

# 2011 MAINE MINIMUM TAX WORKSHEET

Use this Worksheet to complete:

Form 1041ME, Schedule A, Line 2

Enclose a copy of your 2011 federal Form 1041, Schedule I



99

\*1109102\*

Name of Estate/Trust (as shown on Form 1041ME)

Estate/Trust EIN

\_\_\_\_\_ - \_\_\_\_\_

**New for 2012.** For tax years beginning on or after January 1, 2012, the Maine minimum tax is repealed for non-corporate taxpayers.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 estates and trusts 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 1041, Schedule I, line 29) ..... 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 from 2011 federal Form 1041, Schedule I, line 29 or line 50, whichever applies ..... 4. \_\_\_\_\_
5. Line 3 minus line 4. If zero or less, enter zero..... 5. \_\_\_\_\_
6. Apportionment factor. Maine estates & trusts enter 100%. **Nonresident estates & trusts, see instructions** ..... 6. \_\_\_\_\_ . \_\_\_\_\_ %
7. Maine alternative minimum taxable income (multiply line 5 by line 6). Enter result here ..... 7. \_\_\_\_\_
8. Tentative minimum tax. **See instructions** ..... 8. \_\_\_\_\_
9. Maine income tax (Form 1041ME, line 4) ..... 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 resident estates/trusts 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 1041ME, Schedule A, line 2a)... 12. \_\_\_\_\_

### Maine Minimum Tax — Worksheet for Line 11 above — Maine resident estates/trusts only

#### Credit Against the Maine Minimum Tax for tax paid to other taxing jurisdictions

- A. Taxpayer's Maine tentative alternative minimum taxable income (Line 3 above) ..... A. \_\_\_\_\_
- B. Amount of line A 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 1041ME, Schedule A, Line 11

Enclose a copy of 2011 federal Form 8801

13. Enter the amount from the 2010 Form 1041ME, Schedule A, line 2c ..... 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 at 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 1041ME, line 6 excluding minimum tax and minimum tax credit)..... 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 line 19 here and on Form 1041ME, Schedule A, line 11..... 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 estate or trust income tax return.

**Maine Minimum Tax — Income Modification Worksheet for Line 2**

Federal Alternative Minimum Taxable Income ("FAMTI") (from federal Form 1041, Schedule I, line 29):

**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 ..... **1f.** \_\_\_\_\_
- g. Other (See instructions). List the type and amount of income items included (attach a separate schedule, if necessary) ..... **1g.** \_\_\_\_\_
- h. **Total additions** (Add lines 1a through 1g)..... **1h.** \_\_\_\_\_

**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. Interest from Maine Municipal General Obligation, Private Activity & Airport Authority Bonds included in FAMTI (See federal Form 6251, line 11) ..... **2c.** \_\_\_\_\_
- d. Maine Public Employees Retirement System Pick-Up Contributions paid to the taxpayer during 2011 which have been previously taxed by the state..... **2d.** \_\_\_\_\_
- e. Contributions to Qualified Tuition Programs - 529 Plans (See instructions)..... **2e.** \_\_\_\_\_
- f. Bonus Depreciation and IRC § 179 Recapture (See instructions) ..... **2f.** \_\_\_\_\_
- g. Other (See instructions). List the type and amount of income items included (attach a separate schedule, if necessary) ..... **2g.** \_\_\_\_\_  
(**Nonresident Estates or Trusts** - Do not enter non-Maine income)
- h. **Total Subtractions** (Add lines 2a through 2g)..... **2h.** \_\_\_\_\_

**3. Net Modification** (Subtract line 2h from line 1h — enter here and on Minimum Tax Worksheet, line 2

[May be a negative amount]) ..... **3.** \_\_\_\_\_

**Maine Minimum Tax — Exclusion Items Worksheet for Line 15**

Complete the following worksheet to compute the Maine minimum tax on exclusion items, line 15:

- a. Enter amount from 2011 federal Form 8801, line 4..... **a.** \_\_\_\_\_
- b. Modifications - see the Maine Minimum Tax Worksheet for Line 2 and related instructions.  
**Add** income treated as exclusion items subject to Maine income tax that is not subject to federal income tax.  
**Subtract** income treated as exclusion items that Maine or federal law prohibits from state taxation.  
Include only amounts not already added or subtracted in calculating federal alternative minimum taxable income.  
(May be a positive or negative number) ..... **b.** \_\_\_\_\_
- c. Combine line a and line b. If zero or less, enter zero ..... **c.** \_\_\_\_\_
- d. **Exemption.** Enter amount from 2011 federal Form 8801, line 9 ..... **d.** \_\_\_\_\_
- e. Line c minus line d..... **e.** \_\_\_\_\_
- f. **Apportionment factor.** Maine resident estates & trusts enter 100%. **Nonresident estates & trusts, see instructions\*** ..... **f.** \_\_\_\_\_ %
- g. Multiply line e by line f, enter result here ..... **g.** \_\_\_\_\_
- h. **Effective tax rate.** Divide line 8 of the 2010 Maine Minimum Tax Worksheet by line 7 of the 2010 Maine Minimum tax worksheet ..... **h.** \_\_\_\_\_ %
- i. 2010 Maine minimum tax on exclusion items (Multiply line g by line h) ..... **i.** \_\_\_\_\_
- j. 2010 Maine income tax (2010 Form 1041ME, line 4) ..... **j.** \_\_\_\_\_
- k. **Alternative Maine minimum tax on exclusion items** (Line i minus line j). If zero or less, enter zero ..... **k.** \_\_\_\_\_
- l. **Credit against the Maine minimum tax on exclusion items for minimum tax paid to other taxing jurisdictions on exclusion items** (For Maine estates/trusts only). Enter line E from worksheet below ..... **l.** \_\_\_\_\_
- m. 2010 Maine minimum tax on exclusion items (Line k minus line l. If zero or less, enter zero. Enter the result here and on line 15 of the Maine Minimum Tax Worksheet)..... **m.** \_\_\_\_\_

\***Apportionment factor for Nonresident estates/trusts** (line f above) – The factor is the amount of the taxpayer’s Maine-source income associated with the adjusted minimum taxable income on exclusion items (line c above) **divided** by the total adjusted minimum taxable income on exclusion items (line c above).

**Worksheet for line l above – Maine estates/trusts only**

- A. Taxpayer’s Maine tentative alternative minimum taxable income on exclusion items (line c above) ..... **A.** \_\_\_\_\_
- B. Amount 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. Net state minimum tax on exclusion items from line k above  
\$ \_\_\_\_\_ multiplied by \_\_\_\_\_ % on line C..... **D1.** \_\_\_\_\_
  - 2. Minimum tax on exclusion items paid other jurisdiction on income taxed under the Maine minimum tax ..... **D2.** \_\_\_\_\_
- E. Allowable credit, the smaller of line D(1) or D(2). Enter here and on line l above..... **E.** \_\_\_\_\_

## MAINE MINIMUM TAX WORKSHEET INSTRUCTIONS

### Do you owe a Maine Minimum Tax?

Estates/trusts filing a Maine fiduciary income tax return 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 1041, Schedule I, line 29 plus Maine addition income modifications [see the Maine Minimum Tax Worksheet for line 2]) is greater than the applicable Maine minimum tax exemption amount (see line 4). Estates/trusts not required to file federal Form 1041, Schedule I must complete a pro forma Schedule I to determine the federal alternative minimum taxable income amount for Maine purposes. Estates/trusts that do not owe a Maine minimum tax are not required to file the Maine Minimum Tax worksheet with their Maine return. See instructions and supporting Worksheets.

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 to order.

**Line 2.** The income modifications that apply to the Maine regular tax also apply to the Maine minimum tax. See 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 6.** The **apportionment factor for nonresident estates/trusts** is the amount of the taxpayer's *Maine-source* income included on line 3 **divided** by the *total* income on line 3.

**Line 8.** Use the following tables to calculate the Maine tentative minimum tax.

<i>If line 7 is:</i>	<i>The Tax is:</i>
Not more than \$175,000	7.0% of the adjusted Maine alternative minimum taxable income
Greater than \$175,000	\$12,250 plus 7.6% of the excess over \$175,000

## 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 and S Corporations where applicable.* **Enter only amounts not already added in calculating federal alternative minimum taxable income.**

*For lines 1a through 1f, enter only the estate/trust share (Form 1041, Schedule 2, column 3, line f) of the total amount shown on the applicable line.*

**Line 1a.** Enter **income from municipal and state bonds, other than Maine**, that is not included in federal alternative minimum taxable income. Generally, this is the amount from Form 1041ME, Schedule 1, line 1a. For example, enter interest from City of New York bonds on this line. However, do not enter interest from Portland, Maine bonds.

**Line 1b.** Enter on this line any amount of **federal net operating loss carry forward** included in federal alternative minimum taxable income. Enter any amount of federal NOL carried back to this year (AMENDED returns only). For more information and examples, go to [www.maine.gov/revenue/forms](http://www.maine.gov/revenue/forms) (select *Income Tax Guidance Documents*).

**Line 1c.** Enter 2011 **Maine Public Employees Retirement System (MePERS) Contributions** from Form 1041ME, Schedule 1, line 1c. These contributions are tax deferred for federal tax, but are subject to Maine income tax.

**Line 1d.** Enter the amount of **domestic production activities deduction** used to reduce federal alternative minimum taxable income.

**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](http://www.maine.gov/revenue/forms) (select *Income Tax Guidance Documents*).

**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.

**Line 1g. Other Additions.** *List the source of each amount claimed in the space provided. Attach supporting documentation when claiming an amount on this line.* Enter on this line • the amount of loss, deductions, and other expenses of a financial institution subject to the Maine franchise tax included in federal alternative minimum taxable income due to an ownership interest in the financial institution that is a partnership, S corporation, or entity disregarded as separate from its owner • income taxes imposed by Maine or other states, mortgage insurance premiums and interest or expenses incurred in the production of income exempt from Maine taxation deducted in arriving at federal alternative minimum taxable income • amounts deducted as a business or other expense for federal alternative minimum tax purposes that are included in the credit base for the high-technology investment tax credit and the forest management planning credit • the amount deducted at the federal level for qualified tuition and other educational expenses under IRC § 222 • qualified payments and tax benefits from states or municipalities to firefighters and emergency medical responders that are excluded from federal alternative minimum taxable income pursuant to Code section 139B • the administrative expense deduction claimed for federal fiduciary income tax purposes that is also used to determine the taxable estate in calculating the Maine estate alternative minimum tax • the estate's/trust's share of the fiduciary adjustment of another estate/trust - **additions only** (36 MRSA § 5122(3) and 5164). You must attach a copy of your federal Schedule K-1 to verify your share of income. Generally, the amount entered on this line is equal to the estate's/trust's portion of Form 1041ME, Schedule 1, line 1g.

**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 modifications from partnerships and S Corporations where applicable.* **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 United States Government**, such as Series EE and Series HH Savings bonds and U.S. Treasury bills and notes. Generally, this is the estate's/trust's portion of Form 1041ME, Schedule 1, line 2a.

**Line 2b.** If included in federal alternative minimum taxable income, enter **social security and railroad retirement benefits (tier 1 and tier 2)** issued by the U.S. Railroad Retirement Board. Also, unemployment and sick benefits issued by the U.S. Railroad Retirement Board are not taxable to Maine. However, benefits issued by the Canadian Railroad Retirement Board are taxable as Maine income. Generally, this is the estate's/trust's portion of Form 1041ME, Schedule 1, line 2b.

**Line 2c.** If included in federal alternative minimum taxable income, enter **Interest from Maine municipal general obligation & private activity bonds & bonds issued by a Maine airport authority**. Interest from these bonds is exempt from state income tax, even if taxed on the federal return. Generally, this is the estate's/trust's portion of Form 1041ME, Schedule 1, line 2c.

**Line 2d.** Use this line only if the person retired after 1988 and received retirement benefits from the **Maine Public Employees Retirement System (MePERS)** in 2011. To calculate the amount for this line, subtract the amount in box 12 from the amount in box 2a on Form 1099-R form issued by the MePERS. Also include 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.

**Line 2e.** Enter on this line up to \$250, per beneficiary, of contributions made to a Maine or non-Maine **qualified tuition program ("529 college savings plan")**. Generally, this is the estate's/trust's portion of Form 1041ME, Schedule 1, line 2e.

**Line 2f. Bonus depreciation/IRC §179 expense recapture.** Amounts required to be added to alternative minimum income under 36 MRSA §§ 5122(1)(N), 5122(1)(AA) or 5200-A(1)(N) may be recaptured over the life of the applicable asset. Generally, this is the estate's/trust's portion of Form 1041ME, Schedule 1, line 2f. For more information and examples, visit [www.maine.gov/revenue/forms](http://www.maine.gov/revenue/forms) (select *Income Tax Guidance Documents*).

**Line 2g. Other Subtractions.** **NOTE:** Maine net operating loss carryover deductions are not allowed for tax years beginning in 2010, 2011 and 2012. For more information on Maine's treatment of NOL's, go to [www.maine.gov/revenue/forms](http://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 in federal alternative minimum taxable income related to items previously deducted on the federal return but not on the 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 related to individuals qualified for the opportunity Maine credit • the amount of the reduction in the 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 2 or federal Form 8844, line 2 (owners of pass-through entities, enter the share of the amount from line 3 of these forms to the extent not included on line 2). Note: do not enter wage amounts from Form 8844 related to the federal Renewable Community Credit • amounts received from a Holocaust victims settlement that are included in federal alternative minimum taxable income (36 MRSA § 5122(2)(O) • account proceeds from a Family Development Account administered by FAME (36 MRSA § 5216-C) • state income tax refunds • earnings from fishing operations that were contributed to a capital construction fund • income from investments in the Northern Maine Transmission Corporation • the estate's/trust's share of a fiduciary adjustment – **subtractions only** (36 MRSA §§ 5122(3) and 5164) • interest income and capital gains from the sale of bonds issued by the Waste Management Agency 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 federal alternative minimum taxable income due to an ownership interest in the financial institution that is a partnership, S corporation, or entity disregarded as separate from its owner • up to \$6,000 in pension income pursuant to 36 MRSA § 5122(2)(M) • the amount of military retirement benefits, not otherwise deducted, received by certain licensed dentists who practice an average or 20 hours or more per week in Maine and accept patients who receive MaineCare benefits • up to \$750 of property tax benefits provided by municipalities to senior citizens pursuant to 36 MRSA § 6232(1-A) • expenses incurred in the production of income subject to Maine tax, but exempt from federal tax (an example is expenses related to the production of non-Maine municipal bond interest) • long-term care insurance premiums paid by the estate or trust that have not been claimed as an itemized deduction on the decedent's federal income tax return or as a federal adjustment for self-employed individuals • 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. Generally, this is the estate's/trust's portion of Form 1041ME, Schedule 1, line 2g.