

**SCHEDULE
NRH
FORM 1040ME
2008**

Attachment Sequence No. 11

Name(s) as shown on Form 1040ME

**SCHEDULE for CALCULATING the NONRESIDENT CREDIT
FOR MARRIED PERSON ELECTING TO FILE SINGLE**

This schedule must be enclosed with your completed Form 1040ME. Also attach a COMPLETE copy of your federal return including all schedules and worksheets. You do not have to complete Schedule NRH if you qualify for the low-income tax credit. Also, nonresident or "Safe Harbor" resident spouses with no Maine-source income do not have to file a Maine return.



Your Social Security Number

IMPORTANT: Complete Worksheets A and B on pages 25 and 26 before completing Schedule NRH.

If part-year resident, enter dates you were a Maine Resident

from _____ to _____ .

1 TOTAL INCOME - (Complete and attach Worksheets A and B on pages 25 and 26):

- a. Wages, Salaries, Other Employee Compensation 1a
- b. Interest and Dividends..... 1b
- c. Business and Farm Income or Loss..... 1c
- d. Capital Gain or Loss..... 1d
- e. Other Income or Loss (Except state income tax refunds) 1e
- f. Total Income 1f

2 RATIO OF INCOME:

Column B: Divide line 1f, column B by line 1f, column A

Column C: Divide line 1f, column C by line 1f, column B 2

3 FEDERAL INCOME ADJUSTMENTS:

Column A: Federal Form 1040, line 36 or 1040A, line 20

Column B: Multiply column A by line 2, column B

Column C: Multiply column B by line 2, column C..... 3

4 FEDERAL ADJUSTED GROSS INCOME: Subtract line 3 from line 1f.

Enter amount in column B on 1040ME, line 14 4

5 INCOME MODIFICATIONS:

a. Additions — Specify _____ 5a

b. Deductions — Specify _____ 5b

c. Total Modifications: Line 5a minus line 5b — indicate a negative amount with a minus sign. Enter amount in column B on 1040ME, line 15 5c

6 MAINE ADJUSTED GROSS INCOME: Line 4 plus or minus line 5c.

Enter amount in column B on 1040ME, line 16 6

7 RATIO OF MAINE ADJUSTED GROSS INCOME:

Column B: Divide line 6, column B by line 6, column A

Column C: Divide line 6, column C by line 6, column B 7

8 DEDUCTIONS: See Instructions

Itemized Deductions, if eligible:

Column A: From Maine Schedule 2, line 7

Column B: Multiply line 8, column A by line 7, column B

Enter result here and on Form 1040ME, line 17 (If less than standard, use standard) 8

9 EXEMPTIONS:

a. Dependents — Column A: Multiply number of dependent exemptions by \$2,850 (Do not include you or your spouse)

Column B: Multiply line 9a, column A by line 7, column B..... 9a

b. Yourself — enter \$2,850..... 9b

c. Total Exemptions: Add lines 9a and 9b, column B. Enter total here and on Form 1040ME, line 18..... 9c

10 ADJUSTED MAINE INCOME TAX: Enter Form 1040ME, line 20 minus

line 22 minus Maine Schedule A, lines 5 and 7 10

11 NONRESIDENT CREDIT: Multiply line 10 by line 7, column C.

Enter result here and on Form 1040ME, line 25 11

	A Total for Both Spouses from the Federal Return		B Your Share of Column A		C Non-Maine Source Portion of Column B	
1a						
1b						
1c						
1d						
1e						
1f						
2				▪ _____	▪ _____	
3						
4						
5a						
5b						
5c						
6						
7				▪ _____	▪ _____	
8						
9a						
9b						
9c						
10						
11						

SCHEDULE NRH INSTRUCTIONS

STEP 1. Complete Worksheets A and B on pages 25 and 26 before completing Schedule NRH.

STEP 2. Complete column A. List Your Joint Income As Reported On Your Joint Federal Return.

Lines 1a through 1f — Total Income. Enter income of both spouses as reported on your joint federal return. Include all income listed on the federal return except taxable refunds, line 10 of federal Form 1040.

Line 5 — Income Modifications/Pension Income Deduction. Complete lines 5a through 5c if you have Maine income modifications. See the instructions for Form 1040ME, Schedule 1 and the Worksheet for Pension Income Deduction for details explaining these modifications. Do not include taxable refunds of state and local income tax.

Line 8 — Deductions. If you itemized deductions on your joint federal return, complete Form 1040ME, Schedule 2 to calculate the amount of your joint Maine itemized deductions. Enter the result from Schedule 2, line 7 on this line in column A.

If you claimed the standard deduction on your joint federal return, leave line 8, column A blank. Additional instructions for the standard deduction are included in step 3 below.

Line 9 — Exemptions. Multiply the number of dependent exemptions claimed on your federal return by \$2,850. Exclude the exemptions for you and your spouse. Enter the result on line 9a in column A.

STEP 3. Complete column B. List Your Income.

Lines 1a through 1f. Enter only your income in column B. Attribute earned income to the spouse who earned it. Unless it is attributable to one spouse, divide unearned income (interest, dividends, capital gains, etc.) equally between you and your spouse.

Line 3 — Federal Income Adjustments. Enter your share of the adjustments shown on your federal Form 1040, line 36 or federal Form 1040A, line 20.

Line 5 — Income Modifications. Enter your share of the income modifications listed in column A.

Line 8 — Deductions. If you itemized deductions, calculate your share by multiplying the amount on line 8, column A, by the percentage listed on line 7, column B. If your share of the itemized deductions is less than the Maine standard deduction for single, use the Maine standard deduction for single.

If you use the standard deduction on your joint federal return, use the Maine “single” standard deduction. The Maine standard deduction for a single individual is \$5,450 unless you claimed zero exemptions on your federal return. If so, the standard deduction is the greater of \$900 or the sum of \$300 plus earned income up to a maximum of \$5,450. If you are age 65 or over **or** blind, increase the standard deduction amount by \$1,350. If age 65 or over **and** blind, increase it by \$2,700.

Enter your deduction amount (itemized or standard, whichever is greater) on line 8, column B.

Line 9 — Exemptions. You are entitled to claim your own personal exemption plus a portion of the dependent exemptions claimed on your joint federal return. Follow the instructions on Schedule NRH to complete lines 9a, 9b and 9c.

Tax Additions and Tax Credits. Refer to Maine Schedule A on page 21 for tax additions and tax credits. If you claim any of the listed additions or individual credits (Maine Schedule A, lines 5 and 7), multiply the joint amount of the individual credits or additions by the percentage listed on line 7, column B of Schedule NRH. (**NOTE:** The child care credit on Maine Schedule A, line 6 is prorated on the Worksheet for Child Care Credit on page 22). Enter your share on Maine Schedule A to enter the results on Form 1040ME. You may claim 100% of your ownership share of the business credits on Maine Schedule A, lines 9-14 and 16-18.

STEP 4. Complete Form 1040ME. Complete Form 1040ME lines 1-23 using the amounts listed in column B, Schedule NRH.

Filing Status: Check Single.

Number of Exemptions: Enter total number of exemptions claimed on your joint federal return less the exemption for your spouse.

Lines 14, 15, 16, 17, 18: Enter amounts from column B of Schedule NRH. Follow the instructions on Schedule NRH.

Line 20: Use the tax amount from the Single column in the tax table on pages 31 through 35 or compute your tax based on the tax rate schedule on page 35 for your taxable income as listed on line 19.

Line 31: Use Tax. Enter zero unless you are filing as a resident and have a use tax liability (see specific instructions for line 31 on page 7).

STEP 5. Complete column C. List in column C the Non-Maine-Source portion of the income listed in column B. If you are filing as a Maine resident, do not complete column C. See page 12 for an overall description of Maine-source and non-Maine-source income. Use Worksheet B on page 26 to help you determine amounts to enter on line 1. For line 5, prorate the pension deduction (Form 1040ME, Schedule 1, line 2d) and the subtraction for premiums for Long-Term Care Insurance (Form 1040ME, Schedule 1, line 2f) based on the percentage of qualified pension income received or premiums paid as a nonresident or “Safe Harbor” resident. Do not include your spouse’s income in this column. Supply W-2 forms from other states or temporary duty (TDY) papers to support entries in column C.

STEP 6. Compute your Nonresident Credit. If you are filing as a Maine resident, do not complete lines 10 and 11.

Line 10. Adjusted Maine Income Tax. Enter your adjusted Maine income tax. Take this amount from Form 1040ME, line 20 minus line 22, minus Maine Schedule A, lines 5 and 7.

Line 11. Nonresident Credit. Find your nonresident credit by multiplying the amount on line 10 by line 7, column C. Enter the result here and on Form 1040ME, line 25. This is your nonresident credit.

STEP 7. Complete Form 1040ME. Calculate your balance due or refund by completing the remaining lines on Form 1040ME. Follow the instructions for Form 1040ME.