

2023 MAINE

Resident

Individual Income Tax Booklet

Form 1040ME

Maine Electronic Filing Payment Services



For more information, see www.maine.gov/revenue

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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 www.maine.gov/revenue/tax-return-forms or call (207) 624-7894 - Every day 24 Hours.

TTY (for persons who are hard of hearing): 711 - Weekdays 9:00 a.m. - 12:00 p.m.

Income Tax Assistance: (207) 626-8475 - Weekdays 9:00 a.m. - 12:00 p.m. 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 www.irs.gov.

Visit www.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.

MRS does not provide tax return preparation assistance over the telephone. Free Tax Preparation Services for Qualified Individuals: AARP Foundation Tax-Aide Program: www.aarp.org/money/taxes/aarp_taxaide, or call 888-AARP NOW (888-227-7669); or Ca\$h Coalition of Maine at www.cashmaine.org/free-tax-prep, or call 2-1-1.

Form 1040ME due date: Wednesday, April 17, 2024

IMPORTANT CHANGES for 2023

Winter energy relief payment income subtraction modification. L.D. 3; P.L. 2023, C. 1, Pt. B, § 4. For tax years beginning on or after January 1, 2023, but before January 1, 2024, the amount of winter energy relief payment received is deductible in calculating Maine taxable income, to the extent the payment is included in federal adjusted gross income.

Pension income deduction. 36 M.R.S. § 5122(2)(M-2); L.D. 1995; P.L. 2021, c. 635, Pt. DDD. The pension income deduction for non-military retirement plan benefits is increased from \$25,000 to \$30,000 for tax years beginning in 2023. Benefits received under a military retirement plan, including survivor benefits, continue to be fully exempt from Maine income tax.

Expanded cannabis business expense subtraction modification. 36 M.R.S. §§ 5122(2)(PP) AND 5200-A(2)(BB); L.D. 1063; P.L. 2023, c. 444. For tax years beginning on or after January 1, 2023, the cannabis business expense subtraction modification is extended to include expenses related to carrying on a trade or business as a manufacturing facility, as defined in Title 22, section 2422, and an adult use cannabis establishment or testing facility, as defined in Title 28-B, section 102. The deduction may be claimed for 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.

Losses derived from sources on tribal land income addition modification. 36 M.R.S. § 5122(1)(PP); L.D. 585; P.L. 2021, c. 681, Pt. G, §§ 3 and 6. For tax years beginning on or after January 1, 2023, tribal members residing on tribal land and the estate of a decedent who was a tribal member residing on tribal land are required to add-back the amount of any losses derived from or connected with sources on tribal land determined in accordance with 36 M.R.S. § 5132.

Income derived from sources on tribal land income subtraction modification. 36 M.R.S. § 5122(2)(ZZ); L.D. 585; P.L. 2021, c. 681, Pt. G, §§ 4 and 6 and Revisor's Report 2021, c. 2, Pt. A § 127. For tax years beginning on or after January 1, 2023, tribal members residing on tribal land and the estate of a decedent who was a tribal member residing on tribal land may claim the income subtraction modification equal to the amount of income derived from or connected with sources on tribal land determined in accordance with 36 M.R.S. § 5132.

Contributions to education savings plans income subtraction modification. 36 M.R.S. § 5122(2)(YY); L.D. 23; P.L. 2021, c. 707. For tax years beginning on or after January 1, 2023, the income subtraction modification for contributions to a qualified tuition program established under Internal Revenue Code, Section 529 is reinstated. The deduction, equal to contributions made to a qualified tuition plan up to \$1,000 for each designated beneficiary, may not be claimed by taxpayers who federal adjusted gross income exceeds \$100,000 if filing single or married filing separately or \$200,000 if married filing jointly or head of household.

Property tax fairness credit. 36 M.R.S. § 5219-KK(2-E); L.D. 1986; P.L. 2021, c. 703 and L.D. 283; P.L. 2023, c. 360, Pt. B, § 14. For tax years beginning on or after January 1, 2023, resident individuals who are veterans and 100% permanently and totally disabled are allowed an additional income tax credit equal to the amount of the property tax fairness credit the individual otherwise qualifies for, effectively doubling the property tax fairness credit. The total credit may not exceed the property taxes paid and rent constituting property taxes paid by the individual and by the State on behalf of the taxpayer pursuant to the property tax deferral program during the tax year.

Major food processing and manufacturing facility expansion tax credit. 36 M.R.S. §§ 5219-VV(1)(B-1) and 5219-VV(8); L.D. 150; P.L. 2023, c. 173, §§ 4 and 5. Business certified under the major food processing and manufacturing facility expansion tax credit may apply to the Department of Economic and Community Development for a reduction in the base level of employment if the certified business experiences a catastrophic occurrence (a fire, flood, hurricane, windstorm, earthquake, or other similar event that is not within the control of a business to prevent.) To qualify, a business must sustain a minimum 15% loss in employment due to a catastrophic occurrence. The taxpayer must apply for the reduction within two calendar years of the catastrophic occurrence.

Estimated tax/installment due dates. 36 M.R.S. §§ 5228(1)(B-1), 5228(4), 5228(5)(B) and 5228(10); L.D. 283; P.L. 2023, c. 360, Pt. B, §§ 15, 16, 17 and 18. The law is changed to: (1) replace the term "fisherman" to "person who fishes commercially;" (2) clarify that estimated tax installment payments for income taxes are due on the 15th day of the 4th, 6th, 9th, and 13th month (12th month for corporations and financial institutions) following the beginning of the taxpayer's tax year or, for farmers and persons who fish commercially, on the 15th day of the 13th month following the beginning of the tax year; and (3) clarify that the penalty for estimated tax may not be imposed with respect to farmers and persons who fish commercially that file a return and pay the full tax liability for the tax year no later than the first day of the 3rd month following the end of the tax year.

Voluntary checkoff for the easy enrollment health insurance program. 36 M.R.S. § 5294; L.D. 1390; P.L. 2021, c. 715, § 4. For tax years beginning on or after January 1, 2023, four check off boxes must be included on the Maine individual income tax form for taxpayers to indicate, as applicable, that (1) the taxpayer, (2) the taxpayer's spouse, and (3) dependents of the taxpayer do not have health care coverage, and to (4) authorize MRS to share certain tax information with the Maine Health Insurance Marketplace to facilitate administration of the easy enrollment health insurance program. The form must also include space for the entry of the email address, telephone number, or other preferred method of communication of the taxpayer. The State Tax Assessor must forward to the Maine Health Insurance Marketplace the information of any taxpayer who authorizes information sharing by checking the applicable box. The information and frequency of data sharing is to be established by rule (22 M.R.S. § 5412(1)).

Pine Tree Development Zone program; sunset. 30-A M.R.S. § 5250-J(5) and 36 M.R.S. §§ 1760(87), 2016(4), 2529(3), 5219-W(4), and 6754(1)(D); L.D. 258; P.L. 2023, c. 412, Pt. J. The law extends the sunset date of the Pine Tree Development Zone certification and benefits by one year. Businesses may not be certified for the program after December 31, 2024 and benefits will cease on December 31, 2034, including the tax credits for income tax, franchise tax, and insurance premiums tax; sales and use tax exemptions for tangible personal property and transmission/distribution of electricity; and reimbursement under the Employment Tax Increment Financing program.

See the complete 2023 Summary of Tax Law Changes available at www.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 17, 2024**, 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 additional answers to frequently asked questions (FAQs), visit www.maine.gov/revenue/faq.

What is my Residence Status?

To determine your residency status for 2023, 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 2023; 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 2023, 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 2023 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 2023, 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 www.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 www.maine.gov/revenue/tax-return-forms (select *Income Tax Guidance Documents*).

SPECIFIC INSTRUCTIONS — FORM 1040ME

Note: 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 www.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 www.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 2023 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 www.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 able 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 8.

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

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.

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

Line 17. Deduction. CAUTION: If the amount on Form 1040ME, line 16 is more than \$91,500 if single or married filing separately; \$137,300 if head of household; or \$183,050 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 2023 is greater than \$91,500 if single or married filing separately; \$137,300 if head of household; or \$183,050 if married filing jointly or qualifying surviving spouse.

1. Enter your 2023 Maine adjusted gross income (Form 1040ME, line 16) 1. _____
2. Enter \$91,500 if single or married filing separately; \$137,300 if head of household; or 2. _____
\$183,050 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 2023 standard deduction. (See federal Form 1040, line 12 or Form 1040-SR, line 12) or your 6. _____
2023 Maine itemized deductions from Form 1040ME, Schedule 2, line 7, whichever applies
7. Multiply line 6 by line 5 7. _____
8. **2023 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 \$4,700. **CAUTION:** If the amount on Form 1040ME, line 16 is more than \$305,150 if filing single; \$335,650 if head of household; \$366,100 if married

filing jointly or qualifying surviving spouse; or \$183,050 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 2023 is greater than \$305,150 if single; \$335,650 if head of household; \$366,100 if married filing jointly or qualifying surviving spouse; or \$183,050 if married filing separately.

1. Enter your 2023 Maine adjusted gross income (Form 1040ME, line 16) 1. _____
2. Enter \$305,150 if single; \$335,650 if head of household; \$366,100 if married filing jointly or qualifying 2. _____
surviving spouse, or \$183,050 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 2023 personal exemption deduction amount (multiply the amount on Form 1040ME, line 13 by 6. _____
\$4,700)
7. Multiply line 6 by line 5 7. _____
8. **2023 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 www.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 13 through 20 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 2023. Also include on this line extension payments and amounts withheld for 2023 on the **sale of real estate in Maine**. Enclose a copy of Form REW-1-1040 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 15.

Line 25e. For Maine residents and part-year residents only. Enter the amount from Schedule PTFC/STFC, line 16 or line 16a, 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 2023 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 www.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 2023 not already reported on a sales tax return. The tax rate on casual rentals occurring during 2023 is 9%.

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

Line 33b. Refunds of \$1.00 or more will be issued to you.

Lines 33c-33e. To comply with banking rules, you must check the box to the left of line 33d 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 33c. Routing Number ("RTN") must be 9 digits.

Line 33d. 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 34b. 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 www.maine.gov/revenue/tax-return-forms.

Line 34c. 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 35a-35e. 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 35a 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 Maine Revenue Services to call or accept information from another person to discuss your 2023 Maine individual income tax return. Choose any 5-digit PIN which will be used to ensure MRS employees speak with only the individual you have designated. This authorization will automatically end on April 17, 2025.

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. 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 www.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 www.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 2023 **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 2023.

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 2023 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 return.

For more information, go to www.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 2023. 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 www.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 www.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 12.

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 7. 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 or Coast Guard 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, or Coast Guard 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, or Coast Guard 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 joint 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 www.maine.gov/revenue/tax-return-forms (select *Income Tax Guidance Documents*).

Line 11. Medical cannabis business expenses. 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. Adult use cannabis business expenses. 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 www.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 \$1,380 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. Amount of reduction in your salaries and wages expense deduction. 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. Earnings from fishing operations. 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

- 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 2023 Worksheet for Form 1040ME, Schedule 1S, line 26, Income Subtraction Modifications - Other Subtractions available at www.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 www.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.**

SECTION 1 - REFUNDABLE CREDITS:

Line 1. 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 2. 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 3. 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 www.maine.gov/revenue/tax-return-forms. Enclose worksheet.

Line 4. 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 2023. Enclose worksheet. 36 M.R.S. § 5217-E.

Line 5. 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 6. Other Refundable Tax Credits. See the Form 1040ME, Schedule A, Lines 6 and 20, Other Tax Credits Worksheet for Tax Year 2023, line 4 at www.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 8. Dependent Exemption Tax Credit. Multiply the amount shown 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 nonresident or part-year resident. Complete the Worksheet for Dependent Exemption Tax Credit. Enclose worksheet. 36 M.R.S. § 5219-SS.

Line 9. 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 10. 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 11. Nonrefundable Earned Income Tax Credit. For nonresidents only. See the instructions for line 3 above. Enter the amount from line 4 of the worksheet for Earned Income Tax Credit. Enclose worksheet. 36 M.R.S. § 5219-S.

Line 12. 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 13. 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 14. 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 15. 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 16. Carryforward of Certain Credits. Enter on this line unused portions of the following credits carried forward from prior years: ● Super Credit for Substantially Increased Research and Development ● 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. Enclose worksheet(s) or supporting documentation for each credit claimed.

Line 17. 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 18. Employer Credit for Family and Medical Leave. Enter the amount claimed for the federal credit for employer-paid family and medical leave under Internal Revenue Code, Section 45S as a result of wages paid to employees based in Maine during the taxable year. Enclose the Maine credit worksheet. 36 M.R.S. § 5219-UU.

Line 19. Employer Credit for Volunteer Firefighters and Volunteer Municipal Emergency Medical Services Persons. An employer that permits employees who are volunteer firefighters or volunteer municipal emergency medical services persons to be absent from work for firefighting or emergency response activities without a reduction in pay may qualify for this credit. Enclose worksheet. 36 M.R.S. § 5217-F.

Line 20. Other Nonrefundable Tax Credits. See the Form 1040ME, Schedule A, Lines 6 and 20, Other Tax Credits Worksheet for Tax Year 2023, line 15 at www.maine.gov/revenue/tax-return-forms that lists the tax credits that may be entered on this line. Enclose applicable worksheet(s).

Nonresidents and Safe Harbor Residents only: Personal credits (Form 1040ME, Schedule A, lines 1, 2, 3, 4, 8, 9, 10, 11, and 12) are limited to the Maine residency period or prorated based on the ratio of Maine income to total income. Business tax credits on Form 1040ME, Schedule A, lines 13 through 20 may be claimed in their entirety, up to the Maine tax liability. Carryover provisions may apply.

PROPERTY TAX FAIRNESS CREDIT

(Form 1040ME, line 25d)

You may qualify for the **refundable** Property Tax Fairness Credit up to \$1,000 (\$1,500 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 2023 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:

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	\$57,500	\$57,500	\$57,500
Head of Household	\$75,000	\$75,000	\$92,500
Married filing Jointly or Qualifying surviving spouse	\$75,000	\$92,500	\$92,500

- 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 7 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 (\$3,000 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 \$255, 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 2023 was not more than \$29,800 if filing single; \$46,950 if filing head of household; or, \$58,600 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.

2023 Tax Year Quick Facts

- Maine personal exemption amount: \$4,700.
- Maine standard deduction base amounts:
 - \$13,850 single or married filing separately;
 - \$20,800 head of household;
 - \$27,700 married filing jointly or qualifying surviving spouse.
- Maine itemized deductions are limited to \$33,200, 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: \$57,500 if single; \$92,500 if head of household or 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.
- Sales Tax Fairness Credit maximum income limitation: \$29,800 single; \$46,950 head of household; or, \$58,600 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, 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.

2023 MAINE INCOME TAX TABLE

If Line 19 Form 1040ME is:		And Your Filing Status is:			If Line 19 Form 1040ME is:		And Your Filing Status is:			If Line 19 Form 1040ME is:		And Your Filing Status is:							
At Least	But Less Than	Single or Married-Filing Separately	Married Filing Jointly*	Head of Household	At Least	But Less Than	Single or Married-Filing Separately	Married Filing Jointly*	Head of Household	At Least	But Less Than	Single or Married-Filing Separately	Married Filing Jointly*	Head of Household					
Your Tax is:					Your Tax is:					Your Tax is:									
0					7,000					14,000					21,000				
0	100	3	3	3	7,000	7,100	409	409	409	14,000	14,100	815	815	815	21,000	21,100	1,221	1,221	1,221
100	200	9	9	9	7,100	7,200	415	415	415	14,100	14,200	821	821	821	21,100	21,200	1,227	1,227	1,227
200	300	15	15	15	7,200	7,300	421	421	421	14,200	14,300	827	827	827	21,200	21,300	1,233	1,233	1,233
300	400	20	20	20	7,300	7,400	426	426	426	14,300	14,400	832	832	832	21,300	21,400	1,238	1,238	1,238
400	500	26	26	26	7,400	7,500	432	432	432	14,400	14,500	838	838	838	21,400	21,500	1,244	1,244	1,244
500	600	32	32	32	7,500	7,600	438	438	438	14,500	14,600	844	844	844	21,500	21,600	1,250	1,250	1,250
600	700	38	38	38	7,600	7,700	444	444	444	14,600	14,700	850	850	850	21,600	21,700	1,256	1,256	1,256
700	800	44	44	44	7,700	7,800	450	450	450	14,700	14,800	856	856	856	21,700	21,800	1,262	1,262	1,262
800	900	49	49	49	7,800	7,900	455	455	455	14,800	14,900	861	861	861	21,800	21,900	1,267	1,267	1,267
900	1,000	55	55	55	7,900	8,000	461	461	461	14,900	15,000	867	867	867	21,900	22,000	1,273	1,273	1,273
1,000					8,000					15,000					22,000				
1,000	1,100	61	61	61	8,000	8,100	467	467	467	15,000	15,100	873	873	873	22,000	22,100	1,279	1,279	1,279
1,100	1,200	67	67	67	8,100	8,200	473	473	473	15,100	15,200	879	879	879	22,100	22,200	1,285	1,285	1,285
1,200	1,300	73	73	73	8,200	8,300	479	479	479	15,200	15,300	885	885	885	22,200	22,300	1,291	1,291	1,291
1,300	1,400	78	78	78	8,300	8,400	484	484	484	15,300	15,400	890	890	890	22,300	22,400	1,296	1,296	1,296
1,400	1,500	84	84	84	8,400	8,500	490	490	490	15,400	15,500	896	896	896	22,400	22,500	1,302	1,302	1,302
1,500	1,600	90	90	90	8,500	8,600	496	496	496	15,500	15,600	902	902	902	22,500	22,600	1,308	1,308	1,308
1,600	1,700	96	96	96	8,600	8,700	502	502	502	15,600	15,700	908	908	908	22,600	22,700	1,314	1,314	1,314
1,700	1,800	102	102	102	8,700	8,800	508	508	508	15,700	15,800	914	914	914	22,700	22,800	1,320	1,320	1,320
1,800	1,900	107	107	107	8,800	8,900	513	513	513	15,800	15,900	919	919	919	22,800	22,900	1,325	1,325	1,325
1,900	2,000	113	113	113	8,900	9,000	519	519	519	15,900	16,000	925	925	925	22,900	23,000	1,331	1,331	1,331
2,000					9,000					16,000					23,000				
2,000	2,100	119	119	119	9,000	9,100	525	525	525	16,000	16,100	931	931	931	23,000	23,100	1,337	1,337	1,337
2,100	2,200	125	125	125	9,100	9,200	531	531	531	16,100	16,200	937	937	937	23,100	23,200	1,343	1,343	1,343
2,200	2,300	131	131	131	9,200	9,300	537	537	537	16,200	16,300	943	943	943	23,200	23,300	1,349	1,349	1,349
2,300	2,400	136	136	136	9,300	9,400	542	542	542	16,300	16,400	948	948	948	23,300	23,400	1,354	1,354	1,354
2,400	2,500	142	142	142	9,400	9,500	548	548	548	16,400	16,500	954	954	954	23,400	23,500	1,360	1,360	1,360
2,500	2,600	148	148	148	9,500	9,600	554	554	554	16,500	16,600	960	960	960	23,500	23,600	1,366	1,366	1,366
2,600	2,700	154	154	154	9,600	9,700	560	560	560	16,600	16,700	966	966	966	23,600	23,700	1,372	1,372	1,372
2,700	2,800	160	160	160	9,700	9,800	566	566	566	16,700	16,800	972	972	972	23,700	23,800	1,378	1,378	1,378
2,800	2,900	165	165	165	9,800	9,900	571	571	571	16,800	16,900	977	977	977	23,800	23,900	1,383	1,383	1,383
2,900	3,000	171	171	171	9,900	10,000	577	577	577	16,900	17,000	983	983	983	23,900	24,000	1,389	1,389	1,389
3,000					10,000					17,000					24,000				
3,000	3,100	177	177	177	10,000	10,100	583	583	583	17,000	17,100	989	989	989	24,000	24,100	1,395	1,395	1,395
3,100	3,200	183	183	183	10,100	10,200	589	589	589	17,100	17,200	995	995	995	24,100	24,200	1,401	1,401	1,401
3,200	3,300	189	189	189	10,200	10,300	595	595	595	17,200	17,300	1,001	1,001	1,001	24,200	24,300	1,407	1,407	1,407
3,300	3,400	194	194	194	10,300	10,400	600	600	600	17,300	17,400	1,006	1,006	1,006	24,300	24,400	1,412	1,412	1,412
3,400	3,500	200	200	200	10,400	10,500	606	606	606	17,400	17,500	1,012	1,012	1,012	24,400	24,500	1,418	1,418	1,418
3,500	3,600	206	206	206	10,500	10,600	612	612	612	17,500	17,600	1,018	1,018	1,018	24,500	24,600	1,424	1,424	1,424
3,600	3,700	212	212	212	10,600	10,700	618	618	618	17,600	17,700	1,024	1,024	1,024	24,600	24,700	1,431	1,430	1,430
3,700	3,800	218	218	218	10,700	10,800	624	624	624	17,700	17,800	1,030	1,030	1,030	24,700	24,800	1,438	1,436	1,436
3,800	3,900	223	223	223	10,800	10,900	629	629	629	17,800	17,900	1,035	1,035	1,035	24,800	24,900	1,445	1,441	1,441
3,900	4,000	229	229	229	10,900	11,000	635	635	635	17,900	18,000	1,041	1,041	1,041	24,900	25,000	1,451	1,447	1,447
4,000					11,000					18,000					25,000				
4,000	4,100	235	235	235	11,000	11,100	641	641	641	18,000	18,100	1,047	1,047	1,047	25,000	25,100	1,458	1,453	1,453
4,100	4,200	241	241	241	11,100	11,200	647	647	647	18,100	18,200	1,053	1,053	1,053	25,100	25,200	1,465	1,459	1,459
4,200	4,300	247	247	247	11,200	11,300	653	653	653	18,200	18,300	1,059	1,059	1,059	25,200	25,300	1,472	1,465	1,465
4,300	4,400	252	252	252	11,300	11,400	658	658	658	18,300	18,400	1,064	1,064	1,064	25,300	25,400	1,478	1,470	1,470
4,400	4,500	258	258	258	11,400	11,500	664	664	664	18,400	18,500	1,070	1,070	1,070	25,400	25,500	1,485	1,476	1,476
4,500	4,600	264	264	264	11,500	11,600	670	670	670	18,500	18,600	1,076	1,076	1,076	25,500	25,600	1,492	1,482	1,482
4,600	4,700	270	270	270	11,600	11,700	676	676	676	18,600	18,700	1,082	1,082	1,082	25,600	25,700	1,499	1,488	1,488
4,700	4,800	276	276	276	11,700	11,800	682	682	682	18,700	18,800	1,088	1,088	1,088	25,700	25,800	1,505	1,494	1,494
4,800	4,900	281	281	281	11,800	11,900	687	687	687	18,800	18,900	1,093	1,093	1,093	25,800	25,900	1,512	1,499	1,499
4,900	5,000	287	287	287	11,900	12,000	693	693	693	18,900	19,000	1,099	1,099	1,099	25,900	26,000	1,519	1,505	1,505
5,000					12,000					19,000					26,000				
5,000	5,100	293	293	293	12,000	12,100	699	699	699	19,000	19,100	1,105	1,105	1,105	26,000	26,100	1,526	1,511	1,511
5,100	5,200	299	299	299	12,100	12,200	705	705	705	19,100	19,200	1,111	1,111	1,111	26,100	26,200	1,532	1,517	1,517
5,200	5,300	305	305	305	12,200	12,300	711	711	711	19,200	19,300	1,117	1,117	1,117	26,200	26,300	1,539	1,523	1,523
5,300	5,400	310	310	310	12,300	12,400	716	716	716	19,300	19,400	1,122	1,122	1,122	26,300	26,400	1,546	1,528	1,528
5,400	5,500	316	316	316	12,400	12,500	722	722	722	19,400	19,500	1,128	1,128	1,128	26,400	26,500	1,553	1,534	1,534
5,500	5,600	322	322	322	12,500	12,600	728	728	728	19,500	19,600	1,134	1,134	1,134	26,500	26,600	1,559	1,540	1,540
5,600	5,700	328	328	328	12,600	12,700	734	734	734	19,600	19,700	1,140	1,140	1,140	26,600	26,700	1,566	1,546	1,546
5,700	5,800	334	334	334	12,700	12,800	740	740	740	19,700	19,800	1,146	1,146	1,1					

2023 MAINE INCOME TAX TABLE

If Line 19 Form 1040ME is:		And Your Filing Status is:			If Line 19 Form 1040ME is:		And Your Filing Status is:			If Line 19 Form 1040ME is:		And Your Filing Status is:							
At Least	But Less Than	Single or Married-Filing Separately	Married Filing Jointly*	Head of Household	At Least	But Less Than	Single or Married-Filing Separately	Married Filing Jointly*	Head of Household	At Least	But Less Than	Single or Married-Filing Separately	Married Filing Jointly*	Head of Household					
28,000					35,000					42,000					47,000				
28,000	28,100	1,661	1,627	1,627	35,000	35,100	2,133	2,033	2,033	42,000	42,100	2,606	2,439	2,490	47,000	47,100	2,943	2,729	2,827
28,100	28,200	1,667	1,633	1,633	35,100	35,200	2,140	2,039	2,039	42,100	42,200	2,612	2,445	2,497	47,100	47,200	2,950	2,735	2,834
28,200	28,300	1,674	1,639	1,639	35,200	35,300	2,147	2,045	2,045	42,200	42,300	2,619	2,451	2,503	47,200	47,300	2,957	2,741	2,841
28,300	28,400	1,681	1,644	1,644	35,300	35,400	2,153	2,050	2,050	42,300	42,400	2,626	2,456	2,510	47,300	47,400	2,963	2,746	2,848
28,400	28,500	1,688	1,650	1,650	35,400	35,500	2,160	2,056	2,056	42,400	42,500	2,633	2,462	2,517	47,400	47,500	2,970	2,752	2,854
28,500	28,600	1,694	1,656	1,656	35,500	35,600	2,167	2,062	2,062	42,500	42,600	2,639	2,468	2,524	47,500	47,600	2,977	2,758	2,861
28,600	28,700	1,701	1,662	1,662	35,600	35,700	2,174	2,068	2,068	42,600	42,700	2,646	2,474	2,530	47,600	47,700	2,984	2,764	2,868
28,700	28,800	1,708	1,668	1,668	35,700	35,800	2,180	2,074	2,074	42,700	42,800	2,653	2,480	2,537	47,700	47,800	2,990	2,770	2,875
28,800	28,900	1,715	1,673	1,673	35,800	35,900	2,187	2,079	2,079	42,800	42,900	2,660	2,485	2,544	47,800	47,900	2,997	2,775	2,881
28,900	29,000	1,721	1,679	1,679	35,900	36,000	2,194	2,085	2,085	42,900	43,000	2,666	2,491	2,551	47,900	48,000	3,004	2,781	2,888
29,000					36,000					43,000					48,000				
29,000	29,100	1,728	1,685	1,685	36,000	36,100	2,201	2,091	2,091	43,000	43,100	2,673	2,497	2,557	48,000	48,100	3,011	2,787	2,895
29,100	29,200	1,735	1,691	1,691	36,100	36,200	2,207	2,097	2,097	43,100	43,200	2,680	2,503	2,564	48,100	48,200	3,017	2,793	2,902
29,200	29,300	1,742	1,697	1,697	36,200	36,300	2,214	2,103	2,103	43,200	43,300	2,687	2,509	2,571	48,200	48,300	3,024	2,799	2,908
29,300	29,400	1,748	1,702	1,702	36,300	36,400	2,221	2,108	2,108	43,300	43,400	2,693	2,514	2,578	48,300	48,400	3,031	2,804	2,915
29,400	29,500	1,755	1,708	1,708	36,400	36,500	2,228	2,114	2,114	43,400	43,500	2,700	2,520	2,584	48,400	48,500	3,038	2,810	2,922
29,500	29,600	1,762	1,714	1,714	36,500	36,600	2,234	2,120	2,120	43,500	43,600	2,707	2,526	2,591	48,500	48,600	3,044	2,816	2,929
29,600	29,700	1,769	1,720	1,720	36,600	36,700	2,241	2,126	2,126	43,600	43,700	2,714	2,532	2,598	48,600	48,700	3,051	2,822	2,935
29,700	29,800	1,775	1,726	1,726	36,700	36,800	2,248	2,132	2,132	43,700	43,800	2,720	2,538	2,605	48,700	48,800	3,058	2,828	2,942
29,800	29,900	1,782	1,731	1,731	36,800	36,900	2,255	2,137	2,139	43,800	43,900	2,727	2,543	2,611	48,800	48,900	3,065	2,833	2,949
29,900	30,000	1,789	1,737	1,737	36,900	37,000	2,261	2,143	2,146	43,900	44,000	2,734	2,549	2,618	48,900	49,000	3,071	2,839	2,956
30,000					37,000					44,000					49,000				
30,000	30,100	1,796	1,743	1,743	37,000	37,100	2,268	2,149	2,152	44,000	44,100	2,741	2,555	2,625	49,000	49,100	3,078	2,845	2,962
30,100	30,200	1,802	1,749	1,749	37,100	37,200	2,275	2,155	2,159	44,100	44,200	2,747	2,561	2,632	49,100	49,200	3,085	2,852	2,969
30,200	30,300	1,809	1,755	1,755	37,200	37,300	2,282	2,161	2,166	44,200	44,300	2,754	2,567	2,638	49,200	49,300	3,092	2,859	2,976
30,300	30,400	1,816	1,760	1,760	37,300	37,400	2,288	2,166	2,173	44,300	44,400	2,761	2,572	2,645	49,300	49,400	3,098	2,865	2,983
30,400	30,500	1,823	1,766	1,766	37,400	37,500	2,295	2,172	2,179	44,400	44,500	2,768	2,578	2,652	49,400	49,500	3,105	2,872	2,989
30,500	30,600	1,829	1,772	1,772	37,500	37,600	2,302	2,178	2,186	44,500	44,600	2,774	2,584	2,659	49,500	49,600	3,112	2,879	2,996
30,600	30,700	1,836	1,778	1,778	37,600	37,700	2,309	2,184	2,193	44,600	44,700	2,781	2,590	2,665	49,600	49,700	3,119	2,886	3,003
30,700	30,800	1,843	1,784	1,784	37,700	37,800	2,315	2,190	2,200	44,700	44,800	2,788	2,596	2,672	49,700	49,800	3,125	2,892	3,010
30,800	30,900	1,850	1,789	1,789	37,800	37,900	2,322	2,195	2,206	44,800	44,900	2,795	2,601	2,679	49,800	49,900	3,132	2,899	3,016
30,900	31,000	1,856	1,795	1,795	37,900	38,000	2,329	2,201	2,213	44,900	45,000	2,801	2,607	2,686	49,900	50,000	3,139	2,906	3,023
31,000					38,000					45,000					50,000				
31,000	31,100	1,863	1,801	1,801	38,000	38,100	2,336	2,207	2,220	45,000	45,100	2,808	2,613	2,692	50,000	50,100	3,146	2,913	3,030
31,100	31,200	1,870	1,807	1,807	38,100	38,200	2,342	2,213	2,227	45,100	45,200	2,815	2,619	2,699	50,100	50,200	3,152	2,919	3,037
31,200	31,300	1,877	1,813	1,813	38,200	38,300	2,349	2,219	2,233	45,200	45,300	2,822	2,625	2,706	50,200	50,300	3,159	2,926	3,043
31,300	31,400	1,883	1,818	1,818	38,300	38,400	2,356	2,224	2,240	45,300	45,400	2,828	2,630	2,713	50,300	50,400	3,166	2,933	3,050
31,400	31,500	1,890	1,824	1,824	38,400	38,500	2,363	2,230	2,247	45,400	45,500	2,835	2,636	2,719	50,400	50,500	3,173	2,940	3,057
31,500	31,600	1,897	1,830	1,830	38,500	38,600	2,369	2,236	2,254	45,500	45,600	2,842	2,642	2,726	50,500	50,600	3,179	2,946	3,064
31,600	31,700	1,904	1,836	1,836	38,600	38,700	2,376	2,242	2,260	45,600	45,700	2,849	2,648	2,733	50,600	50,700	3,186	2,953	3,070
31,700	31,800	1,910	1,842	1,842	38,700	38,800	2,383	2,248	2,267	45,700	45,800	2,855	2,654	2,740	50,700	50,800	3,193	2,960	3,077
31,800	31,900	1,917	1,847	1,847	38,800	38,900	2,390	2,253	2,274	45,800	45,900	2,862	2,659	2,746	50,800	50,900	3,200	2,967	3,084
31,900	32,000	1,924	1,853	1,853	38,900	39,000	2,396	2,259	2,281	45,900	46,000	2,869	2,665	2,753	50,900	51,000	3,206	2,973	3,091
32,000					39,000					46,000					51,000				
32,000	32,100	1,931	1,859	1,859	39,000	39,100	2,403	2,265	2,287	46,000	46,100	2,876	2,671	2,760	51,000	51,100	3,213	2,980	3,097
32,100	32,200	1,937	1,865	1,865	39,100	39,200	2,410	2,271	2,294	46,100	46,200	2,882	2,677	2,767	51,100	51,200	3,220	2,987	3,104
32,200	32,300	1,944	1,871	1,871	39,200	39,300	2,417	2,277	2,301	46,200	46,300	2,889	2,683	2,773	51,200	51,300	3,227	2,994	3,111
32,300	32,400	1,951	1,876	1,876	39,300	39,400	2,423	2,282	2,308	46,300	46,400	2,896	2,688	2,780	51,300	51,400	3,233	3,000	3,118
32,400	32,500	1,958	1,882	1,882	39,400	39,500	2,430	2,288	2,314	46,400	46,500	2,903	2,694	2,787	51,400	51,500	3,240	3,007	3,124
32,500	32,600	1,964	1,888	1,888	39,500	39,600	2,437	2,294	2,321	46,500	46,600	2,909	2,700	2,794	51,500	51,600	3,247	3,014	3,131
32,600	32,700	1,971	1,894	1,894	39,600	39,700	2,444	2,300	2,328	46,600	46,700	2,916	2,706	2,800	51,600	51,700	3,254	3,021	3,138
32,700	32,800	1,978	1,900	1,900	39,700	39,800	2,450	2,306	2,335	46,700	46,800	2,923	2,712	2,807	51,700	51,800	3,260	3,027	3,145
32,800	32,900	1,985	1,905	1,905	39,800	39,900	2,457	2,311	2,341	46,800	46,900	2,930	2,717	2,814	51,800	51,900	3,267	3,034	3,151
32,900	33,000	1,991	1,911	1,911	39,900	40,000	2,464	2,317	2,348	46,900	47,000	2,936	2,723	2,821	51,900	52,000	3,274	3,041	3,158
33,000					40,000					47,000					52,000				
33,000	33,100	1,998	1,917	1,917	40,000	40,100	2,471	2,323	2,355	47,000	47,100	2,943	2,729	2,827	52,000	52,100	3,281	3,048	3,165
33,100	33,200	2,005	1,923	1,923	40,100	40,200	2,477	2,329	2,362	47,100	47,200	2,950	2,735	2,834	52,100	52,200	3,287	3,054	3,171
33,200	33,300	2,012	1,929	1,929	40,200	40,300	2,484	2,335	2,368	47,200									