



**CREDIT for INCOME TAX PAID
to OTHER JURISDICTION
WORKSHEET FOR TAX YEAR 2014
36 M.R.S. § 5217-A**

Enclose with your Form 1040ME.
You must also attach a copy of the income tax return filed with the other jurisdiction.

TAXPAYER NAME: _____ SSN: _____

(Part-year residents, see special instructions on page 2)

Name of other taxing jurisdiction: _____

- 1 Maine adjusted gross income from Form 1040ME, page 1, line 161 _____
- 2 Income sourced to and taxed by other jurisdictions included in line 12 _____
- 3 Percentage of income taxed by other jurisdictions (divide line 2 by line 1 - if line 2 is greater than line 1, enter 1.0000)3 ____ . ____ _
- 4 Limitation of Credit:
 - a Multiply Form 1040ME, page 1, line 20 by line 3 above.....4a _____
 - b Income taxes **paid** to other jurisdiction on income shown on line 24b _____
Do not enter the amount withheld on line 4b. See note below.
- 5 Allowable Credit, line 4a or 4b, whichever is less. Enter here and on Maine Schedule A, line 9..... 5 _____

- Line 4b is the income tax assessed by the other jurisdiction minus any tax credits (except withholding and estimated tax payments).
- **Taxpayers who claim credit for income tax paid to more than one other jurisdiction:** The credit for each jurisdiction must be computed separately. Use a separate worksheet for each jurisdiction. Print the name of the other jurisdiction in the space provided above line 1. Add the line 5 results together and enter the total on Maine Schedule A, line 9. **Enclose with your Form 1040ME. You must also attach a copy of the income tax return filed with the other jurisdiction.**

Note: You may photocopy this page if you need additional worksheets.

CREDIT for INCOME TAX PAID to OTHER JURISDICTION

WORKSHEET INSTRUCTIONS

Residents (excluding “Safe Harbor” residents) may claim a credit against Maine income tax for income tax paid to another jurisdiction if all the following conditions are met:

- 1) the other jurisdiction is another state, a political subdivision thereof, the District of Columbia, Canadian Province or any political subdivision of a foreign country that is analogous to a state of the United States;
- 2) the tax paid to the other jurisdiction is directly related to the income received during the tax year covered by this return (tax payments made to other taxing jurisdictions for prior year tax liabilities cannot be considered when computing this credit); and,
- 3) the income taxed by the other jurisdiction is derived from sources in that jurisdiction.

Part-year residents may claim a credit for tax paid to another jurisdiction on income earned during the period of Maine residency only (excluding period of “Safe Harbor” residency) if all the above conditions are met. **Part-year residents who qualify for both the credit for tax paid to another jurisdiction and the nonresident credit must follow the special instructions below. For more information, see the Guidance Document for Credit for Income Tax Paid to Other Jurisdictions available at www.maine.gov/revenue/forms** (click on Income Tax Guidance Documents).

Income sourced to another state must be determined in the same way that a Maine nonresident calculates Maine-source income for purposes of Schedule NR or Schedule NRH. For a description of Maine-source income, see 36 M.R.S. § 5142 and Maine Rule 806. The income considered taxed by the other jurisdiction is income, after deductions, that is analogous to Maine adjusted gross income (federal adjusted gross income plus or minus income modifications).

- Individuals who are considered to be residents of both Maine (excluding “Safe Harbor” residents) and another state for income tax purposes may qualify for a dual resident credit under 36 M.R.S. § 5128. For more information, see www.maine.gov/revenue/forms or call (207) 626-8475.

Special instructions for PART-YEAR RESIDENTS

For more information, see the Guidance Document for Credit for Tax Paid to Other Jurisdictions available at www.maine.gov/revenue/forms (click on Income Tax Guidance Documents).

Line 1 Enter the Maine adjusted gross income while a Maine resident, excluding period of “Safe Harbor” residency (Form 1040ME, line 16, minus Schedule NR, line 6 or Schedule NRH, line 6, column C).

Line 2 Enter income included on line 1 (*based on income entered on Maine Worksheet B, column C*) that is sourced to, and that was taxed by, the other jurisdiction while a Maine resident. Do not include any income that was earned while a nonresident or a “Safe Harbor” resident of Maine.

Line 4a Enter the Maine tax related to the Maine adjusted gross income shown on line 1 (Form 1040ME, line 20 minus Form 1040ME, line 23), multiplied by the ratio on line 3.

Line 4b Enter the amount of income tax actually paid to the other jurisdiction on the income shown on line 2. This is the tax liability on the income shown on line 2 minus any tax credits (except withholding and estimated tax payments). If income taxes were paid to the other jurisdiction on income received while both a resident and a nonresident of Maine, prorate the amount of the income taxes paid to that jurisdiction minus any tax credits (except withholding and estimated tax payments) based on the percentage of the income that was received while a Maine resident. Do not report income taxes withheld on this line.