



## **2021 Worksheet for Form 1040ME, Schedule 1S, Line 28 Income Subtraction Modifications - Other Subtractions**

**Line 1. Loan Guarantee Program deferred interest.** Interest deferred or not charged on a loan issued under the Loan Guarantee Program established under 10 M.R.S. § 1100-CC is exempt from all state taxes. The subtraction modification is allowed to the extent the interest income is included in federal adjusted gross income. 10 M.R.S. § 1100-DD(6).

**Line 2. Holocaust victim settlement payments.** Settlement payments received by Holocaust victims are exempt from Maine individual income tax. Enter on line 2 Holocaust victim settlement payments included in federal adjusted gross income. A Holocaust victim is an individual who died, lost property, or was a victim of persecution between January 1, 1929, and December 31, 1945, in Nazi Germany or in any European country allied with or occupied by Nazi Germany as a result of discriminatory laws, policies or actions targeted against discrete groups of individuals based on race, religion, ethnicity, sexual orientation or national origin. A Holocaust victim includes the spouse or descendant of a Holocaust victim. The exemption applies only to the first taxpayer (the Holocaust victim or the spouse or descendant of the Holocaust victim) receiving a Holocaust victim settlement payment. Enter on this line the following settlement payments eligible for the exemption: 1) payment as a result of the taxpayer's status as a Holocaust victim; 2) payment as a result of the settlement of a Holocaust-related claim; and 3) interest on any settlement payment accumulated through the date of payment. 36 M.R.S. § 5122(2)(O).

**Line 3. Maine COVID disaster relief payments.** Maine COVID disaster relief payments are exempt from Maine individual income tax. The subtraction modification is allowed to the extent the payment is included in your federal adjusted gross income. See L.D. 221, P.L. 2021, c. 398, Pt. HHHH.