



# Seed Capital Investment Tax Credit Worksheet for Tax Year 2024 36 M.R.S. § 5216-B

Enclose with Form 1040ME, Form 1041ME, or Form 1120ME.

**Note:** If you are a private venture capital fund claiming this credit, email Maine Revenue Services at [corporate.tax@maine.gov](mailto:corporate.tax@maine.gov) for special instructions. For private venture capital funds, the credit may be claimed in the calendar year following the year during which the investment was made.

Taxpayer Name: \_\_\_\_\_ EIN/SSN: \_\_\_\_\_

**Note:** In the case of pass-through entities (such as partnerships, LLCs, S corporations, and trusts) making eligible investments, 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
		%
_____	_____	_____

Name of business invested in: \_\_\_\_\_

1. Investment credit certificate amounts for investments made January 1, 2021 through December 31, 2021. \_\_\_\_\_ X .25 (attach copy of certificate).....1. \_\_\_\_\_
2. Investment credit certificate amounts for investments made January 1, 2022 through December 31, 2022. \_\_\_\_\_ X .25 (attach copy of certificate).....2. \_\_\_\_\_
3. Investment credit certificate amounts for investments made January 1, 2023 through December 31, 2023. \_\_\_\_\_ X .25 (attach copy of certificate).....3. \_\_\_\_\_
4. Investment credit certificate amounts for investments made January 1, 2024 through December 31, 2024. \_\_\_\_\_ X .25 (attach copy of certificate).....4. \_\_\_\_\_
5. Current year credit (add lines 1 through 4).....5. \_\_\_\_\_
6. Unused credit amounts carried forward to 2024. Enter amount from the 2023 Seed Capital Investment Tax Credit worksheet, line 10 .....6. \_\_\_\_\_
7. Total credit available this year (add lines 5 and 6). .....7. \_\_\_\_\_
8. Tax before credits (Form 1040ME, line 22; Form 1041ME, line 4 plus Schedule A, line 1; or Form 1120ME, line 6c.) X .50.....8. \_\_\_\_\_
9. Credit amount: Enter the smaller of line 7 or line 8 (enter here and on Form 1040ME, Schedule A, line 14; Form 1041ME, Schedule A, line 8; or Form 1120ME, Schedule C, line 1a).....9. \_\_\_\_\_
10. Carryover to next year (see instructions). .....10. \_\_\_\_\_
11. Amount of credit available for future years relating to credit certificates issued for eligible investments made in 2024.
  - a. 2025 (line 4 above). ..... 11a. \_\_\_\_\_
  - b. 2026 (line 4 above). ..... 11b. \_\_\_\_\_
  - c. 2027 (line 4 above). ..... 11c. \_\_\_\_\_
12. Recapture
  - a. The amount of the original credit certificate revoked by FAME..... 12a. \_\_\_\_\_
  - b. The amount of the original credit certificate not yet claimed as a credit. .... 12b. \_\_\_\_\_
  - c. Recapture amount. Subtract line 12b from line 12a. Enter amount here. If the amount is positive, this is the recapture amount. Enter on Form 1040ME, line 20a; or Form 1041ME, Schedule A, line 1; or Form 1120ME, line 6b. If the amount is negative, this is the amount of credit still available. .... 12c. \_\_\_\_\_

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

## Seed Capital Investment Tax Credit Worksheet for Tax Year 2024 General Instructions

This credit, administered by the Finance Authority of Maine (“FAME”), is intended for investments in new or recent business ventures, directly and through private venture capital funds. FAME issues a certificate to investors for up to 40% of the cash invested in eligible Maine businesses. Investments may be used for fixed assets, research, or working capital. Twenty-five percent of the authorized credit may be used in each of four tax years beginning with the tax year in which the investment was made. The credit is limited to 50% of the tax liability of the taxpayer in any one year. Unused credits may be carried forward for up to 15 years. **A copy of the credit certificate must be attached to your tax return.** If you have any questions regarding investments that qualify for the credit, call FAME at 1-800-228-3734. If a credit certificate is revoked by FAME, a portion of the credit relating to the revoked certificate may be subject to recapture. The recapture amount is equal to the amount of the credit revoked by FAME minus the amount of the credit not yet taken by the taxpayer. The recapture amount is included as an additional tax on the Maine return. For details, see 10 M.R.S. § 1100-T and 36 M.R.S. § 5216-B and FAME rules, Chapter 307. For more information, visit the FAME website at [famemaine.com](http://famemaine.com).

An aggregate investment up to \$3,500,000 per business is eligible for the seed capital investment tax credit (not more than \$2,000,000 in any calendar year). The investment must be at risk for five years. An investor must own less than 50% of the business and immediate relatives of principal owners of a business being invested in are not eligible for a credit. An eligible investment is an investment in a business that:

- a) Is located in Maine;
- b) Has gross sales of \$5,000,000 or less per year;
- c) Is the full-time, professional activity of at least one of the principal owners; and
- d) Is a manufacturer, or a product or service provider with sales derived predominantly from outside the state or to out-of-state residents, is a producer of value-added natural resource products, is a certified visual media production company, or is engaged in developing or applying advanced technologies.

In the case of pass-through entities (such as partnerships, LLCs, S corporations, and trusts), the partners, members, shareholders, beneficiaries, or other owners are allowed a credit in proportion to their respective interests in these entities.

### Specific Instructions

Enter the taxpayer name and employer identification number (“EIN”) or social security number (“SSN”) in the spaces provided.

Line 6. Unused credit amounts carried to 2024. The amount of credit allowed in any one year is limited to 50% of the tax liability of the taxpayer before credits. The carryover is the portion of the available credit not used in previous years as a result of this limitation. The carryover period is limited to 15 years. Enter any credits claimed but unused from the past 15 years on this line. This should be the amount on last year’s credit worksheet, line 10.

Line 10. Carryover to next year. Enter the amount on line 7 not used on Form 1040ME, Schedule A, Line 14; Form 1041ME, Schedule A, line 8; or Form 1120ME, Schedule C, Line 1a. That portion of the unused credit not exceeding the 15-year carryover period may be claimed on your income tax return next year.

Line 11. Amount credit available for future years. This is a breakdown of the allowable gross credit amounts that may be claimed in future years relating to credit certificates issued to you by FAME in 2024.

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