



# Worksheet for Form 1040ME, Schedule 1, Line 1h Income Modifications - Other Additions

Use this worksheet to list Other Addition Income Modifications that are taxable by Maine but not by the federal government that must be included on Form 1040ME, Schedule 1, line 1h. Include only items listed below.

Include the taxpayer's distributive share of each item from partnerships, S corporations and other pass-through entities.

See page 2 for a description of each item listed below.

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TAXPAYER NAME: \_\_\_\_\_ EIN/SSN: \_\_\_\_\_

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1. Enter the amount of loss, deductions and other expenses of a financial institution subject to 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** .....1. \_\_\_\_\_
  
2. Enter amount deducted for federal tax purposes that is included in the credit base for the **high-technology investment tax credit**.....2. \_\_\_\_\_
  
3. Enter amount deducted for federal tax purposes that is included in the credit base for the **forest management planning credit**.....3. \_\_\_\_\_
  
4. Enter the amount claimed as a deduction in determining federal adjusted gross income that is used to calculate the **Maine fishery infrastructure investment credit** under 36 M.R.S. § 5216-D .....4. \_\_\_\_\_
  
5. Enter the amount claimed as a deduction in determining federal adjusted gross income that is used to calculate the **wellness programs credit** under 36 M.R.S. § 5219-FF .....5. \_\_\_\_\_
  
6. Enter the amount of **qualified tuition and other expenses** deducted on federal Form 1040 or Form 1040A in accordance with Section 222 of the Internal Revenue Code .....6. \_\_\_\_\_
  
7. **Total Other additions** (Add lines 1 through 6 and enter on Form 1040ME, Schedule 1, line 1h) .....7. \_\_\_\_\_

## Worksheet for Form 1040ME, Schedule 1, Line 1h Income Modifications - Other Additions

Income and deductions are generally treated the same for Maine tax purposes as treated for federal tax purposes. However, certain federal and state laws may require different tax treatment of these items. These differences require adjustments, or modifications, to federal income to calculate Maine taxable income. See Form 1040ME, Schedule 1.

Addition modifications are required for items of income that are not included in federal income but are subject to Maine individual income tax or to reverse a federal deduction not allowed for Maine tax purposes. See Form 1040ME, Schedule 1, lines 1a through 1i. The least common adjustments included on Form 1040ME, Schedule 1, line 1h are listed on this worksheet. See descriptions below for each item.

**Line 1. 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)).

Enter on this line any loss, deduction and expense included in the calculation of your federal adjusted gross income that is associated with an ownership share in a pass-through entity financial institution subject to the Maine franchise tax.

**Line 2. High-technology investment tax credit adjustment.** Maine taxpayers claiming the high-technology investment tax credit under 36 M.R.S. § 5219-M who also deducted depreciation or other related expenses on their federal tax return for qualified property for which the credit is claimed during the year must increase Maine income by the amount federal income was reduced. Generally, this amount includes first-year depreciation claimed for the related equipment, but may also include other expenses that reduce the basis of eligible equipment. (36 M.R.S. §§ 5122(1)(J) and 5219-M).

Enter on this line the amount of any deduction (such as depreciation and expenses) claimed for federal income tax purposes that is included in the credit base for the high-technology investment tax credit claimed for the taxable year.

**Line 3. Forest management planning credit adjustment.** Maine taxpayers who claim the forest management planning credit who also deducted the cost of the forest management plan as an expense on their federal income tax return must increase Maine taxable income by the amount federal income was reduced. (36 M.R.S. § 5219-C).

Enter on this line the amount of any deduction (such as depreciation and expenses) claimed for federal income tax purposes that is included in the credit base for the forest management planning credit.

**Line 4. Maine fishery infrastructure investment adjustment.** Maine taxpayers who claim the Maine fishery infrastructure investment tax credit under 36 M.R.S. 5216-D who also deducted an amount included in the base for the credit on their federal tax return must increase Maine taxable income by the amount federal income was reduced. 36 M.R.S. §§ 5122(1)(GG) and 5216-D).

Enter on this line the amount of any expense or deduction, including itemized deductions, claimed for federal income tax purposes that is used to calculate the Maine fishery investment tax credit claimed for the taxable year.

**Line 5. 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. Applies to tax years beginning on or after January 1, 2014. (36 M.R.S. § 5122(1)(EE)).

Enter on this line the amount of any deduction (such as depreciation and expenses) claimed for federal income tax purposes that is used to calculate the wellness programs tax credit claimed for the taxable year.

**Line 6. Qualified tuition and other education expense adjustment.** The amount of qualified tuition and other education expenses claimed on the federal return in accordance with section 222 of the Code is not allowed for Maine income tax purposes. Applies to tax years beginning on or after January 1, 2003 but before January 1, 2015 unless further extended by the federal government. (36 M.R.S. § 5122(1)(Q)).