

Schedule 2 - Itemized Deductions Instructions

Line 1. Total Itemized Deductions from federal Form 1040. Enter your total itemized deductions as shown on federal Schedule A, line 29.

Line 2a. Income Taxes Imposed by this State or any other taxing Jurisdiction or General Sales Taxes included in Line 1. Enter the total of state and local income taxes or sales taxes included in line 1.

Line 2b. Deductible costs, included in Line 1, incurred in the production of Maine exempt income. Enter any interest or other expense items attributable to income not taxable under Maine law.

Line 3. Deductible costs of producing income exempt from federal income tax but taxable by Maine. Enter any interest or other expense items attributable to income taxable under Maine law, but exempt from federal income tax. Enter only amounts not included on line 1.

Line 7. If the amount on line 7 is less than your allowable standard deduction, use the standard deduction. If Married Filing Separately, however, both spouses must either itemize or use the standard **deduction**.

CAUTION: The amount on line 7 may be limited. You must complete the Worksheet for Standard / Itemized Deductions (for Form 1040ME, line 17) to calculate your reduced deduction amount if the amount on Form 1040ME, line 16 is more than \$70,000 if single or married filing separately; \$105,000 if head of household; or \$140,000 if married filing jointly or qualifying widow(er).