

MAINE NON-RESIDENT QUICK REFERENCE

MAINE Manual Adjustments	Ref	Amount	Enter Here in TaxSlayer
The Maine tax return starts with Federal Adjusted Gross Income. Adjustments are necessary to add or subtract from this amount based on Maine taxable Income. TSO populates Line 14 of Maine Form 1040ME with Federal AGI.			
No Entries needed to Itemized Deductions	A		Itemized Deductions
Enter the portion of Schedule C Net Income attributable to Maine Sources	B		Additions to Income Nonresident Period Income Maine Sources Business Income or Loss
Enter the portion of Schedule E Net Income attributable to Maine Sources	C		Additions to Income Nonresident Period Income Maine Sources Rental Real Estate, Royalties, Partnerships, etc.
Enter Unemployment from 1099-G that is from the State of Maine. TSO does not automatically bring over from Federal 1040 Line 19.	D		Additions to Income Nonresident Period Income Maine Sources Unemployment
Enter amounts included in Federal 1040 Line 21 attributable to Maine Sources.	E		Additions to Income Nonresident Period Income Maine Sources Other Income
Enter the amount of the Maine Public Employees Retirement Contributions from Box 14 labeled MEPERS	F		Additions to Income Maine Public Employees Retirement Contributions
Enter the amount of interest from US Savings Bonds and direct obligations of the US Government to be excluded from Maine Income	G		Subtractions from Income US Bond Interest in Federal AGI
	SUBTOTAL		
If included in Federal AGI, enter interest from Maine municipal general obligations & private activity bonds and bonds issued by a Maine airport authority. (Rarely seen by Taxaide)	H		Subtractions from Income State Bond Interest
	SUBTOTAL		
Enter if retired after 1988 and are receiving benefits from the Maine Public Employees Retirement System(MainePERS). Subtract box 14 amount from box 2a on Form 1099-R.	I	+2a -14	Subtractions from Income Pretaxed State Retirement System Pickup Contributions
	SUBTOTAL		
Enter Non-Military Pension Distributions including IRA Distributions for TAXPAYER excluding conversions and distributions subject to early withdrawal penalties.	J		Subtractions from Income Pension Income Deduction
	SUBTOTAL		Total Pensions Other than SSA/RRB
Enter Non-Military Pension Distributions including IRA Distributions for SPOUSE if MFJ excluding conversions and distributions subject to early withdrawal penalties.	J		Subtractions from Income Pension Income Deduction
	SUBTOTAL		Total Pensions Other than SSA/RRB
Enter Military Pension Distributions for TAXPAYER	K		Subtractions from Income Pension Income Deduction
	SUBTOTAL		Total Eligible Military Pension Income
Enter Military Pension Distributions for SPOUSE if MFJ	K		Subtractions from Income Pension Income Deduction
	SUBTOTAL		Total Eligible Military Pension Income
Enter the Quality Child Care Program Name, Certificate Number and expenses paid.	L		Credits Child Care Credits
Enter the Qualifying Person's name, SSN and Expenses for the Adult Dependent Care Credit if NOT entered on Federal Form 2441.	M		Credits Adult Dependent Care Credit
Once all of the above entries have been made, create the PDF of the Tax Return in order to view the Maine Schedule 1 for the following entries.			
Enter the amount from Maine Schedule 1 Line 1i - Total Additions	N		Additions to Income Additions from Income from non-Maine Sources
Enter the amount from Maine Schedule 1 Line 2j - Total Subtractions	O		Subtractions from Income Subtractions from Income from non-Maine Sources

Miscellaneous Information Regarding How TSO handles Federal to MAINE Resident Transactions	
	TSO brings over State Taxable Interest from 1099-INT Exempt Interest to Schedule 1 Line 1a.
	TSO does NOT bring over the amount of US Savings Bond Interest entered on 1099-INT to be subtracted from Maine Income. Preparer must enter in "Subtractions from Income" so it appears on Schedule 1 Line 2a.
	TSO does NOT bring over Unemployment even when Maine is specified on the 1099-G.
A	TSO brings over the total itemized deductions from Federal Schedule A to Schedule 2 Line 1. TSO brings over State Income Taxes from Federal Schedule A Line 5a to Schedule 2 Line 2a. TSO brings over the Medical deduction from Federal Schedule A to Schedule 2 Line 2d.
B	Schedule C income that is Attributable to Maine Sources. Entries go to Maine Schedule B.
C	Schedule E income that is attributable to Maine Sources. Entries go to Maine Schedule B.
D	Unemployment from the State of Maine must be entered as TSO does not bring over even when Maine is specified on the 1099G. Entries go to Maine Schedule B.
E	Federal 1040 Line 21 Other Income that is from Maine Sources. For example, prizes and gambling winnings. Entries go to Maine Schedule B.
F	Contributions to the MePERS are tax deferred for federal income tax purposes, but are taxable for Maine Income Tax purposes.
G	Since TSO does NOT bring over the amount of US Savings Bond Interest entered on 1099-INT to be subtracted from Maine Income, an entry is needed to subtract this from income since this interest is not taxable in Maine.
H	Interest from Maine municipal general obligations & private activity bonds and bonds issued by a Maine airport authority that was included in taxable interest on the federal return must be adjusted to exclude it from Maine taxable income. (Rarely seen by Taxaide)
I	Contributions to the MePers are tax deferred for federal income tax purposes but are taxable for Maine Income Tax purposes. Consequently, when retiree receives distributions, the amount of the Pick-Up contributions reduce the federal taxable income.
J	Maine allows a deduction to taxable income of up to \$10,000 each for taxpayer and spouse (if married) of other non-military pension income that is included in federal adjusted gross income. The \$10,000 cap must be reduced by any social security and railroad retirement benefits received, whether taxable or not. TSO automatically brings SSA/RRB gross benefits into the pension worksheet.
K	The benefits received under a United States military retirement plan, including survivor benefits, are fully exempt from Maine income tax. Only military retirement pay received as a result of service in the United States Army, Navy, Air Force, Marines, or Coast Guard qualify for the military retirement deduction.
L	Taxpayer can be eligible for a double state tax credit for child care expenses. The double tax credit is available for children who are enrolled in child care programs with "Quality Certificates". Child care programs receive a Quality Certificate when they earn a Step 4 rating on the Quality for ME, Maine's child care rating system. If Quality Certificate information is not entered, the credit will be 25% of the Federal Child Care Credit. If Quality Certificate information is entered, the credit will be 50% of the Federal Child Care Credit. Non-Residents are eligible only for the nonrefundable credit.
PROBLEM	TSO is currently including refundable credit in Non-Resident Return.
M	Eligible taxpayers may claim a tax credit equal to 25% of the applicable percentage of adult dependent care expenses paid for adult day care, hospice services and respite care during the taxable year to the extent the expenses are not used to calculate the federal child and dependent care credit. Non-Residents are eligible only for the nonrefundable credit.
PROBLEM	TSO is currently including refundable credit in Non-Resident Return.
N	Entry goes to Maine Schedule NR Line 5a in order to calculate the RATIO OF MAINE ADJUSTED GROSS INCOME.
O	Entry goes to Maine Schedule NR Line 5B in order to calculate the RATIO OF MAINE ADJUSTED GROSS INCOME.