

2002 MAINE MINIMUM TAX WORKSHEET

020211400

Use this Worksheet to complete:

Form 1040ME, Schedule A, Line 3 – Enclose a copy of your 2002 federal Form 6251 or
Form 1041ME, Schedule A, line 2 – Enclose a copy of your federal Form 1041, Schedule I

Name(s) as shown on Form 1040ME or 1041ME

Your Social Security Number

□□□□ - □□ - □□□□

WHO MUST FILE THIS FORM? Resident individuals, estates, and trusts with an amount entered on federal Form 6251, line 31 or federal Form 1041, Schedule I, line 52; and nonresident individuals, estates, and trusts with Maine-source income that have an amount entered on federal Form 6251, line 31 or federal Form 1041, Schedule I, line 52. Also, individuals that do **not** have a federal tentative minimum tax but do have addition modifications under 36 M.R.S.A. §5122(1) must complete and file the Maine minimum tax worksheet. (See line 3 below).

1. Federal Tentative Minimum Tax (Federal Form 6251, line 33 or federal Form 1041, Schedule I, line 54) 1. _____
2. Add: Federal Alternative Minimum Tax Foreign Tax Credit (Federal Form 6251, line 32 or federal Form 1041, Schedule I, line 53) 2. _____
3. Modifications (May be a negative number) (See instructions): 3. _____
4. Adjusted federal tentative minimum tax (Combine lines 1, 2, and 3) 4. _____
5. **Nonresident and part-year resident** apportionment factor (Maine residents enter 100%) (See instructions) 5. ____ . ____ %
6. Multiply line 4 by line 5, enter result here 6. _____
7. Rate 7. 27%
8. State minimum tax (Multiply line 6 by line 7) 8. _____
9. Maine income tax (Form 1040ME, line 20 less line 25) 9. _____
10. Net state minimum tax (Subtract line 9 from line 8) 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 (See instructions) 11. _____
12. Maine Minimum Tax (subtract line 11 from line 10 – if zero or less, enter zero. Enter result on 1040ME, Schedule A, line 3
or 1041ME, Schedule A, line 2) 12. _____

(Worksheet for line 11 above – **Maine residents only: Credit Against the Maine Minimum Tax** for tax paid to other taxing jurisdictions)

- A. Taxpayer's total income associated with adjusted federal tentative minimum tax (Line 4 above) A. _____
- B. Taxpayer's income associated with the adjusted federal tentative minimum tax 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. Net state 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 smaller of lines D(1) or D(2). Enter here and on line 11 above E. _____

2002 MAINE MINIMUM TAX CREDIT AND CARRYFORWARD TO 2003 Worksheet for 1040ME, Schedule A, Line 19 or 1041ME, Schedule A, line 15

Enclose a copy of 2002 federal Form 8801

13. Enter the amount from line 12 of the 2001 Maine Minimum Tax Worksheet 13. _____
14. Minimum tax credit carryforward from 2001 (2001 Maine Minimum Tax Worksheet, line 21) 14. _____
15. Enter 2001 net state minimum tax on federal exclusion items (See instructions) 15. _____
16. 2001 adjusted net state minimum tax (Line 13 plus line 14 minus line 15 – if zero or less, enter zero) 16. _____
17. Enter 2002 Maine income tax liability (2002 1040ME, line 20 plus line 21 [except minimum tax] minus line 22
minus line 24 [except minimum tax credit] minus line 25 or 2002 1041ME, line 6, excluding minimum tax and
minimum tax credit) 17. _____
18. Enter 2002 Maine 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 smaller of line 16 or 19 here and on 1040ME, Schedule A, line 19 or
1041ME, Schedule A, line 15 20. _____
21. **Maine minimum tax credit carryforward to 2003** (Subtract line 20 from line 16 – see instructions) 21. _____

MAINE MINIMUM TAX WORKSHEET INSTRUCTIONS

WHO MUST FILE THIS FORM? Resident individuals, estates, and trusts with an amount entered on federal Form 6251, line 31 or federal Form 1041, Schedule I, line 52; and nonresident individuals, estates, and trusts with Maine-source income that have an amount entered on federal Form 6251, line 31 or federal Form 1041, Schedule I, line 52. Also, individuals that do **not** have a federal tentative minimum tax but do have addition modifications under 36 M.R.S.A. § 5122(1) must complete and file the Maine minimum tax worksheet. (See instructions for line 3 below).

Line 1. The federal tentative minimum tax is calculated on both the 26% and 28% federal alternative minimum taxable income brackets.

Line 3. Enter the net of the following: The portion of the federal tentative minimum tax attributable to income that state or federal law prohibits from taxation and the portion of the federal tentative minimum tax attributable to income that is subject to Maine income tax but not federal income tax. The amount you enter on line 3 may be either a positive or negative number. See Maine Schedule 1, Form 1040ME for details on income excluded from the Maine income tax (all negative income modifications) and income taxable by Maine but not by federal (all positive income modifications). To compute the amount to enter on line 3, recalculate the federal tentative minimum tax prior to the federal alternative minimum tax foreign tax credit by increasing or decreasing (as the case may be) the federal alternative minimum taxable income by the net amount of allowable Maine income modifications. If the recalculated federal tentative minimum tax prior to the alternative minimum tax foreign tax credit is less than the federal tentative minimum

tax (prior to the alternative minimum tax foreign tax credit) computed on the original federal minimum tax form, subtract the recalculated amount from the originally calculated amount. Enter the result as a negative number on line 3 and subtract the amount from line 1 when calculating line 4. However, if the recalculated amount is more than the originally calculated federal tentative minimum tax (prior to the alternative minimum tax foreign tax credit), subtract the originally calculated amount from the recalculated amount and enter the result as a positive number on line 3. Add the amount to line 1 when calculating line 4. (36 M.R.S.A. § 5203-A).

Line 5. The **nonresident and part-year resident apportionment factor** is the amount of the taxpayer's Maine-source income associated with the adjusted federal tentative minimum tax **divided** by the total income associated with the adjusted federal tentative minimum tax.

Line 11. If applicable, compute the **Credit against the Maine minimum tax for minimum tax paid to other taxing jurisdictions** on the Worksheet provided. **Line A.** Enter the total income associated with the adjusted federal tentative minimum tax shown on line 4. **Line B.** Enter the income associated with the adjusted federal tentative minimum tax that was also taxed by the other jurisdiction. **Line C.** Compute the percentage of income taxed by the other jurisdiction: divide line B by line A. **Line D.** Enter on line D(1) the result of multiplying the net state minimum tax (line 10) by the percent on line C. Enter on line D(2) the minimum tax paid the other jurisdiction on income also taxed under the Maine minimum tax. **Line E.** This credit is limited to the smaller of line D(1) or line D(2). Enter the appropriate amount on line E and also on line 11.

Instructions for the Maine Minimum Tax Credit and Carryforward Worksheet.

Line 15. Complete the following schedule to compute the Maine minimum tax on exclusion items.

- a. Federal tentative minimum tax on exclusion items (From federal Form 8801) a _____
- b. Add: federal alternative minimum tax foreign tax credit on exclusion items (From federal Form 8801) b _____
- c. Modifications - Add: an amount equal to a federal alternative minimum tax on exclusion items relating to income subject to Maine income tax that is not subject to federal income tax (see 1040ME, Schedule 1 or 1041ME, Schedule 1). Subtract: portion of federal tentative minimum tax on exclusion items attributable to income that state or federal law prohibits from taxation c _____
- d. Adjusted federal tentative minimum tax on exclusion items (Combine lines a, b, and c) d _____
- e. **Nonresident and part-year** resident apportionment factor (Maine residents enter 100%)* e ____ . ____ %
- f. Multiply line d by line e, enter result here f _____
- g. Rate g 27 %
- h. State minimum tax on exclusion items (Multiply line f by line g) h _____
- i. 2001 Maine income tax (2001 Form 1040ME, line 20 less line 25 or 2001 Form 1041ME, line 4) i _____
- j. Net state minimum tax on exclusion items (Subtract line i from line h) j _____
- k. Credit against the Maine minimum tax on exclusion items for minimum tax paid to other taxing jurisdictions on exclusion items (For Maine residents only). Enter line E from worksheet below k _____
- l. 2001 Maine minimum tax on exclusion items (Subtract line k from line j – if zero or less, enter zero. Enter the result here and on line 15 of the Maine Minimum Tax Worksheet) l _____

***Nonresident and part-year resident apportionment factor** (line e above) – The factor is the amount of the taxpayer's Maine-source income associated with the adjusted federal tentative minimum tax on exclusion items **divided** by the total income associated with the adjusted federal tentative minimum tax on exclusion items.

Worksheet for line k above – Maine residents only

- A. Taxpayer's total income associated with adjusted federal tentative minimum tax on exclusion items _____
- B. Taxpayer's income associated with adjusted federal tentative minimum tax on exclusion items derived from other jurisdiction _____
- C. Percentage of income taxed by other jurisdiction (Divide line B by line A) ____ . ____ %
- D. Limitation of Credit:
 - 1. Net state minimum tax on exclusion items from line j above
\$ _____ multiplied by _____ % on line C _____
 - 2. Minimum tax on exclusion items paid other jurisdiction on income taxed under the Maine minimum tax _____
- E. Allowable credit, the smaller of line D(1) or D(2). Enter here and on line k above _____

Line 21. If you have a Maine minimum tax credit carryforward to 2003, keep a copy of the worksheet to submit with your 2002 Maine individual, trust, or estate income tax return.