

MAINE CORPORATE INCOME TAX

2009 MAINE AMENDED RETURN, 1120X-ME INSTRUCTIONS

This form may only be used to amend a 2009 Maine tax return

Purpose of form: A Maine amended return must be filed when: 1) an amended federal return has been filed that affects the taxpayer's liability; 2) the Internal Revenue Service has made a change or correction that affects the taxpayer's liability; or 3) there are other changes or corrections that affect the taxpayer's liability.

Form to use: Use **2009 Form 1120X-ME** to correct Form 1120ME returns for year **2009 only**. To correct Form 1120ME or Form 1120A-ME returns for years **1991 through 2008**, use a **Form 1120X-ME applicable to appropriate year**. To obtain a Form 1120X-ME for years 1991 through 2008, go to www.maine.gov/revenue/forms or call 207-624-7894. For years prior to 1991, use **Form 1120ME for the year(s) prior to 1991 you are amending** and print or type "amended" in the upper left corner of the form. To obtain a form for the pre-1991 year being amended, go to www.maine.gov/revenue/forms or call 207-624-7894.

Attachments: Attach copies of federal Form 1120X or the Internal Revenue Agent report to support changes shown on Maine Form 1120X-ME. In the event of a net operating loss, attach a copy of federal Form 1139 for each year you are amending. For all amended returns, Schedules A through D must be completed, even if the amounts have not changed from the original return.

NOL carryover deductions are not allowed on the Maine return for tax years beginning in 2009, 2010 and 2011. This includes no deductions for federal net operating loss carryforwards and no deductions for Maine recapture modifications related to denial of federal NOL carrybacks. Thus, the subtraction modification recapture of previously denied federal NOL carrybacks is disallowed and an addition modification is required equal to any federal carryforward amount. The disallowance of NOL deductions in 2009, 2010 and 2011 may be recaptured through subtraction modifications that will be allowed for tax years beginning after 2011. The recapture must be made during the federal carryover period plus the number of years the NOL deduction was disallowed.

Reporting Net Operating Loss: Federal net operating losses, including carrybacks and carryforwards, are reflected in the federal taxable income reported on the Maine corporate income tax return, line 1. If the Maine amended return being filed is due to federal NOL carrybacks or carryforwards, you must attach a copy of federal Form 1139 or Form 1120X and a schedule that reflects, from year to year, the use of the federal NOL carryback or carryforward and related income modifications described below. Corporations included in a federal consolidated return filing a separate Maine return that carry back a loss for Maine purposes that differs from the federal NOL carryback must complete and attach to the Maine Form 1120X-ME a pro forma federal Form 1139 (or similar schedule containing all of the information required by federal Form 1139) to support the amount of NOL deduction being claimed for Maine purposes. Clearly mark the form "Maine pro forma."

The following modifications are reported on the Maine corporate income tax return, line 4d: 1) for tax years beginning prior to 2002, the amount of any NOL for the current taxable year which, for federal income tax purposes, has been or will be carried back to previous taxable years in accordance with IRC § 172; 2) the amount of any NOL carryover deduction claimed for federal income tax purposes in accordance with IRC § 172 which has previously been used to offset Maine modifications to federal taxable income under 36 MRSA § 5200-A(1); 3) for tax years beginning in 2008, increase Maine taxable income by 10% of any federal net operating loss carryover in excess of \$100,000 used in calculating federal

taxable income; 4) for tax years beginning in 2009, 2010 and 2011, the amount of any federal NOL carryforward included in federal taxable income.

The following modifications are also reported on the Maine corporate income tax return, line 4d: 1) for NOLs arising in tax years 1991 – 1992 and beginning on or after January 1, 2002 that were carried back for federal income tax purposes, the federal taxable income in the year or years preceding the year of the loss must, for Maine income tax purposes, be increased by the amount of the federal NOL carryback; 2) for NOLs arising in tax years beginning or ending in 2001 that were carried back more than two years for federal income tax purposes, the federal taxable income in the year or years preceding the year of the loss by more than two years must, for Maine income tax purposes, be increased by the amount of the federal NOL carryback. The modification relating to NOLs arising in years beginning or ending in 2001 does not apply to certain small businesses and farmers.

For more information on Maine's treatment of NOLs, see [maine.gov/revenue/forms](http://www.maine.gov/revenue/forms) (select Income Tax Guidance Documents).

Alternative Minimum Tax: The above modifications also apply to the Maine Alternative Minimum tax. Attach a schedule showing the alternative minimum tax loss and use of modifications.

Unitary groups: For a unitary group filing a combined Maine return, the federal taxable income to be reported on the Maine corporate return, line 1 is the federal taxable income under the laws of the United States for the unitary group (*see* MRS Rule 810). This is the amount shown on Form CR, line 20 as amended. All unitary business groups must complete Form CR.

Do not alter form: Maine Revenue Services uses optical scanners to process Forms 1120ME and 1120X-ME. These forms cannot be altered in any way. Do not change line numbers or descriptions as these changes will not be detected when scanned. All dollar amounts other than zero must be written in the appropriate column even if the amount has not changed from a previous return or filing period. Any box in column C that is left blank will be read as a zero. Do not use the null sign.

When to file: Amended Maine income tax returns must be filed within 90 days of the final determination of the change or correction of the filing of the federal amended return or Internal Revenue Agent report. File Form 1120X-ME only after you have filed an original return.

Generally, to receive a refund of taxes paid, you must file Form 1120X-ME within three years after the date the original return was filed, or within three years after the date the tax was paid, whichever is later. This time limit does not apply when the Internal Revenue Service makes an adjustment that affects the taxpayer's liability.

Combined Reports: Refer to the instructions for Form CR and Combined Reporting in the corporate income tax booklet. You must attach a copy of Form CR to Form 1120X-ME if you are a member of a unitary business group.

Reason for change: Check the appropriate box to identify the reason for filing this form: 1) if an Internal Revenue Service audit change, attach a copy of the federal audit; 2) if a net operating loss, attach a copy of federal Form 1139; 3) if an amended federal Form 1120X, attach a copy of the federal amended return; 4) if an accounting change, attach approval of acceptance from the Internal Revenue Service; 5) if other, attach a written explanation of change.

MAINE CORPORATE INCOME TAX
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Net Operating Loss:

A. For calendar tax year **2000 and earlier** calendar and fiscal tax years (except 1989 - 1993; see instructions for those years), Maine conforms to all federal net operating loss carrybacks and carryforwards.

B. For tax years beginning or ending in **2001**, Maine allowed a two-year federal carryback and a longer carryback in certain situations (five years for farmers, for example. See IRC § 172). However, Maine decoupled from the special five-year carryback period allowed under the Jobs Creation and Worker Assistance Act of 2002 (See federal PL 107-147).

C. For tax years **2002 and on**, Maine does not allow any NOL carryback. NOL carryforward deductions are limited for tax years beginning in 2008 and not allowed for tax years beginning in 2009, 2010 and 2011.

For more information on Maine's treatment of NOLs, see **maine.gov/revenue/forms** (select Income Tax Guidance Documents).

Column A: Enter the amounts from your return as originally filed or previously amended. If your return was adjusted or audited by the State of Maine, enter the amounts as last adjusted.

Column B: Enter the net increase or net decrease for each line that is changed. Use a minus sign to the left of the number to indicate a decrease.

Column C: This column must be filled out completely even if the amount in column A is not being adjusted. Combine the amounts in column A and column B and enter the result in column C.

SCHEDULES A - D:

Check the amended box if the schedule is being changed as a result of this amended return and complete each schedule with the amended figures. Check the original or previously adjusted box if the schedule shows the figures as last adjusted or originally filed. In all cases, properly complete columns A, B and C of Form 1120X-ME, lines 7a, 7b and 8d as they relate to Schedules A, B and C.

Schedule A: Schedule A is for corporations engaged in interstate business. If this is the case, you must complete this schedule, even if you are not changing the figures from the original or as previously adjusted. See additional Schedule A instructions on page 6.

Schedule B: Complete this schedule even if amounts are the same as originally filed or previously adjusted. Note: the method of calculating minimum tax was changed for 2004. The amended return in this booklet is for tax year 2008 only. For years prior to 2008, use the Schedule B applicable to the tax year return being amended.

Schedule C: If you had other credits on your original return that are still valid, you must enter those credits here, even if you are not making any adjustments. See additional Schedule C instructions on page 8.

Schedule D: A minimum tax credit is available for tax years beginning on or after January 1, 1992. This credit is modeled after the federal alternative minimum tax credit. Complete this schedule to calculate your credit. You must complete this schedule and enter line 30g on Schedule C, line 29j, even if you are not changing the figures from the original return or as previously adjusted.

NOTE: For tax years 2005 and later, you must apportion the gross tax amount to determine Maine liability. For years prior to 2005, the apportionment percentage was applied to income instead of tax. For tax years 2007 and later, the Schedule A apportionment calculation is based completely on sales. Be sure to select the correct amended return for the year you wish to amend. For more information, see instructions for Form 1120ME, lines 6 and 7a.

**An incomplete Form 1120X-ME
cannot be processed. Attaching
schedules or spreadsheets in lieu of
this form is not acceptable.**