



# Biofuel Commercial Production and Commercial Use Tax Credit Worksheet for Tax Year 2023 36 M.R.S. § 5219-X

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

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 the name and ID number of the pass-through entity on the lines below. Also enter your ownership percentage in the pass-through entity for the tax year. Attach a copy of federal Schedule K-1 issued to you by the pass-through entity.

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

1. Maine taxable income generated from the production of certified biofuel.....1. \_\_\_\_\_
2. Applicable tax rate on Maine taxable income (see instructions). .....2. \_\_\_\_\_
3. Tax liability related to credit (multiply line 1 by line 2). .....3. \_\_\_\_\_
4. Gallons of biofuel eligible for the credit. ....4. \_\_\_\_\_
5. Credit rate. ....5.     \$0.05
6. Credit claimed (multiply line 4 by line 5). .....6. \_\_\_\_\_
7. Credit carried forward from the prior tax year. ....7. \_\_\_\_\_
8. Total credit available this year (line 6 plus line 7).....8. \_\_\_\_\_
9. Credit amount: Enter the smaller of line 3 or line 8. Enter here and on  
Form 1040ME, Schedule A, Other Tax Credits Worksheet, line 13;  
Form 1041ME, Schedule A, line 17; or Form 1120ME, Schedule C, line 1m. ....9. \_\_\_\_\_

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

**Unused credit amounts may be carried forward up to ten taxable years  
following the year during which the credit was generated.**

**Biofuel Production and Commercial Use Tax Credit  
Worksheet for Tax Year 2023  
Instructions**

A taxpayer engaged in the production of certified biofuel in Maine is allowed a credit of \$0.05 per gallon against the tax imposed on income derived during the taxable year from the production of that biofuel. When certified biofuel is blended with petroleum or other non-biofuels, the credit allowed will be limited to the portion of that blend that constitutes biofuel. The credit allowed, including carryovers, may not reduce the tax liability otherwise due to less than zero. A person entitled to a credit for any taxable year may carry forward and apply the portion of any unused credit to the tax liability on income derived from the production of biofuel for any one or more of the next 10 taxable years.

The term biofuel means any commercially produced liquid or gas used to propel motor vehicles or otherwise substitute for liquid or gaseous fuels that is derived from agricultural crops or residues or from forest products or by-products, as distinct from petroleum or other fossil carbon sources. Biofuel includes, but is not limited to, ethanol, methanol derived from biomass, levulinic acid, biodiesel, pyrolysis oils from wood, hydrogen or methane from biomass, or combinations of any of the above that may be used to propel motor vehicles either alone or in blends with conventional gasoline or diesel fuels or that may be used in place of petroleum products in whole or in part to fire heating devices or any stationary power device.

To be eligible for this tax credit, the biofuel must have been produced in tax year 2023, meet state and federal regulatory requirements and be certified by the Commissioner of the Department of Environmental Protection ("DEP"). A taxpayer must apply to DEP for biofuel certification. Details about certification requirements and applications may be obtained from DEP, Bureau of Air Quality, Mobile Sources Section. Contact the Mobile Sources Section by telephone at (207) 287-6102 or access the Bureau of Air Quality website at [www.maine.gov/dep/air](http://www.maine.gov/dep/air), select Programs, and then select Mobile Sources.

The certification of biofuel eligible for the tax credit that is issued by DEP will include the taxpayer's name, address, tax identification number (either social security number or employer identification number) and the quantity of eligible biofuel produced. A copy of the certification must be submitted with an income tax return on which a biofuel production and use tax credit is claimed.

**Specific Instructions**

Enter taxpayer name and federal employer identification number ("EIN") or social security number ("SSN"). 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 interest in these entities.

Line 1. Enter the Maine taxable income generated by the sale of certified biofuels. If you are claiming the credit as a result of an ownership interest in a pass-through entity that produced certified biofuels, enter on line 1 only that portion of the income generated by the pass-through entity from the production of the certified biofuels that is included in your Maine taxable income (Form 1040ME, line 19; Form 1041ME, line 3; or Form 1120ME, line 4).

Line 2. To calculate the applicable tax rate, divide the gross tax liability (Form 1040ME, line 20; Form 1041ME, line 4; or Form 1120ME, line 5) by the taxable income shown on your return (Form 1040ME, line 19; Form 1041ME, line 3; or Form 1120ME, line 4).

Line 4. Enter the number of gallons of certified biofuel produced from the certification of biofuel eligible for the tax credit issued by DEP. If you are claiming the credit as a result of an ownership interest in a pass-through entity, enter on line 4 the number of gallons of certified biofuel multiplied by the percentage of your ownership interest in the entity.

Line 7. Unused credits may be carried forward for up to ten taxable years following the year during which the credit was generated. Enter on this line any unused tax credit amount that does not exceed this limitation.

Line 8. The credit available is the amount calculated for this year plus carryforward amounts.

Line 9. Enter the credit amount for this tax year. The credit may not be used to reduce the Maine tax liability to less than zero. Unused credit amounts may be carried forward for up to 10 tax years following the year during which the credit was generated.