



# FORM 1120B-ME

# 2006

## MAINE FRANCHISE TAX INSTRUCTIONS

### IMPORTANT MAINE TAX LAW CHANGES

**FINANCIAL INSTITUTIONS - FRANCHISE TAX RATE.**

36 M.R.S.A. §§ 5206 & 5206-E. A new law allows financial institutions subject to Maine franchise tax a choice between two tax options. The first option is for the entity to be taxed using the current formula of 1% of net income plus 0.008% of Maine assets. The second option is for the entity to be taxed only on Maine assets at a rate of 0.039%. A financial institution may make the election each year on Form 1120B-ME, the Maine Franchise tax return.

**CLEAN FUEL CREDIT.** 36 M.R.S.A. § 5219-P. The existing clean fuel vehicle economic and infrastructure development credit is extended for expenditures through December 31, 2008 and for tax years through 2008 (2007 for fiscal year filers.)

**CREDIT FOR POLLUTION CONTROL BOILERS.** 36 M.R.S.A. § 5219-Z. A qualified business is allowed a credit of 1.5¢ per kilowatt-hour (or equivalent) produced by a

pollution-reducing boiler. The credit may not reduce the taxpayer's income tax liability to less than zero, but unused credit amounts may be carried over until exhausted. Eligible businesses and boilers will be certified by the Department of Environmental Protection. The credit applies to tax years beginning on or after January 1, 2006 and is repealed December 31, 2009. See LD #1968, PL 2005, c. 519, Pt. TTT.

**COMMUNITY WIND POWER GENERATOR CREDIT.**

36 M.R.S.A. §5219-AA. A community wind power generator that is certified by the Public Utilities Commission is entitled to a 100% income tax credit for ten consecutive years following the commencement of operation. The credit is limited to the tax associated with the taxable income of the wind power generator. Qualified generators may also be eligible for sales tax exemptions and/or reimbursements. The credit is effective August 23, 2006.



*Use EZ Pay for  
Electronic Tax  
Payments*

SEE [www.maine.gov/revenue/netfile/gateway2.htm](http://www.maine.gov/revenue/netfile/gateway2.htm)

## GENERAL INSTRUCTIONS

### 1. FINANCIAL INSTITUTIONS SUBJECT TO FRANCHISE

**TAX:** Every financial institution that had Maine net income or Maine assets during the taxable year must file Form 1120B-ME and pay Maine franchise tax, even if the institution is established as a partnership, S corporation or entity disregarded as separate from its owner. "Financial institution" means a bank, bank holding company, thrift institution, savings association, insured institution, savings bank holding company, qualified savings bank, insured depository institution, appropriate federal banking agency or qualified family partnership (as defined in the Bank Holding Company Act of 1956, 12 U.S. Code § 1841), or any other financial institution (except a credit union) authorized to do business in Maine as defined in 9-B M.R.S.A. § 131(17-A). "Financial institution" includes any corporation of which more than 50% of the voting stock is owned, directly or indirectly, by a financial institution or by a credit union as defined in 9-B M.R.S.A. § 131.

**2. DATE FOR FILING RETURN:** Financial institutions reporting for calendar year 2006 are required to file with payment on or before March 15, 2007. Fiscal year taxpayers are required to file, with payment, on or before the 15th day of the third month following the close of the taxable year.

**3. EXTENSION FOR FILING:** A State of Maine extension request form is not required. If you are unable to file your return by the original due date of the return, Maine allows an automatic seven-month extension of time to file. **CAUTION: AN EXTENSION TO FILE YOUR MAINE RETURN IS NOT AN EXTENSION FOR PAYMENT OF TAX.** If you owe money, you must pay at least 90% of that amount by the original due date for filing your return and the remaining 10% must be paid when the return is filed by the extended due date in order to avoid the failure-to-pay penalty. However, interest is charged on any tax paid after the original due date of your return.

Remit your estimated tax payment with Form 1120B-EXT-ME (Extension Payment Voucher) by the original due date for filing your Maine return to: Maine Revenue Services, P.O. Box 9114, Augusta, ME 04332-9114. Form 1120B-EXT-ME is available at [www.maine.gov/revenue/forms](http://www.maine.gov/revenue/forms) or by calling 207-624-7894.

**4. PAYMENT OF FRANCHISE TAX:** All financial institutions subject to franchise tax shall make payment of estimated tax unless the liability for the taxable year reduced by

allowable credits is less than \$1,000. See instructions for Form 1120B-ES/ME for details. Form 1120B-ES/ME vouchers and instructions are available at [www.maine.gov/revenue/forms](http://www.maine.gov/revenue/forms) or by calling 207-624-7894.

**5. INTEREST:** Beginning January 1, 2007, interest rate is 12% per annum, compounded monthly, will be added to the balance of any tax due from the original due date to the date of payment and should be included with any payment.

### 6. PENALTIES:

a. **Underpayment of estimated tax penalty.** Beginning January 1, 2007, the interest rate is 12% per annum, compounded monthly. The penalty rate for 2006 is 10% per year, compounded monthly. The penalty will be assessed if the sum of the four equal quarterly estimated tax payments is not at least equal to the lesser of the previous year's Maine income tax liability or ninety percent (90%) of the tax liability for the current year. Exception: certain large corporations cannot use the previous year's liability in determining the required amount of estimated tax payments.

b. **Late filing and late payment penalties.** If a past due return is filed before the receipt, or within 30 days of the receipt, of a demand notice, the penalty for failure to file is the greater of \$25 or 10% of the amount of tax due. If the return is filed more than 30 days after the receipt of a demand notice, the failure-to-file penalty increases to 100% of the tax otherwise due.

For failure to pay a tax liability, the penalty is 1% of the tax liability for each month the payment is delinquent, up to 25%.

c. **Other penalties.** The law also provides for penalties for substantial understatement of tax, negligence, fraud, and for payment of tax by check that is returned for insufficient funds.

**7. ACCOUNTING PERIOD COVERED:** Form 1120B-ME will cover the same period as the equivalent federal return.

**8. ACCOUNTING METHODS:** A taxpayer's method of accounting for Maine franchise tax purposes must be the same as that used for federal income tax purposes.

**9. FEDERAL RETURN MUST ACCOMPANY STATE RETURN:** Maine franchise tax return, Form 1120B-ME, must be accompanied by a legible copy of pages 1 through 4 of the financial institution's federal return for the

## SPECIFIC INSTRUCTIONS

**Line 1a. Net Income Per Books:** Enter net income per books from federal Form 1120, 1120S or 1065.

**Line 1b. Maine Net Income:** Financial institutions that are not part of an affiliated-unitary group and have income solely from activity within Maine must enter here the same amount as on line 1a. Financial institutions that are members of an affiliated-unitary group must file a combined report (Form

CRB). A financial institution that is taxable both in and outside Maine must apportion its net income by completing Schedule A on page 7 of Form 1120B-ME. The instructions for Schedule A are on page 5. For information on how to file a Maine combined report (Form CRB), see paragraph 11 of the General Instructions above and the instructions for Form CRB.

## SPECIFIC INSTRUCTIONS (continued)

**Line 2a.** Total End-of-year Assets: Enter total end-of-year assets from federal Form 1120, 1120S or 1065.

**Line 2b.** Maine Assets: Financial institutions that are not part of an affiliated-unitary group and have income solely from activity within Maine must enter here the same amount as on line 2a. Financial institutions that are members of an affiliated unitary group must file a combined report (Form CRB). A financial institution that is taxable both in and outside Maine must apportion its assets by completing Schedule A on page 2 of Form 1120B-ME. The instructions for Schedule A are on page 7 of Form 1120B-ME. For information on how to file a Maine combined report (Form CRB), see paragraph 11 of the General Instructions on the previous page and the instructions for Form CRB.

**Line 3.** Tax: A financial institution must elect each year the rate at which they will be taxed by placing an "x" in the appropriate box. Maine offers two tax rate options:

**Option 1** - A tax on Maine income and Maine assets equal to the sum of 1% of the financial institution's Maine net income plus .008% of its Maine assets.

**Option 2** - A tax on Maine assets only, equal to .039% of the financial institution's Maine assets.

**Line 3a.** Tax on Maine Net Income: The tax rate on income is 1% (0.01) of Maine net income as listed on line 1b. **Leave blank if option 2 is elected.**

**Line 3b.** If **option 1** is selected on line 3, the franchise tax rate on Maine assets listed on line 2b is 8 cents (8¢) per \$1,000 (0.008%). If **option 2** is selected on line 3, the franchise tax rate on Maine assets listed on line 2b is 39 cents (39¢) per \$1,000 (0.039%). Apply the appropriate factor and enter the result on this line.

**Lines 4a, b, c:** These lines are for entities that made estimated tax payments, deposits with an extension payment voucher, or for those taxpayers filing amended returns and claiming credit for tax paid with original return.

**Line 4d.** Net Operating Loss Credit: A credit is allowed against franchise tax on assets in the case of a taxable entity that sustains a book net operating loss. The credit is computed by multiplying the book net operating loss by the franchise tax rate on income (0.01). The total amount of the credit allowed is limited to the franchise tax on assets as listed on line 3b. Excess credit amounts may be carried over to the next five (5) tax years and may be applied against the total tax listed on line 3c. If you carry over an excess credit from a previous year, attach a carryover schedule to support your entry on line 4d.

**Line 4e.** Other Credits: A list of allowable tax credits follows. You must complete and attach a tax credit worksheet for each tax credit claimed. Tax credit worksheets may be downloaded from the internet. Go to [www.maine.gov/revenue/forms](http://www.maine.gov/revenue/forms). You may also order worksheets by telephone by calling (207) 624-7894. Enter the total amount of credit used to reduce tax liability on line 4e. **The total amount of all credits used to reduce tax liability cannot exceed the total tax liability on line 3c.**

**Maine Seed Capital Tax Credit:** The tax credit allowed is based on the amount authorized by the Finance Authority of Maine. A copy of the tax credit certificate must be attached to the return. The amount of credit is subject to limitations as outlined in 36 M.R.S.A. § 5216-B.

**Jobs and Investment Tax Credit:** Eligibility for this credit is based on the Internal Revenue Code of 1954, as of December 31, 1985, § 38(b)(1) and requires the addition of \$5 million of IRC § 38 property, and 100 new jobs attributable to that investment in the 24-month period following the date the property was placed in service. For further details see 36 M.R.S.A. § 5215. **Jobs created between August 1, 1998 and October 1, 2001 must be covered by qualified retirement and health insurance plans, and wages must be greater than the average per capita income in the labor market area in which the employees are employed.**

**Employer-Assisted Day Care Tax Credit:** A taxpayer constituting an employing unit is allowed a credit for providing day care for, or paying day care expenses of, employees, subject to the limitations of 36 M.R.S.A. § 5217. The credit is limited to the lowest of \$5,000, 20% of the cost incurred, or \$100 for each child of an employee of the taxpayer enrolled on a full-time basis. Carryover provisions apply. This credit is doubled if the day care provided constitutes quality child care. The Maine Department of Health and Human Services ("DHHS"), Office of Child Care and Head Start, certifies quality child care facilities. Attach a copy of the certificate when claiming the double credit for quality child care. For more information on quality child care services and the certification process, call DHHS, Office of Child Care and Head Start, at 207-287-5099.

**Quality Child Care Investment Credit:** Businesses, other than self-employed individuals, making certified investment in quality child care services qualify for a credit equal to 30% of up to \$30,000 of eligible expenditures. Carryover provisions apply. The Maine Department of Health and Human Services, Office of Child Care and Head Start, must certify eligible investments. Attach a copy of the certificate when claiming this credit. 36 M.R.S.A. § 5219-Q. For more information on quality child care services and the certification process, call DHHS, Office of Child Care and Head Start, at 207-287-5099.

**Employer-Provided Long-Term Care Benefits Credit:** Employers are eligible for the employer-provided long-term care credit if the policy on which premiums are paid is certified by the Maine Bureau of Insurance or the policy meets the federal definition of a qualified long-term care insurance contract under the Internal Revenue Code. If the qualifying policy is one certified by the Bureau of Insurance, indicate the policy number when claiming this credit. 36 M.R.S.A. § 5217-C.

## SPECIFIC INSTRUCTIONS (continued)

**Machinery and Equipment Investment Tax Credit:** Enter the amount of the credit carried forward to this tax year. Attach a schedule verifying the amount carried forward.

**Biofuel Production And Use Tax Credit:** A taxpayer engaged in the production of biofuels in Maine who has received certification from the Commissioner of the Maine Department of Environmental Protection (DEP) is allowed a credit against the tax imposed on income derived during the taxable year from the production of biofuel. The credit allowed, including carryovers, may not reduce the tax otherwise due to less than zero. Unused credits may be carried over for 5 taxable years. When claiming this credit, attach a copy of the certificate issued by the Maine Department of Environmental Protection. 36 M.R.S.A. § 5219-X.

**Research Expense Tax Credit:** The credit is 5% of qualified research expenses incurred during the taxable year that exceed the average qualified research expense for the previous 3 tax years, plus 7.5% of the basic research payments determined pursuant to IRC § 41(e)(1)(A). Only expenditures for research conducted in Maine qualify for the credit. The term “qualified research” is defined in IRC § 41(d). The credit is limited to the first \$25,000 of tax liability before credits plus 75% of the tax liability that exceeds \$25,000. Carryover provisions apply. 36 M.R.S.A. § 5219-K.

**Super Research and Development Credit:** Businesses whose Maine research expenses increase by more than 50% over the average research expenses incurred in the three years immediately preceding June 12, 1997 qualify for this credit. The credit is equal to the excess over 150% of the 3-year average. The credit is limited to 50% of the net income tax due after other credits and may not reduce the tax liability below the liability of the previous year after the allowance of all other credits. Carryover provisions apply. 36 M.R.S.A. § 5219-L.

**High-Technology Investment Tax Credit:** Businesses engaged primarily in high-technology activities are eligible for this credit. The credit is equal to the adjusted basis of eligible equipment on the date that equipment is placed in service in Maine, net of any lease payments received during the year. The credit may not reduce current year’s tax liability below the liability of the previous year after the allowance of all other credits. The credit is limited to \$100,000 per year (\$200,000 in certain cases) and may not reduce the tax liability below zero. Carryover provisions apply. Also, the 12-year reimbursement period under the Business Equipment Tax Reimbursement Program must be reduced one year for every year the qualified equipment was included in the investment tax credit base. 36 M.R.S.A. § 5219-M.

**Credit for Dependent Health Benefits Paid:** Employers that offer a qualified health benefit plan and that employ fewer than five employees may qualify for this credit. The credit is equal to the lesser of 20% of the dependent health

benefits paid by the employer or \$125 per employee with dependent health benefits coverage. The credit is limited to 50% of the income tax due. Any unused credit may be carried over for two years. 36 M.R.S.A. § 5219-O.

**Clean Fuel Credit:** The credit is based on the expenditures paid or incurred for construction, installation of, or improvements to any filling station or charging station in Maine for the purpose of providing clean fuels to the general public for use in motor vehicles. Clean fuel is defined as any product or energy source, other than conventional gasoline, diesel or reformulated gasoline, that lowers emissions of certain pollutants. Clean fuel includes, but is not limited to, petroleum gas, hydrogen, hythane, dynamic flywheels, solar energy, alcohol fuels, and electricity. The credit applies to expenditures incurred on or after January 1, 1999 and automatically expires January 1, 2009. 36 M.R.S.A. § 5219-P.

**Historic Rehabilitation Credit:** A taxpayer is allowed a credit equal to the amount of the federal credit, including carryovers, for rehabilitation of certified historic structures located in Maine. The credit is nonrefundable and is limited to \$100,000 annually per taxpayer. The credit is subject to the same recapture provisions as under the Internal Revenue Code. 36 M.R.S.A. § 5219-R.

**Family Development Account Credit:** Contributors to family development matching fund accounts are eligible for a credit. The credit per tax return is equal to the lesser of \$25,000 or 50% of the amount contributed. The credit is limited to the tax liability on the return and must be taken after the allowance of all other credits. The Finance Authority of Maine certifies the allowable credit for each contributor. Call 207-623-3263 for further information. 36 M.R.S.A. § 5216-C.

**Pine Tree Development Zone Credit:** A taxpayer engaged in the business of financial services, manufacturing or a targeted technology, as defined by 5 M.R.S.A. § 15301, that is located within a Pine Tree Development Zone may be eligible for this credit. To be eligible, the taxpayer must add new, full-time jobs that meet certain wage and benefit requirements. The credit is equal to 100% of the tax liability related to qualified business activity for each of the first five years after the start of qualified business activity. The credit is 50% of the Maine tax liability related to qualified business activity for years 6 through 10. Businesses must be certified by the Department of Economic and Community Development. Eligible businesses may qualify for other tax benefits under the Pine Tree Development Zone program. 36 M.R.S.A. § 5219-W.

**Pollution Control Boiler Credit:** 36 M.R.S.A. § 5219-Z. A qualified business is allowed a credit of 1.5¢ per kilowatt-hour (or equivalent) produced by a pollution-reducing boiler. The credit may not reduce the taxpayer’s income tax liability to less than zero, but unused credit amounts may be carried over until exhausted. Eligible businesses

## SPECIFIC INSTRUCTIONS (continued)

and boilers will be certified by the Department of Environmental Protection. The credit applies to tax years beginning on or after January 1, 2006 and is repealed December 31, 2009. See LD #1968, PL 2005, c. 519, Pt. TTT.

**Community Wind Power Generator Credit:** 36 M.R.S.A. §5219-AA. A community wind power generator that is certified by the Public Utilities Commission is entitled to a 100% income tax credit for ten consecutive years following the commencement of operation. The credit is limited to the tax associated with the taxable income of the wind power generator. Qualified generators may also be eligible for sales tax exemptions and/or reimbursements. The credit is effective August 23, 2006.

**Line 4f.** Total Credits: Enter the total of any previously remitted tax payments from lines 4a, 4b and 4c as well as any tax credits from lines 4d and 4e. The total amount entered on line 4f may exceed the total tax liability on line 3c. However, the total amount of tax credit from lines 4d and 4e that is used to reduce tax liability this year can not by itself exceed the total tax liability on line 3c.

**Line 5b.** Penalty for Underpayment of Estimated Tax: If the financial institution underpaid estimated tax, complete and attach Form 2220ME, available at [www.maine.gov/revenue/forms](http://www.maine.gov/revenue/forms).

**Line 7a.** Credited next years estimated tax: Use this line only if you elect to have all or a portion of the overpayment on line 6 credited to your next year's estimated Maine franchise tax.

**Line 7b.** Refunded: Enter here the difference between lines 6 and 7a. Refunds of \$1.00 or more will be mailed to you.

### IMPORTANT

**IF ALL REQUIRED LINES AND SCHEDULES (INCLUDING FORM CRB) ARE NOT COMPLETED, THE RETURN IS INCOMPLETE AND WILL NOT BE CONSIDERED A FILED RETURN. PAGES 1 - 4 OF THE FEDERAL RETURN MUST BE ATTACHED TO YOUR MAINE FRANCHISE RETURN.**

# SCHEDULE A - INSTRUCTIONS

## APPORTIONMENT OF INCOME

(See 36 M.R.S.A. § 5206-E)

### GENERAL INSTRUCTIONS

Schedule A is for financial institutions that are taxable both in and outside Maine. To the extent that a financial institution derives its income from a unitary business carried on by 2 or more members of an affiliated group, Maine net income and Maine assets are determined by apportioning that part of the net income and assets of the entire group that is derived from the unitary business.

Maine employs a three-factor formula to determine income and assets apportioned to Maine. However, one or more factors may be excluded from the apportionment formula under certain circumstances. If a factor is excludable from the apportionment formula, the weighting of the remaining factors must be changed.

A factor is excludable only if both the numerator and denominator are zero,\* but is not excludable merely because the numerator is zero. When excluding the receipts factor, change the weight of the payroll and property factors to 50% (0.5) each. When excluding either the payroll or property factor, change the weight of the receipts factor to 66.67% (0.6667) and the weight of the remaining factor (payroll or property) to 33.33% (0.3333). If two factors are excludable from the apportionment formula, change the weight of the remaining factor to 100%. If you are excluding any factors, attach a schedule detailing the factors used and the apportionment computation. If the total of 8(C), 9(C) and 10(C) does not equal the amount you enter on line 11, your tax liability will not compute accurately.

### SPECIFIC INSTRUCTIONS

**Line 8. Receipts Factor:** The receipts factor is a fraction. The numerator is the Maine receipts of the taxpayer during the tax period. The denominator is the receipts of the taxpayer everywhere in the U.S. during the tax period. See § 5206-E(2) for a complete description of Maine and everywhere receipts.

**Line 9. Payroll Factor:** The payroll factor is a fraction. The numerator is the total amount of compensation paid in Maine or paid to Maine-based and Maine resident employees during the tax period, and the denominator is the total compensation paid everywhere in the U.S. by the taxpayer during the tax period to all employees working in the U.S. See § 5206-E(4) for a complete description of Maine and everywhere payroll.

**Line 10. Property Factor:** The property factor is a fraction. The numerator is the average value of the taxpayer's owned or rented real and tangible personal property located in Maine plus loans and credit card receivables located in Maine during the tax period, and the denominator is the average value of such property everywhere in the U.S. during the tax period.

Property rented by the taxpayer is valued at 8 times the net annual rental rate. Loans and credit card receivables are valued at outstanding principal, without regard to any reserve for bad debt. See § 5206-E(3) for a complete description of Maine and everywhere property.

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\* For example, if the business does not own or lease property anywhere in the United States, the property factor may be eliminated.

# FORM CRB - INSTRUCTIONS

## MAINE FRANCHISE TAX

### COMBINED REPORT FOR UNITARY MEMBERS

The combined reporting form, when applicable, must be filed with Form 1120B-ME. This report **must** be accompanied by an affiliation schedule (federal Form 851 for consolidated filers is acceptable) listing name, federal ID number and corporate activity of all members of the affiliated group.

#### PURPOSE OF FORM

**NOTE: Only unitary business group members are to be included on this form. Affiliated non-unitary members are not to be included.**

Form CRB is used to calculate Maine net income of a unitary business. Maine net income is a financial institution's net income or loss per books required to be reported pursuant to the laws of the United States on Internal Revenue Service Form 1120, 1120S, 1065, or any other Internal Revenue Service Form used to report net income or loss per books. 36 M.R.S.A. § 5206-D(13).

#### COMBINED REPORTING

Financial institutions with Maine net income that are members of an affiliated group engaged in a unitary business must file a combined report. Financial institutions that are members of a unitary business but are not required to file a federal return must be excluded from the combined report. This includes those financial institutions not required, but electing to file, a federal tax return.

“Affiliated group” means a group of two or more financial institutions of which more than 50% of the voting stock of each member is directly or indirectly owned by a common owner or owners, either corporate or non-corporate, or by one or more of the member financial institutions. 36 M.R.S.A. § 5206-D(1). A “unitary business” is a business activity that is characterized by unity of ownership, functional integration, centralization of management, and economies of scale. 36 M.R.S.A. § 5206-D(22).

All financial institutions required to file federal returns that are part of a unitary business are required to be included in the combined report of any taxable financial institution with Maine nexus, even if the affiliated financial institution has no nexus with Maine.

#### COLUMN INSTRUCTIONS

**Column 1.** Put a check in this column for those corporations listed in column 2 that have nexus with Maine.

**Column 2.** Enter the name and federal identification number of each member of the unitary business.

**NOTE: Each unitary member should have an amount entered in either column 3 or column 4, but not both.**

**Column 3.** Enter the separate net income per books of each member listed in column 2 that was part of a federal consolidated return (member's share of Form 1120, Schedule

M-1, line 1 or Schedule M-3, line 11). This information can be obtained from the supporting statement filed with federal Form 1120 for consolidated returns. Attach the supporting statement from the federal Form 1120 consolidated return.

**Column 4.** Enter the net income per books of each member listed in column 2 that filed a separate federal return (member's net income from federal Form 1120, line 28 or equivalent income from other federally filed return). Entries in column 4 relate to members of the unitary business that were not included in a federal consolidated return.

**Column 5.** Enter any adjustments for eliminations, deferrals, and other modifications allowed under federal law and regulations not yet taken in column 3. Include any intercompany transactions between unitary members listed on this report if those transactions resulted in gains or losses. Similar adjustments are allowed for unitary business members that are not part of the same consolidated filing. These adjustments include, but are not limited to, (a) dividends paid out of income subject to apportionment under 36 M.R.S.A., chapter 819 by one unitary member to another unitary member; (b) deferrals of gains/losses from intercompany sales of inventory; and (c) deferrals of gains/losses from intercompany sales of fixed assets. Attach a worksheet detailing adjustments claimed in column 5.

**Column 6(A).** Combine columns 3, 4, and 5. This is the adjusted separate income of each member of the unitary business group.

**Column 6(B).** Enter total end-of-year assets from federal return or pro forma federal return.

**Columns 7-9.** Enter each financial institution's share of receipts, payroll and property of the unitary business. See 36 M.R.S.A. §§ 5206-E(2), (3) and (4). Carry over totals from line 18 to Schedule A. The amounts listed on the total line of columns 7, 8 and 9 (line 18) of the Combined Report must agree with those entered on lines 8, 9 and 10, columns (A) and (B) of Schedule A, Form 1120B-ME if a single return is filed for the entire group.

#### LINE INSTRUCTIONS

**Line 17.** To the extent not already eliminated, remove all intercompany transactions resulting in gains or losses. These eliminations are for columns 6(B)-9 only. Attach a worksheet that details any adjustment claimed on this line.

**Line 18.** Enter the total for each of columns 3 through 9. Enter column 6(A), line 18 on Form 1120B-ME, line 1a. Enter column 6(B), line 18 on Form 1120B-ME, line 2a.



MAINE REVENUE SERVICES
MAINE FRANCHISE TAX RETURN
FOR FINANCIAL INSTITUTIONS



For tax period 01/01/06 to 12/31/06 or \_\_\_/\_\_\_/\_\_\_ to \_\_\_/\_\_\_/\_\_\_

Check here if an amended return: \_\_\_

CHECK APPLICABLE BOXES: (1) \_\_\_ Initial return (2) \_\_\_ Final return (3) \_\_\_ Change of name/address

Name, Address, City, Contact Person First Name, Contact Person Last Name, Federal Employer ID Number, Business Code, State of Inc., State, ZIP Code, Telephone Number, Parent Company Federal ID Number, Principal Place of Activity in Maine, City where records are maintained, State

Maine Tax Computation

1. MAINE NET INCOME:

- a. NET INCOME PER BOOKS ( from federal Form 1120, 1120S or 1065) ..... 1a. .... .00
b. MAINE NET INCOME (from line 1a above or page 2, Schedule A, line 13) ..... 1b. .... .00

2. ASSETS:

- a. TOTAL END-OF-YEAR ASSETS (from federal Form 1120, 1120S or 1065) ..... 2a. .... .00
b. MAINE ASSETS (from line 2a above or page 2, Schedule A, line 15) ..... 2b. .... .00

3. TAX: Select a rate option (see instructions, page 3)

OPTION 1 OPTION 2

- a. TAX ON MAINE NET INCOME (see instructions, page 3) ..... 3a. .... .00
b. TAX ON ASSETS (see instructions, page 3) ..... 3b. .... .00
c. TOTAL TAX (add lines 3a and 3b) ..... 3c. .... .00

4. PREPAYMENTS AND CREDITS:

- a. ESTIMATED TAX PAID ..... 4a. .... .00
b. DEPOSIT WITH EXTENSION PAYMENT VOUCHER ..... 4b. .... .00
c. PAID WITH ORIGINAL RETURN (if an amended return) ..... 4c. .... .00
d. NET OPERATING LOSS CREDIT (see instructions, page 3) ..... 4d. .... .00
e. OTHER CREDITS (see instructions, pages 3 and 4) ..... 4e. .... .00
f. TOTAL PREPAYMENTS AND CREDITS (add lines 4a through 4e) ..... 4f. .... .00

5. BALANCE DUE, PENALTY, PAYMENT DUE WITH RETURN:

- a. IF LINE 3c IS GREATER THAN LINE 4f, ENTER TAX BALANCE DUE ..... 5a. .... .00
b. ENTER PENALTY for Underpayment of Estimated Tax (attach Form 2220ME) ..... 5b. .... .00
c. PAYMENT DUE WITH RETURN (add lines 5a and 5b) ..... 5c. .... .00
PAY IN FULL WITH RETURN ( make check payable to Treasurer, State of Maine)

Return Continued on Page 2



Federal Employer ID Number: \_\_\_\_\_

Return Continued from Page 1

6. OVERPAYMENT:

If line 4f, page 1, is greater than 3c plus 5b, page 1, enter overpayment ..... 6. \_\_\_\_\_ .00

7. AMOUNT ON LINE 6 TO BE:

a. CREDITED to next year's estimated tax ..... 7a. \_\_\_\_\_ .00

b. REFUNDED ..... 7b. \_\_\_\_\_ .00

AFFIDAVIT AND SIGNATURE

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements and to the best of my knowledge and belief they are true, correct and complete. Declaration of preparer (other than taxpayer) is based on information of which preparer has any knowledge.

\_\_\_\_\_  
Date Signature of Officer

\_\_\_\_\_  
Title Officer's Social Security Number

\_\_\_\_\_  
Date Individual or Firm Signature of Preparer Preparer's Federal ID Number

PAYMENT AND SUBMISSION



Make check payable to: Treasurer, State of Maine  
Send check and return to: Maine Revenue Services, P.O. Box 1062, Augusta, ME 04332-1062

SCHEDULE A - APPORTIONMENT OF INCOME

Do not complete this schedule if 100% of your business activity is conducted in Maine. All others must complete this schedule and enter amount in columns A and B, even if those amounts are zero.

Read the instructions on page 5 before completing this Schedule.

If this schedule is left blank or excluded, your Maine apportionment factor will be set at 100%. Round all dollar amounts to whole numbers.

Table with 3 columns: (A) Within Maine, (B) Everywhere in U.S., (C) Maine Factors. Rows include Total Receipts, Total Payroll, Total Property, MAINE APPORTIONMENT FACTOR, NET INCOME PER BOOKS, INCOME APPORTIONED TO MAINE, TOTAL END-OF-YEAR ASSETS, and ASSETS APPORTIONED TO MAINE.

Office Use Only \_\_\_\_\_



**FORM CRB - Page 1 of 2**  
**MAINE FRANCHISE TAX**  
**COMBINED REPORT FOR UNITARY MEMBERS**

**2006**

Federal EIN : \_\_\_\_\_

**Important:** The Combined Report must be accompanied by a legible copy of the parent company's federal Consolidated Tax Return, pages 1, 2, 3 and 4 (or equivalent).

**This report must be attached to Form 1120B-ME.**

Col. 1 Nexus with Maine	Column 2 Name and Federal ID number of Unitary Business Member	Column 3 Net Income per Books of Unitary Member Participating in a Federal Consolidated Filing	Column 4 Net Income per Books of Unitary Member Filing Separate Federal Return	Column 5 Allowable Adjustments	Column 6 (A) Adjusted Separate Net Income per Book of Unitary Member (Combined Cols 3, 4, & 5)	Column 6(B) Total End-of-year Assets	
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
13.							
14.							
15.							
16.							
17.	Adjustments and eliminations for columns 6(B) through 9 (Attach schedule showing origin of any amount on this line)						
18.	<b>TOTALS</b>						



**FORM CRB - Page 2 of 2**  
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Line No.	Column 7		Column 8		Column 9	
	A. Receipts in Maine	B. Receipts Everywhere in U.S.	A. Payroll in Maine	B. Payroll Everywhere in U.S.	A. Property in Maine	B. Property Everywhere in U.S.
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						
16.						
17.	Adjustments					
18.	Totals					