



## Schedule 2 - Itemized Deductions Instructions

**Line 1.** Total Itemized Deductions from federal Form 1040. Enter your total itemized deductions as shown on federal Schedule A, line 17.

**Line 2a.** Enter the amount of taxes you paid included in Line 1, from federal Schedule A, line 5e.

**Line 2b.** Deductible costs, included in Line 1, incurred in the production of Maine exempt income. Enter any interest or other expense items attributable to income not taxable under Maine law.

**Line 3a.** Deductible costs of producing income exempt from federal income tax but taxable by Maine. Enter any interest or other expense items attributable to income taxable under Maine law, but exempt from federal income tax. Enter only amounts not included on line 1.

**Line 3b.** State and local real estate taxes you paid from federal Schedule A, line 5b.

**Line 3c.** State and local personal property taxes you paid from federal Schedule A, line 5c.

**Line 7.** If the amount on line 7 is less than your allowable standard deduction, use the standard deduction. If Married Filing Separately, however, both spouses must either itemize or use the standard deduction.

**CAUTION:** The amount on line 7 may be limited. You must complete the Maine Worksheet for Standard / Itemized Deductions (for Form 1040ME, line 17) to calculate your reduced deduction amount if the amount on Form 1040ME, line 16 is more than \$80,000 if single or married filing separately; \$120,000 if head of household; or \$160,000 if married filing jointly or qualifying widow(er).