



# New Markets Capital Investment Credit Worksheet for Tax Year 2023 36 M.R.S. § 5219-HH

Enclose with Form 1040ME, Form 1041ME, Form 1120ME, or Form INS-4.

## For eligible investments made during tax years beginning in 2017 through 2021

**Note:** You are eligible to claim a New Markets Capital Investment Credit only if you are a holder of a Maine New Markets Capital Investment Program Tax Credit Certificate issued by the Finance Authority of Maine ("FAME"). Except for credits carried forward from prior tax years, the certificate must have been issued with respect to a qualified equity investment made during your tax year beginning in 2017, 2018, 2019, 2020, or 2021 (that is, the 3rd, 4th, 5th, 6th, or 7th credit allowance date must fall within your tax year beginning in 2023). **To claim the credit, you must enclose a copy of the certificate with the completed credit worksheet.**

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 or in accordance with an executed written agreement among the owners. Enter the name and ID number of the entity on the lines below. Also enter your ownership percentage in the pass-through entity, or if different, your percentage interest in the credit in accordance with an executed written agreement among the owners.

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

Prior Certificate Holder Information (only applicable if a transfer of the Maine New Markets Capital Investment Program Certificate has occurred; see instructions):

Name of prior certificate holder \_\_\_\_\_

EIN of prior certificate holder \_\_\_\_\_

1. Purchase price of qualified equity investments made during your tax year beginning in 2017, 2018, 2019, and 2020 (see instructions)..... 1. \_\_\_\_\_
2. Credit amount (line 1 multiplied by .08) ..... 2. \_\_\_\_\_
3. Purchase price of qualified equity investments made during your tax year beginning in 2021 (see instructions)..... 3. \_\_\_\_\_
4. Credit amount (line 3 multiplied by .07) ..... 4. \_\_\_\_\_
5. Credit carried forward from 2022 (2022 credit worksheet, line 8) ..... 5. \_\_\_\_\_
6. Credit available this year. Add lines 2, 4, and 5 ..... 6. \_\_\_\_\_
7. Credit claimed this tax year (this amount is refundable; see instructions). Enter the amount being claimed here and on Form 1040ME, Schedule A, Other Tax Credits Worksheet, line 2; Form 1041ME, Schedule A, line 3; Form 1120ME, Schedule C, line 2b; or Form INS-4, line 19..... 7. \_\_\_\_\_
8. Credit carried forward to tax year 2024 (line 6 minus line 7) ..... 8. \_\_\_\_\_

Unused credit amounts may be carried forward for up to 20 years.

## 2023 New Markets Capital Investment Credit Worksheet Instructions

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

This credit, administered by the Finance Authority of Maine ("FAME"), is for investments in qualified community development entities that reinvest in certain businesses in eligible low-income communities in Maine. A Maine New Markets Capital Investment Program Tax Credit Certificate must be issued by FAME. The New Markets Capital Investment Credit allows the holder/subsequent holder of the certificate to claim, in the aggregate, a 39% Maine tax credit based on the purchase price of the qualified equity investment. The credit is allocated over 7 tax years based on the credit allowance dates determined with respect to the date the investment is made. The credit is allocated as follows: 0% for the first two years, 7% for year 3, and 8% each year for years 4 through 7. The credit is fully refundable; however, a person may elect to carry forward any unused portion of the credit for up to 20 years. For details, see 10 M.R.S. § 1100-Z and 36 M.R.S. § 5219-HH and FAME rule Chapter 325. For program information, visit the FAME website at [www.famemaine.com](http://www.famemaine.com).

The State Tax Assessor may recapture all or part of the credit allowed (36 M.R.S. § 5219-HH(7)):

- A) If any amount of the federal tax credit with respect to the investment is recaptured under the Internal Revenue Code, Section 45D, the Maine recapture is equal to an amount proportionate to the federal recapture amount;
- B) If the qualified community development entity redeems or makes a principal repayment with respect to the investment prior to the final credit allowance date, the recapture is proportionate to the amount of the redemption or repayment;  
or
- C) If the qualified community development entity fails to invest at least 85% of the purchase price of the qualified equity investment in qualified low-income community investments in qualified active low-income community businesses within 24 months of the issuance of the investment, and maintain that level of investment until the last credit allowance date, the State Tax Assessor may fully recapture the credit allowed.

The qualified community development entity will have 90 days to resolve any deficiency identified in a recapture notice issued by FAME. If the deficiency is not resolved within 90 days, Maine Revenue Services will issue a final order of recapture.

### Specific Instructions

**Transfer Information.** If you, the holder of the Maine New Markets Capital Investment Program Tax Credit Certificate, are not the original investor, enter the name and EIN of the prior holder of the certificate. For more information on transfers, see 10 M.R.S. § 1100-Z(3)(G).

**Line 1.** Enter on this line the amount of qualified equity investments ("QEI") made during your tax year beginning in 2017, 2018, 2019, and 2020. This amount is reflected on the Maine New Markets Capital Investment Program Tax Credit Certificate issued by FAME. Enter the total of all certificates that apply and enclose a copy of each certificate with your return. Owners of pass-through entities must limit the amount on line 1 to their ownership percentage in the entity or, if applicable, their percentage interest in the credit in accordance with an executed agreement among the owners.

**Line 3.** Enter on this line the amount of the qualified equity investment ("QEI") made during your tax year beginning in 2021. This amount is reflected on the Maine New Markets Capital Investment Program Tax Credit Certificate issued by FAME. Enter the total of all certificates that apply and enclose a copy of each certificate with your return. Owners of pass-through entities must limit the amount on line 3 to their ownership percentage in the entity or, if applicable, their percentage interest in the credit in accordance with an executed agreement among the owners.

**Note:** **Do NOT enter on lines 1 or 3 the amount of investments made during tax years beginning in 2022 and 2023. Investments made during tax years beginning in 2022 and 2023 will first qualify for credit amounts during tax years beginning in 2024 and 2025.**

**Line 7.** Enter the credit amount being claimed this year. Any amount on line 7 in excess of the Maine tax liability will be refunded.

**Line 8.** Credit carried forward. Any unused portion of the credit may be carried forward for up to 20 years.