

2011 MAINE MINIMUM TAX WORKSHEET

Use this Worksheet to complete:

Form 1040ME, Schedule A, Line 3a – Enclose a copy of your 2011 federal Form 6251



Name(s) as shown on Form 1040ME

Your Social Security Number

New for 2012. For tax years beginning on or after January 1, 2012, the Maine minimum tax is repealed for non-corporate taxpayers. Thus, any tax year beginning in 2011 will be the last tax year individuals will be subject to the Maine minimum tax. However, any unused Maine minimum tax credit may be claimed, subject to the Maine minimum tax credit limitations, for tax years beginning after 2011 until exhausted.

Do you owe a 2011 Maine Minimum Tax? See the Maine Minimum Tax Worksheet Instructions to determine whether you owe a 2011 Maine minimum tax or are required to file the 2011 Maine Minimum Tax Worksheet.

1. Federal alternative minimum taxable income (Federal Form 6251, line 28) 1. _____
2. Modifications (May be a positive or negative number) - **See instructions** 2. _____
3. Maine tentative alternative minimum taxable income (line 1 plus or minus line 2). If zero or less, enter zero..... 3. _____
4. **Exemption.** Enter amount for your filing status shown below: 4. _____

If your filing status is:	and line 3 is not over:	Enter on line 4:
Single or Head of Household	\$112,500	\$33,750
Married filing Jointly or Qualifying Widow(er)	\$150,000	\$45,000
Married Filing Separately	\$75,000	\$22,500

If line 3 is more than the amount shown above for your filing status, see instructions.
5. Maine alternative minimum taxable income (subtract line 4 from line 3). If zero or less, enter zero 5. _____
6. Tentative minimum tax. **See instructions** 6. _____
7. Apportionment factor. Maine residents enter 100%. **Nonresident and part-year residents see instructions** 7. _____ %
8. Multiply line 6 by line 7, enter result here 8. _____
9. Maine income tax (Form 1040ME, line 20 less line 25) 9. _____
10. Alternative minimum tax (Subtract line 9 from line 8). If zero or less, enter zero 10. _____
11. Credit against the Maine minimum tax for minimum tax paid to other jurisdictions (For Maine residents only).
Enter line E from Worksheet below. 11. _____
12. Maine Minimum Tax (subtract line 11 from line 10. If zero or less, enter zero. Enter result on Form 1040ME, Schedule A, line 3a) .. 12. _____

Maine Minimum Tax — Worksheet for Line 11 above — Maine residents only Credit Against the Maine Minimum Tax for minimum tax paid to other jurisdictions

- A. Taxpayer's Maine tentative alternative minimum taxable income (Line 3 above) A. _____
- B. Income included in line A above that is derived from other jurisdiction B. _____
- C. Percentage of income taxed by other jurisdiction (Divide line B by line A)..... C. _____ %
- D. Limitation of credit:
 1. Maine alternative minimum tax (Line 10 above) multiplied by percent on line C D(1). _____
 2. Minimum tax paid other jurisdiction on income taxed under the Maine minimum tax D(2). _____
- E. Allowable credit, the lesser of lines D(1) or D(2). Enter here and on line 11 above E. _____

2011 MAINE MINIMUM TAX CREDIT AND CARRYFORWARD TO 2012 Worksheet for Form 1040ME, Schedule A, Line 15

Enclose a copy of 2011 federal Form 8801

13. Enter the amount from the 2010 Maine Form 1040ME, Schedule A, line 3c 13. _____
14. Minimum tax credit carryforward from 2010 (2010 Maine Minimum Tax Worksheet, line 21) 14. _____
15. Enter 2010 net state minimum tax on federal exclusion items – From the worksheet for this line 15. _____
16. 2010 adjusted net state minimum tax (Line 13 plus line 14 minus line 15 – if zero or less, enter zero) 16. _____
17. Enter 2011 Maine income tax liability (2011 Form 1040ME, line 20 plus line 21 [except minimum tax] minus line 22 minus line 24 [except minimum tax credit] minus line 25) 17. _____
18. Enter 2011 Maine tentative minimum tax (Line 8 above) 18. _____
19. Subtract line 18 from line 17 (If zero or less, enter zero) 19. _____
20. **Maine minimum tax credit:** Enter the lesser of line 16 or 19 here and on Form 1040ME, Schedule A, line 15 20. _____
21. **Maine minimum tax credit carryforward to 2012** (Subtract line 20 from line 16)..... 21. _____

NOTE: If you have a Maine minimum tax credit carryforward to 2012, keep a copy of the worksheet to submit with your 2012 Maine individual income tax return.

Maine Minimum Tax — Income Modification Worksheet for Line 2

Federal Alternative Minimum Taxable Income ("FAMTI") (from federal Form 6251, line 28):

1. ADDITIONS to federal alternative minimum taxable income.

- a. Income from municipal and state bonds, other than Maine to the extent not included in FAMTI above **1a** _____
- b Net Operating Loss Adjustment (See instructions. Attach a schedule showing your calculation) **1b** _____
- c Maine Public Employees Retirement System Contributions **1c** _____
- d Domestic Production Activities Deduction Add-back (See instructions) **1d** _____
- e Bonus Depreciation Add-back to the extent deducted in arriving at FAMTI (See instructions) **1e** _____
- f Maine Capital Investment Credit Bonus Depreciation Add-back to the extent deducted in arriving at FAMTI (See instructions) **1f** _____
- g Fiduciary Adjustment - additions only** (Attach a copy of your federal Schedule K-1) **1g** _____
- h Other (See instructions). List the type and amount of income items included (attach a separate schedule, if necessary) **1h** _____
- i Deductible costs included in FAMTI above (from Maine Schedule 2, line 5b), incurred in the production of Maine exempt income (See instructions) **1i** _____
- j Any loss, deduction or other expense included in FAMTI attributable to income from an ownership interest in a flow-through entity financial institution **1j** _____
- k Total additions** (Add lines 1a through 1j) **1k** _____

2. SUBTRACTIONS from federal alternative minimum taxable income.

- a U.S. Government Bond interest included in FAMTI above **2a** _____
- b Social Security and Railroad Retirement Benefits included in FAMTI above **2b** _____
- c Pension Income Deduction (from Form 1040ME, Schedule 1, line 2d) **2c** _____
- d Interest from Maine Municipal General Obligation, Private Activity and Airport Authority Bonds included in FAMTI (See federal Form 6251, line 12) **2d** _____
- e Premiums for Long-Term Care Insurance (Do not include health insurance premiums on this line) (See instructions). **NOTE: If you itemize deductions, complete worksheet below** **2e** _____
- f Maine Public Employees Retirement System Pick-Up Contributions paid to the taxpayer during 2011 which have been previously taxed by the state **2f** _____
- g Contributions to Qualified Tuition Programs - 529 Plans (from Maine Schedule 1, line 2h) **2g** _____
- h Fiduciary Adjustment-deductions only** (Attach a copy of your federal Schedule K-1) **2h** _____
- i Bonus Depreciation and Section 179 Recapture (See instructions) **2i** _____
- j Other. List (See instructions) (**Do not enter non-Maine income on line 2j**) **2j** _____
- k Deductible costs of producing income exempt from federal alternative minimum tax, but subject to the Maine alternative minimum tax (from Maine Schedule 2, line 6) (See instructions) **2k** _____
- l Total Subtractions** (Add lines 2a through 2k) **2l** _____

3. Net Modification (Subtract line 2l from line 1k — enter here and on Minimum Tax Worksheet, line 2 [may be a negative amount]) **3** _____

Maine Minimum Tax — Worksheet for Line 2e above

For individuals claiming a deduction for long-term care insurance premiums. Complete this worksheet **only** if you claim Maine itemized deductions and federal Schedule A, line 4 is greater than zero or you are self-employed and federal Form 1040, line 29 is greater than zero.

- 1. Enter total amount of long-term care insurance premiums paid during 2011: \$
- 2. Enter amount from federal Schedule A, line 1 \$ _____
- 3. Enter amount of long-term care premiums included in line 2 above \$ _____
- 4. Divide line 3 by line 2 — . — — —
- 5. Enter federal Schedule A, line 4 minus federal Form 6251, line 2 \$ _____ .
Multiply this amount by percentage on line 4 above and enter result here \$ _____
- 6. Enter the amount of long-term care insurance premiums included on federal Form 1040, line 29 \$ _____
- 7. Subtract line 5 and line 6 from line 1. Enter result here and on Maine Minimum Tax - Income Modification Worksheet, line 2e above \$ _____

Maine Minimum Tax — Exemption Worksheet for Line 4

Note: If the amount on line 3 of your Maine Minimum Tax Worksheet is equal to or more than: \$247,500 if single or head of household; \$330,000 if married filing jointly or qualifying widow(er); or \$165,000 if married filing separately, your exemption is zero. If your exemption amount is zero, **do not** complete this worksheet; instead, on the Maine Minimum Tax Worksheet, enter the amount from line 3 on line 5 and go to line 6.

- a. Enter: \$33,750 if single or head of household; \$45,000 if married filing jointly or qualifying widow(er);
\$22,500 if married filing separately **a.** _____
- b. Enter the amount from line 3 of your Maine Minimum Tax Worksheet..... **b.** _____
- c. Enter: \$112,500 if single or head of household; \$150,000 if married filing jointly or
qualifying widow(er); \$75,000 if married filing separately..... **c.** _____
- d. Subtract line c from line b. If zero or less, enter -0-..... **d.** _____
- e. Multiply line d by 25% (.25) **e.** _____
- f. Subtract line e from line a. If zero or less, enter -0-. If this form is for a child under age 18, go to
line g below. Otherwise, **stop here** and enter this amount on line 4 of the Maine Minimum Tax Worksheet..... **f.** _____
- g. Child's minimum exemption amount **g.** \$6,800
- h. Enter the **child's earned income**, if any..... **h.** _____
- i. Add lines g and h..... **i.** _____
- j. Enter the **smaller** of line f or line i here and on line 4 of the Maine Minimum Tax Worksheet **j.** _____

MAINE MINIMUM TAX WORKSHEET INSTRUCTIONS

Do you owe a Maine Minimum Tax?

Resident, part-year resident, nonresident and "Safe Harbor" resident individuals must complete the Maine Minimum Tax Worksheet to determine whether they owe a Maine minimum tax **only if** the total of Maine tentative alternative minimum taxable income ("AMTI") (federal Form 6251, line 28 plus Maine addition income modifications [see the Maine Minimum Tax Worksheet for line 2]) is greater than the applicable Maine minimum tax exemption amount shown below. Individuals not required to file federal Form 6251 must complete a pro forma Form 6251 to determine the federal alternative minimum taxable income amount for Maine purposes. Taxpayers that do not owe a Maine minimum tax are not required to file the Maine minimum tax worksheet with their Maine income tax return.

If your filing status is: and Maine tentative Exemption is:
AMTI is not greater than:

Single or Head of Household	\$112,500*	\$33,750
Married filing Jointly			
or Qualifying Widow(er)	\$150,000*	\$45,000
Married Filing Separately	\$75,000*	\$22,500

*If the total of federal Form 6251, line 28 and Maine positive income modifications is greater than the income amounts shown in the table above, use the worksheet for line 4 to determine the applicable exemption amount.

If you exceed these thresholds, you must complete a Maine Minimum Tax Worksheet to determine whether you owe Maine minimum tax. See instructions and supporting worksheets attached or call (207) 626-8475.

Line 2. The income modifications that apply to the Maine regular tax also apply to the Maine minimum tax. See the Worksheet for Line 2 and related instructions for a description of the Maine income modifications. **Enter only amounts not already added or subtracted in calculating federal alternative minimum taxable income. The amount you enter on line 2 may be either a positive or negative number.**

Line 4. Enter on line 4 the appropriate amount from the table at line 4 on the Worksheet. If line 3 is greater than the income amount in the table for your filing status, complete and attach the **Worksheet for line 4 (Maine Minimum Tax Exemption Worksheet)**.

Line 6. Use the following tables to calculate the Maine tentative minimum tax.

(For all taxpayers except married individuals filing separate returns)

<u>If line 5 is:</u>	<u>The Tax is:</u>
Not more than \$175,000	7.0% of the Maine alternative minimum taxable income
Greater than \$175,000	\$12,250 plus 7.6% of the excess over \$175,000

(For married taxpayers filing separate returns)

<u>If line 5 is:</u>	<u>The Tax is:</u>
Not more than \$87,500	7.0% of the Maine alternative minimum taxable income
Greater than \$87,500	\$6,125 plus 7.6% of the excess over \$87,500

Line 7. The apportionment factor for nonresidents and part-year residents is the amount of the taxpayer's *Maine-source* income included on line 3 **divided** by the *total* income on line 3.

MAINE MINIMUM TAX INSTRUCTIONS — Income Modification Worksheet for Line 2

Line 1. ADDITIONS to federal alternative minimum taxable income. *Also include the taxpayer's distributive share of addition modification items from partnerships, S corporations and other pass-through entities.*

Line 1a. Enter the **income from municipal and state bonds, other than Maine**, that is not included in your federal alternative minimum taxable income (i.e., enter bond interest from City of New York but not from Portland, Maine). Generally, this is the amount from Form 1040ME, Schedule 1, line 1a.

Line 1b. Enter any **net operating loss carry forward** included in federal alternative minimum taxable income. For more information on NOLs, go to www.maine.gov/revenue/forms (select Income Tax Guidance Documents). Generally, this is the amount from Form 1040ME, Schedule 1, line 1b.

Line 1c. Enter 2011 **Maine Public Employees Retirement System Contributions**. See your Maine W-2 form. Generally, this is the amount from Form 1040ME, Schedule 1, line 1c.

Line 1d. Enter the amount claimed as a **domestic production activities deduction** on federal Form 1040, line 35. Generally, this is the amount from Form 1040ME, Schedule 1, line 1d.

Line 1e. Bonus depreciation add-back: An addition modification is required equal to the net increase in depreciation resulting from bonus depreciation claimed for federal alternative minimum tax purposes. To calculate this addition modification, the amount of the add-back on line 1f must be subtracted from the basis of property placed in service in 2011. Then MACRS depreciation must be calculated on the remaining property

basis. The amount entered on this line equals the amount that the federal depreciation claimed, less the amount on line 1f, exceeds the recalculated MACRS depreciation. If the recalculated MACRS depreciation is greater than the adjusted federal depreciation, no addition modification is required on this line. Enclose a copy of the federal Form 4562, along with the add-back calculation, with the return. For more information and examples, go to www.maine.gov/revenue/forms (select *Income Tax Guidance Documents*). Generally, this is the amount from Form 1040ME, Schedule 1, line 1e.

Line 1f. Enter the amount of bonus depreciation claimed for federal alternative minimum tax purposes relating to property for which the Maine Capital Investment Credit is claimed. Generally, this is the amount from Form 1040ME, Schedule 1, line 1f.

Line 1g. Enter your share of a **fiduciary adjustment (addition modifications)** relating to income from an estate or trust (36 MRSA § 5122(3)). Attach a copy of your federal Schedule K-1. Generally, this is the amount from Form 1040ME, Schedule 1, line 1g.

Line 1h. Other. Enter on this line: • general sales taxes or qualified mortgage insurance premiums deducted in arriving at federal alternative minimum taxable income • amounts deducted as a business or other expense for federal tax purposes that are included in the credit base for the high-technology investment tax credit and the forest management planning credit • qualified tuition and other education expenses deducted on federal Form 1040 or Form 1040A • qualified payments and tax benefits from states or municipalities to firefighters and emergency medical responders that are excluded from federal gross income pursuant to Code section 139B. *List the source of each amount claimed in the space provided.* For more

information, go to www.maine.gov/revenue/forms.

Line 1i. Deductible costs, included in federal alternative minimum taxable income, incurred in the production of Maine exempt income. Enter any interest or other expense deductions reflected in federal alternative minimum taxable income attributable to income not taxable under Maine law. Generally, this is the amount from Form 1040ME, Schedule 2, line 5b.

Line 1j. Ownership interest in a flow-through entity financial institution. Enter any loss, deduction or other expense included in federal alternative minimum taxable income attributable to an ownership interest in a flow-through entity financial institution.

Line 2. SUBTRACTIONS from federal alternative minimum taxable income. NOTE: You may only subtract the items listed below on this schedule. Also include the taxpayer's distributive share of subtraction modification items from partnerships and S Corporations. Enter only amounts not already subtracted in calculating federal alternative minimum taxable income.

Line 2a. If included in federal alternative minimum taxable income, enter **income from direct obligations of the U.S. Government**, such as Series EE and Series HH Savings bonds, U.S. Treasury bills and notes. Include on this line only the amount of interest included in your federal alternative minimum taxable income. Generally, this is the amount from Form 1040ME, Schedule 1, line 2a.

Line 2b. If included in federal alternative minimum taxable income, enter **social security benefits** issued by the U.S. Government and **railroad retirement benefits (tier 1 and tier 2)** and unemployment and sick benefits issued by the U.S. Railroad Retirement Board. Generally, this is the amount from Form 1040ME, Schedule 1, line 2c.

Line 2c. Enter the **pension income deduction**. See Maine Schedule 1, line 2d instructions for more information. Include copies of your 1099 forms to verify the subtraction.

Line 2d. If included in federal alternative minimum taxable income, enter **interest from Maine municipal general obligation and private activity bonds and bonds issued by a Maine airport authority**. Generally, this is the amount from Form 1040ME, Schedule 1, line 2e.

Line 2e. Enter **premiums for long-term care insurance**. If federal Form 6251, line 2 is greater than zero, complete the worksheet for line 2e on page 2. To qualify the insurance policy on which the premiums are paid 1) must meet the federal definition for a long-term care insurance contract (IRC § 7702B(b)) (these are long-term care premiums that generally qualify for federal itemized deductions), or 2) be certified by the Maine Bureau of Insurance. Premiums claimed must be reduced by any premiums claimed as Maine itemized deductions and by any premiums included in the federal self-employed health insurance deduction claimed on federal Form 1040, line 29.

Line 2f. Use this line only if you retired after 1988 and are receiving retirement benefits from the **Maine Public Employees Retirement System (MePERS)**. Subtract the amount in box 12 from the amount in box 2a on For 1099-R issued by MePERS. Also enter on this line MePERS rollover amounts previously taxed by the state under the Maine alternative minimum tax, whether or not included in federal alternative minimum taxable income. Generally, this is the amount from Form 1040ME, Schedule 1, line 2g.

Line 2g. Enter up to \$250, per beneficiary, of contributions made to a Maine or non-Maine **qualified tuition program** ("529 college savings plan") only if your federal adjusted gross income is not more

than \$100,00 if single or married filing separately or \$200,00 if married filing joint or head of household. Generally, this is the amount from Form 1040ME, Schedule 1, line 2h.

Line 2h. Enter your share of a **fiduciary adjustment (subtraction modifications)** relating to income from an estate or trust (36 MRSA § 5122(3)) to the extent allowable for Maine alternative minimum tax purposes. Attach a copy of your federal Schedule K-1. Generally, this is the amount from Form 1040ME, Schedule 1, line 2i.

Line 2i. Bonus depreciation/section 179 expense recapture amounts required to be added to income under 36 MRSA §§ 5122(1)(N), 5122(1)(AA) or 5200-A(1)(N) with respect to individual owners of certain electing S corporations) for Maine alternative minimum tax purposes may be recaptured over the life of the applicable asset. For more information and examples, visit www.maine.gov/revenue/forms. (select *Income Tax Guidance Documents*).

Line 2j. Other Subtractions. Unless specifically stated, do not enter non-Maine income on this line. Enter **ONLY** items specifically listed below. **NOTE: Maine net operating loss carryover deductions are not allowed for tax years beginning in 2009, 2010 and 2011. For more information on Maine's treatment of NOLs, go to www.maine.gov/revenue/forms (select Income Tax Guidance Documents).**

List the source of each amount claimed in the space provided and attach supporting documentation when claiming an amount on this line. Enter only amounts included in federal alternative minimum taxable income. **Enter on this line:** • military compensation received by a **nonresident** servicemember • military annuity payments made to a survivor of a deceased member of the military as a result of service in the active or reserve components of the U.S. armed services under a survivor benefit plan or reserve component survivor benefit plan in accordance with 10 USC, Chapter 73 • recovery amounts included on federal Form 1040, line 21 related to items previously deducted on your federal return but not on your Maine return in an earlier year, such as real estate taxes • discharge of indebtedness amounts included in federal alternative minimum taxable income deferred for federal alternative minimum tax purposes but not Maine alternative minimum tax purposes during 2009 or 2010 • the amount of loan payments made by employers included in federal alternative minimum taxable income of individuals qualified for the Opportunity Maine Credit • the amount of the reduction in your salaries and wages expense deduction directly related to claiming the federal Work Opportunity Credit or Empowerment Zone Credit to the extent allowed against federal alternative minimum tax. These amounts are reported on federal Form 5884, line 2b or federal Form 8844, line 2b (owners of pass-through entities, enter your share of the amount from line 3 of these forms to the extent not included on line 2b). Note: do not enter wage amounts from Form 8844 related to the federal Renewable Community credit. • settlement payments received by Holocaust victims that are included in federal alternative minimum taxable income • account proceeds from a Family Development Account administered by FAME • earnings from fishing operations that were contributed to a capital construction fund • the amount of military retirement benefits not included in the pension income deduction on line 2d received by certain licensed dentists who practice an average of 20 hours or more per week in Maine and accept patients who receive MaineCare benefits • income from investments in the Northern Maine Transmission Corporation • up to \$750 of property tax benefits provided by municipalities to senior citizens pursuant to 36 MRSA § 6232(1-A) to the extent included in federal alternative minimum taxable income • interest income and capital gains from the sale of bonds issued relative to the Maine Waste Management & Recycling Program to the extent included in

federal alternative minimum taxable income • all items of income, gain, interest, dividends, royalties and other items of income of a financial institution subject to the Maine franchise tax that are included in your federal alternative minimum taxable income due to an ownership share in the financial institution that is a partnership, S corporation, or entity disregarded as separate from its owner • the total of capital gains and ordinary income resulting from depreciation recapture pursuant to Code sections 1245 and 1250 realized on the sale of multifamily affordable housing property certified by the Maine State Housing Authority. A copy of the MSHA certificate must be attached to the return.

Line 2k. Deductible costs of producing income exempt from federal alternative minimum tax but subject to the Maine alternative minimum tax. Enter any interest or other expense items attributable to income taxable under Maine alternative minimum tax law, but exempt from federal alternative minimum tax. Enter only amounts not included in federal alternative minimum taxable income.