



Pine Tree Development Zone Tax Credit Worksheet for Tax Year 2025

36 M.R.S. §§ 5219-W and 2529

Enclose with Form 1040ME, Form 1040C-ME, Form 1041ME,
Form 1120ME, or Form INS-4.

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

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

Tier 1 location Number of years credit has been previously claimed: _____

Note: Individual, estate and trust taxpayers skip lines 1 through 6 below and complete the *Worksheet PTE: Pass-Through Entity Credit Ratio* worksheet before completing line 7.

1. Qualified Pine Tree Development Zone property.....1. _____
2. All Maine property.....2. _____
3. Qualified Pine Tree Development Zone payroll.....3. _____
4. All Maine payroll.....4. _____
5. Apportionment numerator. (Line 1 plus line 3.).....5. _____
6. Apportionment denominator. (Line 2 plus line 4.).....6. _____
7. Pine Tree Development Zone apportionment percentage. (Divide line 5 by line 6.)
Except, if individual, estate, or trust, enter amount from Worksheet PTE, line 8.....7. ____ . ____ . ____ . ____ .
8. Regular income/insurance premiums tax. (Form 1040ME, line 20; Form 1040C-ME,
line 2; Form 1041ME, line 4; Form 1120ME, line 6a; or Form INS-4, line 16).....8. _____
9. Pine Tree Development Zone credit. (Multiply line 7 x line 8.).....9. _____
10. **Credit rate.** See instructions below.....10. _____

If certified as a Tier 1 qualified business, enter 1.00 on this line if this tax year is within the first 5 years of commencing the qualified business activity. Enter .50 on this line if this tax year is within the second 5 years of commencing the qualified business activity. If this tax year is more than 10 years of commencing the qualified business activity, you do not qualify for the credit.

Note: Businesses not certified as a tier 1 qualified business do not qualify for the credit.

11. Multiply line 9 x line 10. Enter here and on Form 1040ME, Schedule A, line 18;
Form 1040C-ME, Schedule A, line 10; Form 1041ME, Schedule A, line 14; Form
1120ME, Schedule C, line 1d; or Form INS-4, line 17..... 11. _____

Businesses may not be certified for the Pine Tree Development Zone program after December 31, 2024; benefits, including the income tax credit, will cease on December 31, 2034.

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

2025

Pine Tree Development Zone Tax Credit (“PTDZ”) Worksheet Instructions

Statewide PTDZ classification:

Tier 1: All areas of the state outside Cumberland and York counties plus high unemployment areas within Cumberland and York counties. To qualify as a Tier 1 location, a municipality in Cumberland or York County must have an unemployment rate that is 15% higher than the county’s labor market unemployment rate for the calendar year.

The benefit period is ten years. Check the Tier 1 box on the worksheet if the qualified business activity has been certified by the Department of Economic and Community Development (“DECD”) as occurring in a Tier 1 location.

General Instructions

What is the PTDZ income tax credit? The credit is available to certain businesses that expand or begin operations in Maine. For Tier 1 qualified businesses, the credit allowed is up to 100% of the Maine tax liability related to qualified activity for the first five tax years and 50% of the tax liability for each of the tax years six through ten. A qualified business may apply for an adjustment of the base level of employment if it has sustained at least a 15% loss in employment due to a catastrophic occurrence.

For more information about the PTDZ program and the related tax benefits, visit: maine.gov/revenue/taxes/tax-relief-credits-programs/multiple-tax-programs.

Note: A business may not be certified by DECD for PTDZ benefits (including the PTDZ income tax credit) after December 31, 2024 and the program benefits will cease on December 31, 2034.

Who must complete this worksheet? Corporate taxpayers (including insurance companies) claiming PTDZ tax credits must calculate the credits using this worksheet. Individual, estate, and trust taxpayers, claiming a PTDZ credit from either a sole proprietorship or a pass-through entity (such as a partnership or S corporation) must calculate the amount of the credit using this worksheet and Worksheet PTE. These required worksheets must be attached to the taxpayer’s Maine income tax return along with a copy of the PTDZ certificate issued by DECD.

This credit must be first claimed for the tax year in which the qualified business commences the qualified business activity.

What does this worksheet do? This worksheet calculates the PTDZ apportionment percentage for those entities that have qualified and non-qualified business activity. The worksheet also calculates the application of the PTDZ tax credit for all qualified businesses. Individuals claiming this credit must also complete Worksheet PTE, which apportions the taxpayer’s income between business and nonbusiness sources. Non-qualified business activity includes the level of business activity in Maine that existed prior to PTDZ certification.

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 credits in proportion to their respective interests in these entities.

Specific Instructions

Note: Individual taxpayers must skip lines 1 through 6 and enter on line 7 the amount from Worksheet PTE, line 8.

Line 1. Enter the average value of qualified Pine Tree Development Zone property. Qualified property includes all real and tangible personal property directly associated with the qualified business activity and placed in service in Maine after the entity becomes a certified PTDZ business. Excluded from this amount is the value of property transferred by an affiliated business to a PTDZ business from elsewhere in Maine. Purchased property is valued at cost and rented property is valued at eight times the annual rental rate. Total qualified property is determined by averaging the property owned or rented at the beginning and the end of the tax year.

Line 2. Enter the average value of all property located in Maine and owned or rented by the entity or by affiliated businesses.

Line 3. Enter the payroll attributable to the new qualified business activity as reflected on the qualification certificate provided by DECD. Do not include payroll for any jobs or positions transferred by the business or an affiliated business from elsewhere in Maine.

Line 4. Enter the total Maine payroll for the business and all affiliated business for the year.

Line 7. Corporate taxpayers (including insurance companies) enter the result of line 5 divided by line 6, if the result is greater than 1, enter 1.0000. This is the ratio of qualified to non-qualified business activity for the corporation. Individual, estate and trust taxpayers, enter the amount from Worksheet PTE, line 8. This is the ratio of qualified business activity to the taxpayer’s overall activity, including nonbusiness income. For example, if an individual is claiming a PTDZ credit of 100%, but only 50% of the taxpayer’s income is from qualified business activity, the taxpayer is only entitled to a credit against the tax liability related to the qualified business activity, or 50% of the total tax liability for the year.