



MAINE CAPITAL INVESTMENT CREDIT WORKSHEET FOR TAX YEAR 2015

Attach copy of Federal Form 4562.

TAXPAYER NAME: _____ EIN/SSN: _____

Note: Owners of pass-through entities (such as partnerships, LLCs, corporations, and trusts) making eligible investments, see instructions. Enter name and ID number of the pass-through entity on the lines below. Also enter your ownership percentage in the pass-through entity for the tax year.

NAME OF PASS-THROUGH ENTITY	EIN	OWNERSHIP PERCENTAGE
		_____ %

1. Enter on this line the amount of Maine Capital Investment Credit bonus depreciation add-back from Form 1040ME, Schedule 1, line 1f; Form 1041ME, Schedule 1, line 1f or Form 1120ME, line 4e..... 1. _____
2. Current year credit. Multiply line 1 by 9% (.09) for taxable corporations or 8% (.08) for individuals 2. _____
3. Enter the amount of unused credit from previous years 3. _____
4. Total available credit (line 2 plus line 3). Enter this amount on Form 1040ME, Schedule A, line 12; Form 1041ME, Schedule A, line 8 or Form 1120ME, Schedule C, line 29f..... 4. _____

The credit may not reduce your tax liability to less than zero. Unused credit amounts may be carried forward for up to 20 years.

Recapture provisions apply. See instructions.

2015 MAINE CAPITAL INVESTMENT CREDIT WORKSHEET INSTRUCTIONS

This credit is available to businesses that invest in certain depreciable property in Maine in tax years beginning in 2015 and that claim special depreciation under IRC § 168(k), commonly known as bonus depreciation, on that property. Income tax filers (including owners of pass-through entities) eligible to claim the credit may elect to either claim the credit (along with the associated income addition modification) or to claim the regular bonus depreciation addition modification and the related depreciation recapture subtraction modifications in future years (see instructions for Form 1040ME, Schedule 1, lines 1e & 2j; Form 1041ME, Schedule 1, lines 1e & 2f; Form 1120ME, lines 2i & 4f). The election may be made with respect to each eligible asset placed in service in Maine. If the credit is claimed, the related income addition modification (Form 1040ME, Schedule 1, line 1f; Form 1041ME, Schedule 1, line 1f; Form 1120ME, line 4e) may not be recaptured in future years.

The credit is equal to a percentage of the net increase in the depreciation claimed under IRC § 168(k) for property placed in service in Maine during the taxable year and reported as an addition to income. For tax year 2015, the credit is equal to **8%** of the net increase in the depreciation claimed by taxpayers filing as individuals and **9%** for taxpayers filing as taxable corporations. The credit is limited to the tax liability of the taxpayer, but any unused portion may be carried forward for up to 20 years. The credit is subject to full recapture if the property is not used in Maine for the entire 12-month period following the date placed in service. Amounts added back to income may not be recaptured in future years. This credit may not be claimed by the following businesses:

- Public utilities (defined under 35-A M.R.S. § 102);
- Persons providing radio paging services (defined under 35-A M.R.S. § 102);
- Persons providing mobile telecommunications services (defined under 35-A M.R.S. § 102);
- Cable television companies (defined under 30-A M.R.S. § 2001);
- Persons providing satellite-based direct television broadcast services; and
- Persons providing multichannel, multipoint television distribution services.

Also, the credit may not be claimed with respect to property transferred out-of-state or otherwise removed from use in Maine during the taxable year. In addition, the credit may not be claimed by a nonresident owner of a pass-through entity who is participating in a composite return. For more information on composite filing, see Maine Revenue Services Rule 805 at www.maine.gov/revenue/rules/.

In the case of pass-through entities (such as partnerships, LLCs, S corporations, and trusts), the partners, members, shareholders, beneficiaries or other owners are allowed a credit on their ownership share of the bonus depreciation generated by the pass-through entity that is eligible for the credit.

RECAPTURE INSTRUCTIONS

The amount of credit claimed on your Maine income tax return related to property transferred out-of-state or otherwise removed from service within 12 months of being placed in service in Maine is subject to recapture. To recapture the credit, you must file an amended return for the tax year you claimed the credit. For example, if you claimed the credit on your 2012 Maine income tax return and the credit is subject to recapture, you must amend your 2012 Maine income tax return to recapture the credit. If you carried an unused portion of the credit to 2013 or 2014, you must also amend the 2013 and 2014 income tax returns to remove the credit carryforward amount.

To recapture a credit and make other adjustments related to bonus depreciation, follow the instructions below. For more information on the Maine treatment of bonus depreciation, see the Maine guidance document entitled "Modifications Related to Bonus Depreciation & Section 179 Expensing" at www.maine.gov/revenue/incomeestate/guidance/.

If you filed an individual income tax return – tax year beginning in 2011, 2012, 2013, 2014 or 2015. If you claimed the Maine capital investment credit on a Maine income tax return for 2011, 2012, 2013, 2014 or 2015 and the credit is subject to recapture, follow these instructions:

- **Step 1.** File an amended return (Form 1040X-ME for 2011 and 2012; Form 1040ME for 2013 through 2015) for the tax year you claimed the credit. Make the following adjustments on the amended return:
 - o remove from Form 1040ME, Schedule 1, line 1f the bonus depreciation addition modification amount associated with the property subject to the credit recapture;
 - o recalculate the addition modification amount for Form 1040ME, Schedule 1, line 1e to include in the

2015 MAINE CAPITAL INVESTMENT CREDIT WORKSHEET INSTRUCTIONS, cont.

calculation depreciation amounts associated with the property subject to the credit recapture;

- o recalculate the Maine capital investment credit for the taxable year, excluding from the calculation the bonus depreciation amount associated with the property subject to the credit recapture. If all property forming the basis of the original credit is subject to the credit recapture, the amended credit for the taxable year is zero. Enter the recalculated credit on Form 1040ME, Schedule A, line 12 (line 11 for tax year 2013, line 10 for tax year 2012 or line 11 for tax year 2011). The reduction in the credit amount represents the amount of the credit recaptured.
- **Step 2.** If necessary, file amended returns for tax years subsequent to the year you are amending under Step 1 in order to:
 - o increase the subtraction modification amount on Form 1040ME, Schedule 1, line 2j to reflect the increased addition modification on the amended return - Form 1040ME, Schedule 1, line 1e - filed under Step 1;
 - o reduce Form 1040ME, Schedule A, line 12 (line 11 for tax year 2013, line 10 for tax year 2012 or line 11 for tax year 2011) to remove any Maine capital investment credit amount carried forward to the tax year associated with the credit recaptured on the amended return filed under Step 1.

If you filed a corporate income tax return – tax year beginning in 2011, 2012, 2013, 2014 or 2015. If you claimed the Maine capital investment credit on a return for 2011, 2012, 2013, 2014 or 2015 and the credit is subject to recapture, follow these instructions:

- **Step 1.** File an amended return for the tax year you claimed the credit. Make the following adjustments on the amended return:
 - o remove, for purposes of Form 1120X-ME, line 4e, the bonus depreciation addition modification amount associated with the property subject to the credit recapture;
 - o recalculate the addition modification amount, for purposes of Form 1120X-ME, line 4f, to include in the calculation depreciation amounts associated with the property subject to the credit recapture;
 - o recalculate the Maine capital investment credit for the taxable year, excluding from the calculation the bonus depreciation amount associated with the property subject to the credit recapture. If all property forming the basis of the original credit is subject to the credit recapture, the amended credit for the taxable year is zero. Enter the recalculated credit on Form 1120X-ME, Schedule C, line 29f. The reduction in the credit amount represents the amount of the credit recaptured.
- **Step 2.** If necessary, file amended returns for tax years subsequent to the year you are amending under Step 1 in order to:
 - o increase the subtraction modification amount on Form 1120X-ME, line 2i to reflect the increased addition modification on the amended return - Form 1120X-ME, line 4f - filed under Step 1;
 - o reduce Form 1120X-ME, Schedule C, line 29f to remove any Maine capital investment credit amount carried forward to the tax year associated with the credit recaptured on the amended return filed under Step 1.

If you filed a fiduciary income tax return – tax year beginning in 2011, 2012, 2013, 2014 or 2015. If you claimed the Maine capital investment credit on a return for 2011, 2012, 2013, 2014 or 2015 and the credit is subject to recapture, follow these instructions:

- **Step 1.** File an amended return for the tax year you claimed the credit. Make the following adjustments on the amended return:
 - o remove from Form 1041ME, Schedule 1, line 1f the bonus depreciation addition modification amount associated with the property subject to the credit recapture;

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- o recalculate the addition modification amount for Form 1041ME, Schedule 1, line 1e to include in the calculation depreciation amounts associated with the property subject to the credit recapture;
- o recalculate the Maine capital investment credit for the taxable year, excluding from the calculation the bonus depreciation amount associated with the property subject to the credit recapture. If all property forming the basis of the original credit is subject to the credit recapture, the amended credit for the taxable year is zero. Enter the recalculated amount on the amended return. The reduction in the credit amount represents the amount of the credit recaptured.
- **Step 2.** If necessary, file amended returns for tax years subsequent to the year you are amending under Step 1 in order to:
 - o increase the subtraction modification amount on Form 1041ME, Schedule 1, line 2f to reflect the increased addition modification on the amended return - Form 1041ME, Schedule 1, line 1e - filed under Step 1;
 - o reduce Form 1041ME, Schedule A, line 5 to remove any Maine capital investment credit amount carried forward to the tax year associated with the credit recaptured on the amended return filed under Step 1.