



SEED CAPITAL INVESTMENT TAX CREDIT WORKSHEET FOR TAX YEAR 2011 36 MRSA § 5216-B

TAXPAYER NAME: _____ EIN/SSN: _____

Note: Owners of pass-through entities (partnerships, LLCs, S corporations, trusts, etc.) making an eligible investment, see instructions. Enter name and ID number of the entity on the lines below.

NAME OF PASS-THROUGH ENTITY

EIN/SSN

1. Investment credit certificate amounts for investments made January 1, 2008 through December 31, 2008. _____ X .25 (attach copy of certificate).....1. _____
2. Investment credit certificate amounts for investments made January 1, 2009 through December 31, 2009. _____ X .25 (attach copy of certificate).....2. _____
3. Investment credit certificate amounts for investments made January 1, 2010 through December 31, 2010. _____ X .25 (attach copy of certificate).....3. _____
4. Investment credit certificate amounts for investments made January 1, 2011 through December 31, 2011. _____ X .25 (attach copy of certificate).....4. _____
5. Current year credit (add lines 1 through 4).....5. _____
6. Unused credit amounts carried to 2011 (see instructions).....6. _____
7. Total credit available this year (add lines 5 and 6). Corporations, enter here and on Form 1120ME, Schedule C, line 29a, on the Credit Claimed line7. _____
8. Tax before credits (Form 1120ME, line 7a or Form 1040ME, Schedule A, line 20 minus Form 1040ME, line 25) _____ X .50.....8. _____
9. Credit amount: Enter the smaller of line 7 or line 8 (enter here and on Form 1120ME, Schedule C, line 29a or Form 1040ME, Schedule A, line 9)9. _____
10. Carryover to next year (see instructions).....10. _____
11. Amount of credit available for future years relating to credit certificates issued for eligible investments made in 2011.
 - a. 2012 (line 4 above) 11a. _____
 - b. 2013 (line 4 above) 11b. _____
 - c. 2014 (line 4 above) 11c. _____
12. Recapture
 - a. The amount of the original credit certificate revoked by FAME.....12a. _____
 - b. The amount of the original credit certificate not yet claimed as a credit12b. _____
 - c. Recapture amount. Subtract line 12b from line 12a. Enter amount here. If the amount is positive, this is the recapture amount. Enter on Form 1120ME, line 7b or Form 1040ME, Schedule A, line 3c. If the amount is negative, this is the amount of credit still available.....12c. _____

2011
SEED CAPITAL INVESTMENT TAX CREDIT
WORKSHEET INSTRUCTIONS

This credit, administered by the Finance Authority of Maine ("FAME"), is intended for investments in new or recent business ventures, directly and through private venture capital funds. FAME issues a certificate to investors for up to 40% of the cash equity they provide to eligible Maine businesses. Investments may be used for fixed assets, research or working capital. Investments made in eligible businesses located in high-unemployment areas, as determined by FAME, are eligible for a tax credit for up to 60% of investment. 25% of the authorized credit may be used in each of four tax years beginning with the tax year during which the investment was made. The credit is limited to 50% of the tax liability of the taxpayer in any one year. Unused credit may be carried forward for up to 15 years. A copy of the credit certificate must be attached to your tax return. If you have any questions regarding investments that qualify for the credit, call FAME at 1-800-228-3734. If a credit certificate is revoked by FAME, a portion of the credit relating to the revoked certificate may be subject to recapture. The recapture amount is equal to the amount of the credit revoked by FAME minus the amount of the credit not yet taken by the taxpayer. The recapture amount is included as an additional tax on the Maine return. For details, see 10 MRSA § 1100-T and 36 MRSA § 5216-B and FAME rules, Chapter 307. For more information, you may visit the FAME web site at www.famemaine.com.

What investments qualify for the Seed Capital Investment Tax Credit? An aggregate investment up to \$5,000,000 per business is eligible. The investment must be at risk for five years. Investors must own less than 50% of the business and immediate relatives of principal owners of a business being invested in are not eligible for a credit. An eligible investment is an investment in a business that:

- a) Is located in Maine;
- b) Has gross sales of \$3,000,000 or less per year;
- c) Is the full-time, professional activity of at least one of the principal owners; and
- d) Is a manufacturer, or a product or service provider with sales derived predominantly from outside the state or to out-of-state residents, or is engaged in developing or applying advanced technologies, or must bring significant permanent capital into Maine.

In the case of pass-through entities (partnerships, LLCs, S corporations, trusts, etc.), the partners, members, shareholders, beneficiaries or other owners are allowed a credit in proportion to their respective interests in these entities.

SPECIFIC LINE INSTRUCTIONS

Please enter the taxpayer name and employer identification number ("EIN") or social security number ("SSN").

- Line 1. Investment credit certificate amounts for investments made January 1, 2008 through December 31, 2008. Enter 25% of credit certificate amounts relating to investments made January 1, 2008 through December 31, 2008.
- Line 2. Investment credit certificate amounts for investments made January 1, 2009 through December 31, 2009. Enter 25% of credit certificate amounts relating to investments made January 1, 2009 through December 31, 2009.
- Line 3. Investment credit certificate amounts for investments made January 1, 2010 through December 31, 2010. Enter 25% of credit certificate amounts relating to investments made January 1, 2010 through December 31, 2010.
- Line 4. Investment credit certificate amounts for investments made January 1, 2011 through December 31, 2011. Enter 25% of credit certificate amounts relating to investments made January 1, 2011 through December 31, 2011.
- Line 6. Carryover. The amount of credit allowed in any one year is limited to 50% of the tax liability of the taxpayer before credits. The carryover is the portion of the available credit not taken in previous years as a result of this limitation. The carryover period is limited to 15 years. Enter any credits claimed but unused from the past 15 years on this line.
- Line 8. Income tax before credits. Enter the amount from Form 1120ME, line 7a or Form 1040ME, Schedule A, line 20. Multiply by 50%. The amount of the total credit cannot exceed 50% of the tax liability.
- Line 9. Credit amount. This is the allowable credit amount for 2011.
- Line 10. Carryover to next year. Enter the amount on line 7 not used on Form 1120ME, Schedule C or Form 1040ME, Schedule A. That portion of the unused credit not exceeding the 15-year carryover period may be claimed on your income tax return next year.
- Line 11. Credit amounts available in future years. This is a breakdown of the allowable gross credit amounts that may be claimed in future years relating to credit certificates issued to you by FAME in 2011.
- Line 12. Recapture. Enter on line 12a the amount of the original credit certificate revoked by FAME. Enter on line 12b the amount of the original credit certificate amount not yet claimed as a credit. Subtract line 12b from line 12a and enter the difference on line 12c. If the amount is positive, this is the recapture amount. Enter on Form 1120ME, line 7b or Form 1040ME, Schedule A, line 3c. If the amount is negative, this is the amount of credit still available to claim.