

**SCHEDULE NR**  
**FORM 1040ME**  
**2004**

**SCHEDULE for CALCULATING the NONRESIDENT CREDIT**  
**NONRESIDENTS AND PART-YEAR RESIDENTS ONLY**

**This schedule must be enclosed with your completed Form 1040ME.**

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

from \_\_\_\_\_ to \_\_\_\_\_ .



\*0402126\*

Attachment Sequence No. **10**

Name(s) as shown on Form 1040ME

Your Social Security Number

**WHO MUST FILE SCHEDULE NR?** Nonresident and part-year resident individuals who are required to file a Maine return, but have income not taxable by Maine **and** use the same filing status on the Maine return as used on the federal return. See reverse side for instructions.

**DO NOT FILE SCHEDULE NR IF:** All your income is taxable by Maine **or** if your federal filing status is "Married filing joint" and you elect to file "Single" on the Maine return (use Schedule NRH on page 29). **You do not have to complete Schedule NR if you qualify for the low-income tax credit** (See instructions for Form 1040ME, line 22).

**YOU MUST ENCLOSE A COMPLETE COPY OF YOUR FEDERAL RETURN, including all schedules and worksheets.** Enclose copies of **W-2 forms from other states or temporary duty (TDY) papers to support your entry in Box C.** If you filed your federal return using the IRS Telefile system, attach a copy of your Telefile worksheet to your Maine income tax return.

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

**1 INCOME** — (Complete and attach Worksheets A and B on pages 25 and 26):

Box A - From Worksheet B, line 15, column A

Box B - From Worksheet B, line 15, column B plus column E

Box C - From Worksheet B, line 15, column D minus column E.....

**Box A**  
**FEDERAL**

**Box B**  
**MAINE**

**Box C**  
**NON-MAINE**

\$	\$	\$
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**2 RATIO OF INCOME:** Divide line 1, Box C by line 1, Box A (If less than 0, enter 0.0000.

If greater than 100, enter 1.0000)..... .

**COMPLETE THIS SECTION ONLY IF YOU HAVE FEDERAL INCOME ADJUSTMENTS**

**3 FEDERAL INCOME ADJUSTMENTS — NON-MAINE-SOURCE ONLY:** Multiply amount on federal Form 1040, line 35, or Form 1040A, line 20 by the percentage listed on line 2. Enter result here.....

**4 FEDERAL ADJUSTED GROSS INCOME — NON-MAINE-SOURCE ONLY:** Subtract line 3 from Line 1, Box C.....

**COMPLETE THIS SECTION ONLY IF YOU HAVE INCOME MODIFICATIONS (Form 1040ME, line 15)**

**5 INCOME MODIFICATIONS — NON-MAINE-SOURCE ONLY:**

a Additions — Specify.....

b Deductions — Specify.....

c Total Modifications: line 5a minus line 5b (may be a negative amount).....

**6 NON-MAINE ADJUSTED GROSS INCOME:** Add or subtract line 5c to or from line 4.....

**7 RATIO OF MAINE ADJUSTED GROSS INCOME:** Divide amount on line 6 by amount from Form 1040ME, line 16. (If less than 0, enter 0.0000. If greater than 100, enter 1.0000.).....

**8 TAX SUBTOTAL:** Enter from Form 1040ME, line 20 plus line 21 (except for minimum tax) minus line 22 minus Maine Schedule A, lines 5 and 7.....

**9 NONRESIDENT CREDIT:** Multiply amount on line 8 by line 7. Enter result here and on Form 1040ME, line 25.....

## INCOME SUBJECT TO MAINE INCOME TAX:

A **part-year resident** is subject to Maine income tax on all income received while a resident of Maine, plus any income derived from Maine sources during the period of nonresidence. A **nonresident** individual is subject to Maine income tax on taxable income derived from sources within Maine. This includes the following:

1. Salaries and wages earned working in Maine, including all taxable benefits such as annual and sick leave;
2. Distributive share of income (loss) from partnerships and S corporations operating in Maine;
3. Shares of trust and estate income derived from Maine sources;
4. Income (loss) attributed to the ownership or disposition of real or tangible personal property in Maine; and
5. Maine State Lottery or Tri-State Lottery winnings from tickets purchased within Maine on or after July 13, 1993.

Income from intangible sources, such as interest, dividends, pensions, annuities, gains or losses attributable to intangible personal property, is not Maine-source income **unless** it is attributable to a business or profession carried on in Maine.

## SHOULD I FILE SCHEDULE NR OR SCHEDULE NRH?

Read the instructions on page 13. You must file Schedule NR if you are a nonresident or part-year resident individual required to file a Maine return, have income not taxable to Maine, and are using the same filing status used on your federal return.

Instead of filing Schedule NR, you may elect to file single on the Maine return using Schedule NRH if your filing status on your federal return is married filing jointly and your residency status is different from that of your spouse or both you and your spouse are nonresidents of Maine, but only one of you has Maine-source income. The nonresident spouse with no Maine-source income does not have to file a Maine return. Do not use Schedule NRH if your filing status on your federal return is single, head-of-household, or married separate.

## SCHEDULE NR INSTRUCTIONS

**STEP 1 — Complete Worksheets A and B on pages 25 and 26 before completing Schedule NR.**

**STEP 2 — Complete Form 1040ME, lines 1 through 24.**

**Find the amount of Maine income tax as if you were a full-year Maine resident.** To do this, complete Form 1040ME, lines 1 through 24. Use your total federal adjusted gross income on line 14.

**STEP 3 — Complete Schedule NR to compute your Nonresident Credit.**

**Line 1. Enter your income from Worksheet B on line 1** (see instructions for Worksheet B on page 13). List your total federal income in Box A. In Box B, list only your Maine-source income. List your non-Maine-source income in Box C.

**Line 2. RATIO OF INCOME.** Divide your total non-Maine-source income on line 1, Box C, by your total federal income on line 1, Box A. If this ratio is less than 0, enter 0.0000. If it is greater than 100, enter 1.0000.

**Line 3. FEDERAL INCOME ADJUSTMENTS — NON-MAINE-SOURCE ONLY.** Complete this section only if you have federal income adjustments on federal Form 1040, line 35, or federal Form 1040A, line 20. Multiply your total federal income adjustments by the percentage listed on line 2 of Schedule NR.

**Line 4. FEDERAL ADJUSTED GROSS INCOME — NON-MAINE-SOURCE ONLY.** Subtract line 3 from line 1, Box C.

**Line 5. MODIFICATIONS — NON-MAINE-SOURCE ONLY.** Use this section only if you have income modifications entered on Form 1040ME, line 15. Enter your modifications to income from non-Maine sources. For details on these modifications, see the instructions for Schedule 1 on page 9. Do not include taxable refunds of state and local taxes. Prorate the pension deduction (Form 1040ME, Schedule 1, line 2d) based on the percentage of qualified pension income received as a nonresident.

**Line 6. NON-MAINE ADJUSTED GROSS INCOME.** Add or subtract your total modifications, line 5c, to or from line 4.

**Line 7. RATIO OF MAINE ADJUSTED GROSS INCOME.** Divide the amount of your non-Maine adjusted gross income, line 6, by your total Maine adjusted gross income from Form 1040ME, line 16. If this ratio is less than 0, enter 0.0000. If it is greater than 100, enter 1.0000.

**Line 8. TAX SUBTOTAL.** Enter your tax subtotal. This is Form 1040ME, line 20 plus line 21 (except minimum tax) minus line 22, minus Maine Schedule A, lines 5 and 7.

**Line 9. NONRESIDENT CREDIT.** Multiply the amount on line 8 by the percentage on line 7. This is your Nonresident Credit. Enter the result here and on Form 1040ME, line 25.

**Enclose Schedule NR and Worksheets A and B (and Worksheet C, if used) with your Maine return, Form 1040ME. Include a COMPLETE copy of your federal return, including all schedules and worksheets. Enclose W-2 forms from other states or temporary duty (TDY) papers to support your entry in Box C. If you filed your federal return using the IRS Telefile system, attach a copy of your Telefile worksheet to your Maine income tax return.**