



**Maine Capital Investment Credit
Carryforward of Unused Credit
Worksheet for Tax Year 2025
36 M.R.S. §§ 5219-GG, 5219-JJ, 5219-MM, and 5219-NN**

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

Taxpayer Name: _____ EIN/SSN: _____

1. Total available credit. Enter the amount of unused credit carried forward from the previous tax year. Enter this amount on Form 1040ME, Schedule A, line 17; Form 1041ME, Schedule A, line 12; or Form 1120ME, Schedule C, line 1e. 1. _____

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

This credit is repealed for tax years beginning on or after January 1, 2025, except that any unused credit amounts may be carried forward for up to 20 taxable years.

Recapture provisions apply. See instructions.

2025 Maine Capital Investment Credit General Instructions

This credit is repealed for tax years beginning on or after January 1, 2025, except that any unused credit amounts may be carried forward up to 20 taxable years. To qualify for the 20-year carryforward period, the unused credit amount must be reflected on the 2024 credit worksheet and generated in a tax year beginning after December 31, 2010.

Special instructions for corporations engaged in a unitary business

A tax credit generated by a taxable corporation that is a member of an affiliated group engaged in a unitary business may be applied only against the Maine income tax liability of that member, and not against the Maine income tax liability of other members of the unitary business, unless otherwise specifically permitted by law. For additional information, see MRS Rule 810 at maine.gov/revenue/publications/rules.

Recapture Instructions

The amount of credit claimed on your Maine income tax return is subject to recapture if the related property was transferred out-of-state or otherwise removed from service in a subsequent tax year, but within 12 months of being placed in service in Maine. To recapture the credit, you must file an amended return for the tax year you claimed the credit. For example, if you claimed the credit on your 2022 Maine income tax return and the entire credit is subject to recapture, you must amend your 2022 Maine income tax return to recapture the credit. If necessary, you must also amend the income tax returns for subsequent tax years to remove any recaptured credit carryforward amount and make other adjustments related to bonus depreciation.

To recapture a credit and make other adjustments related to bonus depreciation, follow the instructions below. For more information on the Maine treatment of bonus depreciation, see the Maine guidance document titled “Modifications Related to Bonus Depreciation & Section 179 Expensing” at maine.gov/revenue/taxes/income-estate-tax/guidance-documents.

Note: Unless otherwise stated, line references in the following instructions are to the 2024 forms; line references to prior year forms may differ.

If you filed an individual income tax return – tax years beginning in 2011 through 2024. If you claimed the Maine capital investment credit on a Maine income tax return for 2011 through 2024 and the credit is subject to recapture, follow these instructions:

- **Step 1.** File an amended return for the tax year you claimed the credit. Make the following adjustments on the amended return:
 - remove from Form 1040ME, Schedule 1A, line 5 the bonus depreciation addition modification amount associated with the property subject to the credit recapture;
 - recalculate the addition modification amount for Form 1040ME, Schedule 1A, line 4 to include in the calculation depreciation amounts associated with the property subject to the credit recapture;
 - recalculate the Maine capital investment credit for the taxable year, excluding from the calculation the bonus depreciation amount associated with the property subject to the credit recapture. If all property forming the basis of the original credit is subject to the credit recapture, the amended credit for the taxable year is zero. Enter the recalculated credit on Form 1040ME, Schedule A, line 15. The reduction in the credit amount represents the amount of the credit recaptured.
- **Step 2.** If necessary, file amended returns for tax years subsequent to the year you are amending under Step 1 in order to:
 - relative to property placed in service during tax years 2011 through 2019, increase the subtraction modification amount on Form 1040ME, Schedule 1S, line 10 to reflect the increased modification on the amended return - Form 1040ME, Schedule 1A, line 4 - filed under step 1;
 - reduce Form 1040ME, Schedule A, line 15 to remove any Maine capital investment credit amount **carried forward** to the tax year associated with the credit recaptured on the amended return filed under Step 1.

2025 Maine Capital Investment Credit Recapture Instructions - Continued

If you filed a fiduciary income tax return – tax years beginning in 2011 through 2024. If you claimed the Maine capital investment credit on a return for 2011 through 2024 and the credit is subject to recapture, follow these instructions:

- **Step 1.** File an amended return for the tax year you claimed the credit. Make the following adjustments on the amended return:
 - remove from Form 1041ME, Schedule 1, line 1f the bonus depreciation addition modification amount associated with the property subject to the credit recapture;
 - recalculate the addition modification amount for Form 1041ME, Schedule 1, line 1e to include in the calculation depreciation amounts associated with the property subject to the credit recapture;
 - recalculate the Maine capital investment credit for the taxable year, excluding from the calculation the bonus depreciation amount associated with the property subject to the credit recapture. If all property forming the basis of the original credit is subject to the credit recapture, the amended credit for the taxable year is zero. Enter the recalculated amount on Form 1041ME, Schedule A, line 9. The reduction in the credit amount represents the amount of the credit recaptured.
- **Step 2.** If necessary, file amended returns for tax years subsequent to the year you are amending under Step 1 in order to:
 - relative to property placed in service during tax years 2011 through 2019, increase the subtraction modification amount on Form 1041ME, Schedule 1, line 2c to reflect the increased modification on the amended return - Form 1041ME, Schedule 1, line 1e - filed under step 1;
 - reduce Form 1041ME, Schedule A, line 9 to remove any Maine capital investment credit amount **carried forward** to the tax year associated with the credit recaptured on the amended return filed under Step 1.

If you filed a corporate income tax return – tax years beginning in 2011 through 2024. If you claimed the Maine capital investment credit on a return for 2011 through 2024 and the credit is subject to recapture, follow these instructions:

- **Step 1.** File an amended return, Form 1120ME, for the tax year you claimed the credit. Make the following adjustments on the amended return:
 - remove, for purposes of Form 1120ME, Schedule 1A, line 7, the bonus depreciation addition modification amount associated with the property subject to the credit recapture;
 - recalculate the addition modification amount, for purposes of Form 1120ME, Schedule 1A, line 8, to include in the calculation depreciation amounts associated with the property subject to the credit recapture;
 - recalculate the Maine capital investment credit for the taxable year, excluding from the calculation the bonus depreciation amount associated with the property subject to the credit recapture. If all property forming the basis of the original credit is subject to the credit recapture, the amended credit for the taxable year is zero. Enter the recalculated credit on Form 1120ME, Schedule C, line 1e (Form 1120X-ME, Schedule C, line 29f for tax years 2011 through 2015). The reduction in the credit amount represents the amount of the credit recaptured.
- **Step 2.** If necessary, file amended returns for tax years subsequent to the year you are amending under Step 1 in order to:
 - relative to property placed in service during tax years 2011 through 2019, increase the subtraction modification amount on Form 1120ME, Schedule 1S, line 9 to reflect the increased modification on the amended return - Form 1120ME, Schedule 1A, line 8 - filed under step 1;
 - reduce Form 1120ME, Schedule C, line 1e to remove any Maine capital investment credit amount **carried forward** to the tax year associated with the credit recaptured on the amended return filed under Step 1.