C or pro forma federal Form 1065 or 1120-S, including Schedules K and K-1, showing the calculation of the expenses included on this line. 36 M.R.S. § 5122(2)(PP).

Line 13. Net operating loss (NOL) recapture. For Maine tax purposes, taxpayers may, in years subsequent to the year of the loss, deduct an amount equal to the net operating loss carried back for federal tax purposes that was required to be added back to Maine income under 36 M.R.S. §§ 5122(1)(H) and 5122(1)(M), except that this NOL deduction was suspended for tax years beginning in 2009, 2010 and 2011. The carryover period for suspended NOL recapture subtraction modifications is equal to the allowable federal NOL carryforward period plus the number of years the subtraction modification was suspended.

Also include on this line the amount of NOL carryforward resulting from excess business losses not allowed to be claimed for Maine tax purposes for a tax year beginning in 2018, 2019, or 2020 to the extent the amount does not reduce Maine taxable income to less than zero, has not been previously used to offset Maine taxable income, and is not included in the calculation of any NOL carryback or carryforward for federal tax purposes.

Individual shareholders of an electing S corporation may also recapture an NOL addition modification claimed by the entity in a year the corporation was taxed as a C corporation. For more information on Maine's treatment of NOL's, go to maine.gov/revenue/tax-return-forms (select *Income Tax Guidance Documents*). 36 M.R.S. §§ 5122(2)(H), 5122(2)(P), 5122(2)(V), 5122(2)(W), 5122(2)(CC), and 5122(2)(UU).

Line 14. FAME nonprofit student loan repayment program. An individual taxpayer may claim, to the extent included in federal adjusted gross income, the income subtraction modification for student loan payments made directly to a lender on behalf of the taxpayer by a student loan repayment program funded by a nonprofit foundation and administered by the Finance Authority of Maine for residents of the State employed by a business located in the state. 36 M.R.S. § 5122(2)(XX).

Line 15. Qualified health care student loan payments. A qualified health care employee (generally, an individual who is licensed as a registered nurse, practical nurse, osteopathic physician, or to practice medicine or surgery and is employed by a hospital in Maine) may claim, to the extent included in the employee's federal adjusted gross income, the income subtraction modification for student loan payments made by an employer directly to the lender. 36 M.R.S. § 5122(2)(SS).

Line 16. Municipal property tax benefits for senior citizens. A municipality, by ordinance, may adopt a program that permits claimants who are at least 60 years of age to earn benefits up to a maximum \$1,415 by volunteering to provide services to the municipality. The amount of the benefits received during the tax year are exempt from Maine individual income tax. Enter on this line the amount of volunteer benefits you received, up to the maximum allowed, to the extent included in federal adjusted gross income. 36 M.R.S. §§ 5122(2)(EE) and 6232(1-A).

Line 17. Family Development Account proceeds. Individuals whose family income is below 200% of the poverty level may open a family development account in connection with an approved community development organization. Account balances and withdrawals are exempt from Maine individual income tax to the extent included in federal adjusted gross income. For more information, contact the University of Maine. 20-A M.R.S. § 10983(4).

Line 18. Interest from Maine Municipal General Obligation Bonds, Private Activity Bonds and Airport Authority Bonds. Enter on this line interest from Maine municipal general obligation bonds, private activity bonds, and bonds issued by a Maine airport authority included in federal adjusted income. 30-A M.R.S. § 5772(9) and 6 M.R.S. § 179(10).

Line 19. A subtraction modification is allowed on the Maine individual income tax return in an amount equal to the **reduction in your salaries and wages expense deduction** directly related to claiming the federal Work Opportunity Credit or Empowerment Zone Credit. These amounts are reported on federal Form 5884, line 2 or federal Form 8844, line 2. (Owners of pass-through entities, enter your share of the amount from line 3 of these forms to the extent not included on line 2.). 36 M.R.S. § 5122(2)(B).

Line 20. Enter on this line the **reduction in federal taxable income related to vessel earnings from fishing operations that were contributed to a capital construction fund.** 36 M.R.S. § 5122(2)(I). Enclose a copy of the federal Form 1040.

Line 21. Income from ownership share in a financial institution. Enter on this line all items of income, gain, interest, dividends, royalties, and other items of income of a financial institution subject to the Maine franchise tax that are included in your federal adjusted gross income due to an ownership share in the financial institution that is a partnership, S corporation, or entity disregarded as separate from its owner. Also enter the employer identification number of the financial institution. 36 M.R.S. § 5122(2)(K).

Line 22. Income from depreciation recapture on the sale of multi-family affordable housing property. To the extent not otherwise removed from Maine income, enter the total amount of capital gains and ordinary income resulting from depreciation recapture in accordance with Internal Revenue Code, Sections 1245 and 1250 realized on the sale of multi-family affordable housing property certified by the Maine State Housing Authority ("MaineHousing"). A copy of the MaineHousing certificate must be attached to the return. 36 M.R.S. § 5122(2)(Z).

Line 23. Sale of eligible timberlands. A subtraction modification is allowed on the Maine individual income tax return equal to the **applicable percentage of the gain from the sale of sustainably managed, eligible timberlands** that is included in federal adjusted gross income. The modification may not reduce Maine taxable income to less than zero; however, unused portions may be carried forward for up to 10 years. Eligible timberlands must be held by the taxpayer for at least 10 years beginning on or after January 1, 2005. Enclose with your return a copy of the written statement from a licensed forester certifying at the time of sale, the sustainably managed eligible timberlands. Use lines 1) through 3) below to calculate the amount of the modification. 36 M.R.S. § 5122(2)(U).

- 1) Enter the gain recognized on the sale of eligible timberlands included in federal adjusted gross income\$ _____
- 2) Enter the applicable percentage amount shown below for the number of years the eligible timberlands were held by the taxpayer beginning on or after January 1, 2005. _____

If the number of years eligible timberlands were held by the taxpayer since January 1, 2005 is:

<u>At least</u>	<u>But less than</u>	<u>Enter</u>
10	11	.0667
11	12	.1333
12	13	.2
13	14	.2667
14	15	.3333
15	16	.4
16	17	.4667
17	18	.5333
18	19	.6
19	20	.6667

- 3) Multiply line 1 by line 2. Enter result on Schedule 1S, line 23.....\$ _____

Line 24. Business interest deduction recapture. The amount of business interest deduction previously disallowed for Maine tax purposes and required to be added-back under 36 M.R.S. § 5122(1)(NN) may be recaptured, up to 25% per taxable year, to the extent that Maine taxable income is not reduced below zero and the amount has not been previously used to reduce Maine taxable income. 36 M.R.S. § 5122(2)(VV).

Line 25. Enrolled tribal members in Maine. If the amount on Schedule ETM, column C, line 5 is greater than zero, enter that amount on line 25.

Line 26. Other. See the 2024 Worksheet for Form 1040ME, Schedule 1S, line 26, Income Subtraction Modifications - Other Subtractions available at maine.gov/revenue/tax-return-forms that lists the income subtraction modifications that may be entered on this line. Unless specifically stated, do **not** enter non-Maine income on this line.

Tax Credit Worksheets Required. For more information on all tax credits and related worksheets, visit maine.gov/revenue/tax-return-forms (select Worksheets for Tax Credits). **You must complete and attach the applicable tax credit worksheet for each tax credit claimed.**

Nonresidents and Safe Harbor Residents only: Personal credits included on Form 1040ME, Schedule A, lines 1, 2, 3, 4, 5, 9, 10, 11, 12, 13, and 19 are limited to the Maine residency period or prorated based on the ratio of Maine income to total income. Tax credits included on Form 1040ME, Schedule A, lines 14 through 19 may be claimed in their entirety, up to the Maine tax liability. Carryover provisions may apply.

SECTION 1 - REFUNDABLE CREDITS:

Line 1. Refundable portion of the Dependent Exemption Tax Credit. For Maine residents and part-year residents only. Multiply the amount on Form 1040ME, line 13a by \$300. **CAUTION:** Your credit may be limited if the amount on Form 1040ME, line 16 is more than \$200,000 (\$400,000 if married filing jointly) OR if you are a part-year resident. Complete the Worksheet for Dependent Exemption tax Credit. Enclose worksheet. 36 M.R.S. § 5219-SS.

Special instructions for lines 1 and 9. If you have one or more qualifying children and/or dependents for whom you are eligible to claim the federal child tax credit or credit for other dependents under Internal Revenue Code, Section 24, but are not otherwise required to file a federal income tax return, you may be able to claim the Maine dependent exemption tax credit. To determine if you can claim the Maine credit, see “Who Qualifies as Your Dependent” in the federal Form 1040 instructions, complete a pro forma federal Form 1040 and federal Form 8812, and enclose with your completed Form 1040ME, Schedule A, and the Worksheet for Dependent Exemption Tax Credit. The federal forms and instructions are available at irs.gov.

Line 2. Refundable portion of the Child Care Credit. For Maine residents and part-year residents only. Up to \$500 of your Child Care Credit is refundable. Enter the amount from line 5, or line 5a, of the worksheet for Child Care Credit. Enclose worksheet. 36 M.R.S. § 5218.

Line 3. Refundable portion of the Adult Dependent Care Credit. Up to \$500 of your credit may be refundable. Enter the amount from line 7, or line 7a, of the worksheet for Adult Dependent Care Credit. Enclose worksheet. 36 M.R.S. § 5218-A.

Line 4. Refundable Earned Income Tax Credit. For Maine residents and part-year residents only. Your Maine earned income tax credit is refundable. Enter the amount from line 2, 3, or 4 of the worksheet for Earned Income Tax Credit, whichever is applicable. 36 M.R.S. § 5219-S.

Taxpayers at least age 18: If you or your spouse (if married filing a joint return) was at least age 18 as of the last day of the tax year, had no qualifying child(ren) during the tax year, and would have otherwise qualified for the federal earned income credit (EIC), you may be able to claim the Maine earned income tax credit even if you were not eligible to claim the federal credit.

Taxpayers filing with an IRS issued individual taxpayer identification number (ITIN): If you or your spouse (if married filing a joint return) filed a federal income tax return using an ITIN assigned by the IRS on or before the due date for filing the return, and would have otherwise qualified for the federal EIC, you may be able to claim the Maine earned income tax credit even if you were not eligible to claim the federal credit. To determine if you can claim the Maine earned income tax credit, see the Earned Income Tax Credit Worksheet available at maine.gov/revenue/tax-return-forms. Enclose worksheet.

Line 5. Student Loan Repayment Tax Credit. Graduates of accredited colleges and universities who have obtained an associate, bachelor's, or graduate degree may qualify for a refundable credit based on certain loan payments made in 2024. Enclose worksheet. 36 M.R.S. § 5217-E.

Line 6. Rehabilitation of historic properties after 2007. If you have qualified rehabilitation expenditures associated with a historic structure located in Maine that is placed in service during the tax year, you may qualify for this credit. Enclose worksheet. 36 M.R.S. § 5219-BB.

Line 7. Other Refundable Tax Credits. See line 5 of Form 1040ME, Schedule A, Lines 7 and 19, Other Tax Credits Worksheet for Tax Year 2024 at maine.gov/revenue/tax-return-forms that lists the tax credits that may be entered on this line. Enclose applicable worksheet(s).

SECTION 2 - NONREFUNDABLE CREDITS:

Line 9. Nonrefundable Dependent Exemption Tax Credit. For nonresidents only. See the instructions for line 1 above. Enter the amount from line 9 of the worksheet for Dependent Exemption Tax Credit. Enclose worksheet. 36 M.R.S. § 5219-SS.

Line 10. Nonrefundable portion of the Child Care Credit. Enter the amount from line 6, or line 6a, of the worksheet for Child Care Credit. Enclose worksheet. 36 M.R.S. § 5218.

Line 11. Nonrefundable portion of the Adult Dependent Care Credit. Enter the amount from line 8, or line 8a, of the worksheet for Adult Dependent Care Credit. Enclose worksheet. 36 M.R.S. § 5218-A.

Line 12. Nonrefundable Earned Income Tax Credit. For nonresidents only. See the instructions for line 4 above. Enter the amount from line 4 of the worksheet for Earned Income Tax Credit. Enclose worksheet. 36 M.R.S. § 5219-S.

Line 13. Credit for Income Tax Paid to Other Jurisdictions. Enter the amount from line 5 of the worksheet for Credit for Income Tax Paid to Other Jurisdictions. Enclose worksheet(s). 36 M.R.S. § 5217-A.

Line 14. Maine Seed Capital Credit. If you invested in a qualified Maine business of which you are not a principal owner, you may qualify for a credit through the Finance Authority of Maine. Enclose worksheet. 36 M.R.S. § 5216-B.

Line 15. Maine Capital Investment Credit. If your business placed depreciable property in service in Maine for which federal bonus depreciation was claimed, you may qualify for this credit. Enclose worksheet. 36 M.R.S. § 5219-NN.

Line 16. Research Expense Tax Credit. If your business invested in research, you may qualify for this credit for your portion of the expenses. Enclose worksheet. 36 M.R.S. § 5219-K.

Line 17. Carryforward of Certain Credits. Enter on this line unused portions of the following credits carried forward from prior years: ● Maine Minimum Tax Credit ● Employer credits for payment of employee expenses (long-term care insurance, day care expenses) ● “Step 4 / Star 5” Quality Child Care Investment Tax Credit ● Tax Credit for Certain Homestead Modifications. Enclose worksheet(s) or supporting documentation for each credit claimed.

Line 18. Pine Tree Development Zone Credits. If you expanded your business in Maine, you may qualify for this credit certified through the Department of Economic and Community Development. Enclose worksheet. 36 M.R.S. § 5219-W.

Line 19. Other Nonrefundable Tax Credits. See line 17 of Form 1040ME, Schedule A, Lines 7 and 19, Other Tax Credits Worksheet for Tax Year 2024 at maine.gov/revenue/tax-return-forms that lists the tax credits that may be entered on this line. Enclose applicable worksheet(s).

PROPERTY TAX FAIRNESS CREDIT

(Form 1040ME, line 25d)

You may qualify for the **refundable** Property Tax Fairness Credit up to \$1,000 (\$2,000 if you are 65 years of age or older)* if you meet all of the following:

- You were a Maine resident during any part of the tax year;
- You owned or rented a home in Maine during any part of the tax year and lived in that home as your principal residence during the year;
- Your total income during 2024 was less than the amount shown in the table below for your filing status and the number of qualifying children and dependents on Form 1040ME, line 13a (OR, less than \$100,000 if you are 65 years of age or older):

If your Filing Status is:	AND Form 1040ME, line 13a is:		
	0	OR 1	OR more than 1
↓	Your income must be less than:		
Single	\$61,250	\$61,250	\$61,250
Head of Household	\$80,000	\$80,000	\$97,500
Married filing Jointly or Qualifying surviving spouse	\$80,000	\$97,500	\$97,500

- You paid property tax on your home (principal residence) in Maine during the tax year that is greater than 4% of your total income or you paid rent on your home (principal residence) in Maine during the tax year that is greater than 26.67% of your total income.
Note: The amount of property tax or rent you can include may be limited. See line 8 on Schedule PTFC/STFC.
- Your filing status is single, head of household, married filing jointly, or qualifying surviving spouse.

*If you or your spouse, if married, are a veteran of the United States Armed Forces who is rated 100% permanently and totally disabled as a result of one or more service-connected disabilities by the United States Department of Veterans Affairs, you may be eligible for a refundable property tax fairness credit up to \$2,000 (\$4,000 if you are 65 years of age or older).

Note: You cannot take the Property Tax Fairness Credit if your filing status is married filing separately.

See Schedule PTFC/STFC for more information.

SALES TAX FAIRNESS CREDIT

(Form 1040ME, line 25e)

You may qualify for the **refundable** Sales Tax Fairness Credit up to \$270, depending on the number of qualifying children and dependents on Form 1040ME, line 13a, if you meet all of the following:

- You were a Maine resident during any part of the tax year;
- Your total income during 2024 was not more than \$31,750 if filing single; \$49,850 if filing head of household; or, \$62,500 if married filing jointly;
- Your filing status is single, head of household, married filing jointly, or qualifying surviving spouse.

Note: You cannot take the Sales Tax Fairness Credit if your filing status is married filing separately or if you are claimed as a dependent on another person's return.

See Schedule PTFC/STFC for more information.

2024 Tax Year Quick Facts

- Maine personal exemption amount: \$5,000.
- Maine standard deduction base amounts:
 - \$14,600 single or married filing separately;
 - \$21,900 head of household;
 - \$29,200 married filing jointly or qualifying surviving spouse.
- Maine itemized deductions are limited to \$35,250, except medical expenses are not subject to the limit.
 - Use Form 1040ME, **Schedule 2** to claim Maine itemized deductions.
- To report income that is taxable in Maine but not by the federal government (**income addition modifications**), use Form 1040ME, **Schedule 1A**. To report income that is taxable by the federal government but not in Maine (**income subtraction modifications**), use Form 1040ME, **Schedule 1S**.
- Property Tax Fairness Credit maximum income limitation: \$61,250 if single; \$97,500 if head of household or married filing jointly or qualifying surviving spouse; or, \$100,000 if 65 years of age or older. See Schedule PTFC/STFC for more information. Married taxpayers filing separate tax returns do not qualify for the credit.
- Sales Tax Fairness Credit maximum income limitation: \$31,750 single; \$49,850 head of household; or, \$62,500 married filing jointly or qualifying surviving spouse. See Schedule PTFC/STFC for more information. Married taxpayers filing separate tax returns do not qualify for the credit.
- Child and dependent care credit is refundable for Maine residents and part-year residents, up to \$500.
- Adult dependent care credit is refundable for Maine residents and part-year residents, up to \$500.
- Earned income tax credit is refundable for Maine residents and part-year residents.
- Dependent exemption tax credit is refundable for Maine residents and part-year residents, up to \$300 for each qualifying child or dependent, subject to phaseout.
- Student loan repayment tax credit is available for qualified individuals who have obtained an associate, bachelor's, or graduate degree from an accredited Maine or non-Maine college after 2007 and have made eligible education loan payments.

