



Research Expense Tax Credit Worksheet for Tax Year 2024 36 M.R.S. § 5219-K

Enclose this worksheet and federal Form 6765 with Form 1040ME,
Form 1040C-ME, Form 1041ME, or Form 1120ME.

Taxpayer Name: _____ EIN/SSN: _____

Note: In the case of pass-through entities (such as partnerships, LLCs, S corporations, and trusts) making eligible expenditures, the partners, members, shareholders, beneficiaries, or other owners are allowed a credit in proportion to their respective interests in these entities. Enter name and ID number of the entity on the lines below. Also enter your ownership percentage in the pass-through entity for the tax year. Attach a copy of the federal Schedule K-1 issued to you by the pass-through entity.

| Name of Pass-through Entity | EIN/SSN | Ownership Percentage |
|-----------------------------|---------|----------------------|
| _____ | _____ | _____ % |

1. Basic research payments in excess of the federal base that were spent for research conducted in Maine included on federal Form 6765, Section A, line 4 or federal Form 6765, Section B, line 17. Attach a copy of federal Form 6765. See instructions 1. _____
2. Basic research payments credit (multiply line 1 by 7.5% (0.075)) 2. _____
3. Total qualified research expenses spent for research conducted in Maine included on federal Form 6765, Section A, line 5 or federal Form 6765, Section B, line 20 3. _____
4. Total qualified research expenses applied to research conducted in Maine for the three previous tax years (for short tax years, see instructions).
 - 2023 _____
 - 2022 _____
 - 2021 _____
 - Total _____ (divide by 3 = base amount) 4. _____
5. Qualified research expenses in excess of base amount (line 3 minus line 4) 5. _____
6. Qualified research expense credit (multiply line 5 by 5% (0.05)) 6. _____
7. Carryforward from previous years. See instructions 7. _____
8. Total available credit (line 2 plus lines 6 and 7). Corporations: if amount is greater than \$25,000, see instructions. Enter allowable credit amount on Form 1040ME, Schedule A, line 16; Form 1040C-ME, Schedule A, line 6; Form 1041ME, Schedule A, line 10; or Form 1120ME, Schedule C, line 1f. 8. _____

Unused credit amounts may be carried forward for up to 15 years.

Note: MRS may request additional information supporting the credit claimed before the return can be processed.

Research Expense Tax Credit Worksheet for Tax Year 2024

General Instructions

This credit is available to businesses that spend money for research in Maine. The credit is equal to 5% of qualified research expenses in excess of the base amount plus 7.5% of basic research payments (relating to research performed by qualified universities or scientific research organizations). The base amount is the average research expense for the last three years.

This credit applies only to the amount spent on research conducted in Maine. Qualified research and qualified research expenses are defined by the Internal Revenue Code ("IRC") § 41. Basic research payments are determined in accordance with IRC § 41(e)(1)(A).

The credit and any applicable carryforward cannot reduce the tax liability below zero. For corporations, the credit is limited to 100% of the first \$25,000 in income tax determined before other credits, plus 75% of the tax amount in excess of \$25,000. Any unused credit amount may be carried forward for a total of 15 years. Special rules apply to corporations that are members of a controlled group as defined by IRC § 41(f)(1)(A) and to corporations that file a Maine combined return.

Specific Instructions

Enter the taxpayer name and federal employer identification number ("EIN") or social security number ("SSN").

If you are an owner of a pass-through entity generating this credit, enter the name, EIN, and ownership percentage of the pass-through entity.

Note that amounts entered on each line must be the amount respective to the ownership percentage.

- Line 1. Enter the basic research payments in excess of the federal base that were spent for research conducted in Maine included on federal Form 6765, Section A, line 4 or federal Form 6765, Section B, line 17. If the qualifying research is conducted both in and outside Maine, subtract the Maine portion of the federal base period amounts included on federal Form 6765, Section A, line 3 or federal Form 6765, Section B, line 16 from the Maine portion of the federal basic research payments included on federal Form 6765, Section A, line 2 or federal Form 6765, Section B, line 15. Enter the result on line 1 of the worksheet.
- Line 3. Enter total qualified research expenses applied to research conducted in Maine during the taxable year included on federal Form 6765, Section A, line 5 or federal Form 6765, Section B, line 20.
- Line 4. Enter the qualified research expenses applied to research conducted in Maine for the three prior tax years. This is the base amount for purpose of calculating the qualified research expense credit. If any of the three prior tax years is a short year, the qualified research expenses must be prorated according to federal regulations.
- Line 7. Enter the unused credit amounts from prior years. Unused credit amounts may be carried forward for 15 years.
- Line 8. If a taxable corporation's tax liability exceeds \$25,000 (before other credits), the corporation must enter on line 8 the lesser of the total of lines 2, 6, and 7 or the total of \$25,000 plus 75% of the tax liability (before other credits) exceeding \$25,000.
- For individuals and for taxable corporations with a tax liability of no more than \$25,000, the credit is limited to the tax liability of the taxpayer. Unused credit amounts may be carried forward for 15 years.

You must provide a copy of your individual federal Form 6765 and any other documentation supporting the claim for this credit. If you are a member of a pass-through entity, a copy of the federal Form 6765 for that entity must be provided.

Upon review, you may be asked to provide supporting documentation and certification statements that are provided to the IRS to verify the credit claimed.