



# 2018 Additional Worksheet to Report Certain "Other" Modifications to Maine Income Related to Federal Tax Law Changes Enacted After December 31, 2019

Form 1041ME, Schedule 1, Line 1g

Use this worksheet to report "Other" income modifications for Form 1041ME, Schedule 1, Line 1g (addition modifications) related to federal tax law changes enacted after December 31, 2019.

Include the taxpayer's distributive share of each item from partnerships, S corporations and other pass-through entities.

See page 2 for a description of each item listed below.

Name of Estate or Trust as shown on Form 1041ME	Estate/Trust EIN

## Other Addition Income Modifications - see instructions.

1. If applicable, enter the "Total Other Additions" from Line 4 of the Worksheet for Form 1040ME, Schedule 1, Line 1g, Income Modifications - Other Additions.....1.		.00
2. Excess business losses for noncorporate taxpayers .....2.		.00
3. Depreciation on qualified improvement property (QIP). ....3.		.00
4. <b>Total Other Addition Modifications.</b> Add lines 1 through 3. Enter here and on Form 1041ME, Schedule 1, Line 1g.....4.		.00

**Note that you may be asked to provide additional documentation before your return is processed.**

# 2018 Additional Worksheet to Report Certain “Other” Modifications to Maine Income Related to Federal Tax Law Changes Enacted After December 31, 2019

Income and deductions are generally treated the same for Maine income tax purposes as treated for federal income tax purposes. However, certain federal and state laws may require different tax treatment of some items. These differences require adjustments, or modifications, to federal income to calculate Maine taxable income. See Form 1041ME, Schedule 1. This worksheet provides additional Maine modifications required for the 2018 tax year due to Maine nonconformity with federal tax law changes enacted after December 31, 2019.

## Income Modifications - Other Additions, Form 1041ME, Schedule 1, Line 1g

Addition modifications are required for items of income that are not included in federal income but are subject to Maine individual income tax or to reverse a federal deduction not allowed for Maine tax purposes. See also Form 1041ME, Schedule 1, Lines 1a through 1h. See descriptions below for each item.

**Note that the modifications listed below affect only taxpayers whose taxable year began during 2018.**

**Line 1. “Total Other Additions” - Addition Modifications From the Worksheet for Schedule 1, Line 1g.** If applicable, enter the “Total Other Additions” from line 4 of the Worksheet for Form 1040ME, Schedule 1, Line 1g, Income Modifications - Other Additions.

**Lines 2 and 3 - Other Addition Modifications Resulting from Federal Tax Law Changes Enacted After December 31, 2019. Enter only amounts not included in Line 1 or otherwise previously reported on Maine Form 1041ME, Schedule 1.**

**Line 2. Excess business losses for noncorporate taxpayers.** Under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, the effective date for the limitation on noncorporate excess business losses was deferred to tax years beginning after December 31, 2020. For Maine income tax purposes, an adjustment must be made to reverse the effect of noncorporate excess business losses used to reduce federal taxable income. To calculate the amount to enter on this line, complete a pro forma federal Form 461. Enter on this line the amount from your pro forma federal Form 461, Line 16. The amount of excess business loss disallowed for Maine tax purposes may be carried forward to subsequent tax years to the extent the carryforward amount has not been previously used to offset Maine taxable income.

**Line 3. Depreciation on qualified improvement property (QIP) - addition modification.** The federal CARES Act changes the depreciation allowable for QIP for federal tax purposes from 39-year class life to 15-year class life (20-year class life for the Alternative Depreciation System) and allows first-year 100% bonus depreciation. For Maine tax purposes, depreciation on QIP must continue to be calculated using the 39-year class life. Therefore, an adjustment must be made to reverse the effects of using the federal 15-year/20-year depreciation schedule and/or bonus depreciation.

- **If you claim 100% bonus depreciation under Internal Revenue Code, Section 168(k) on QIP placed in service during 2018,** enter on Line 3 the difference between the amount of bonus depreciation claimed for federal tax purposes and the depreciation allowed using the 39-year depreciation schedule as required prior to enactment of the federal CARES Act. **Note:** If you claimed less than 100% bonus depreciation under Internal Revenue Code, Section 168(k) on QIP placed in service during 2018, enter on Line 3 the difference between the aggregate amount of bonus depreciation and depreciation deducted for that property using the 15 or 20 year schedule and the depreciation allowed using the 39-year depreciation schedule as required prior to enactment of the federal CARES Act.
- **If, for taxable year 2018, you did not claim federal bonus depreciation under Internal Revenue Code, Section 168(k) on QIP,** subtract the 39-year depreciation from the 15-year or 20-year depreciation and enter the result on Line 3.

Also include on Line 3 the amount of any additional depreciation deduction claimed on the 2018 federal income tax return resulting from a change in accounting method attributable to QIP, including an election to take bonus depreciation, consistent with Internal Revenue Procedure 2020-25.

**NOTE:** The addition modification on Line 3 is not treated as an add back of bonus depreciation for Maine income tax purposes and does not qualify for the Maine Capital Investment Credit.

**Line 4. Total Other Addition Modifications.** Add lines 1 through 3. Enter the sum here and on Form 1041ME, Schedule 1, Line 1g.

**Note that you may be asked to provide additional documentation before your return is processed.**