



RESEARCH EXPENSE TAX CREDIT WORKSHEET FOR TAX YEAR 2017 36 M.R.S. § 5219-K

TAXPAYER NAME: _____ EIN/SSN: _____

Note: Owners of pass-through entities (such as partnerships, LLCs, S corporations and trusts) making eligible investments, see instructions. Enter name and ID number of the 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/SSN	OWNERSHIP PERCENTAGE
_____	_____	_____ %

1. Basic research payments in excess of the federal base that were spent for research conducted in Maine included on federal Form 6765, Section A, line 4 or Form 6765, Section B, line 21. If research is conducted both in and outside of Maine, see instructions on how to calculate the amount to enter on this line 1. _____

2. Basic research payments credit: Line 1 x 7.5% (0.075)..... 2. _____

3. Total qualified research expenses spent for research conducted in Maine included on federal Form 6765, Section A, line 9 or Form 6765, Section B, line 28 3. _____

4. Total qualified research expenses applied to research conducted in Maine for the three previous years. For calendar year filers, these are (for short tax years, see instructions):
 - 2016 _____
 - 2015 _____
 - 2014 _____
 - Total _____ ÷ 3 = Base amount 4. _____

5. Qualified research expenses in excess of base amount (Line 3 minus line 4) 5. _____

6. Qualified research expense credit: line 5 x 5% (0.05) 6. _____

7. Carryforward from previous years (see instructions) 7. _____

8. Total available credit: Line 2 plus lines 6 and 7. Corporations: if amount is greater than \$25,000, see instructions. Enter allowable credit amount on Form 1120ME, Schedule C, line 1g or Form 1040ME, Schedule A, line 15 or Form 1041ME, Schedule A, line 9 8. _____

Unused credit amounts may be carried forward for up to 15 years.

2017
RESEARCH EXPENSE TAX CREDIT
WORKSHEET INSTRUCTIONS

This credit is available to businesses that spend money for research in Maine. The credit equals 5% of qualified research expenses in excess of the base amount (the base amount is the average research expense for the last three years) plus 7.5% of basic research payments (relating to research performed by qualified universities or scientific research organizations). This credit applies only to the amount spent on research conducted in Maine. Qualified research and qualified research expenses are defined by the Internal Revenue Code (Code) § 41. Basic research payments are determined in accordance with the Code § 41(e)(1)(A). The credit and any applicable carryforward cannot reduce the tax liability, excluding minimum tax, below zero. For corporations, the credit is limited to 100% of the first \$25,000 in income tax determined before other credits, plus 75% of the tax amount in excess of \$25,000. Any unused credit amount may be carried forward for a total of 15 years. Special rules apply to corporations that are members of a controlled group as defined by the Code § 41(f)(1)(A) and to corporations that file a Maine combined return.

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 in proportion to their respective interest in these entities.

SPECIFIC LINE INSTRUCTIONS

Enter the taxpayer name and employer identification number ("EIN") or social security number ("SSN").

- Line 1. Enter the basic research payments in excess of the federal base that were spent for research conducted in Maine included on federal Form 6765, Section A, line 4 or Form 6765, Section B, line 21. If the qualifying research is conducted both in and outside Maine, subtract the Maine portion of the federal base period amounts included on federal Form 6765, lines 3 and 20 from the Maine portion of the federal basic research payments included on federal Form 6765, lines 2 and 19. Enter the result on line 1 of the worksheet.
- Line 3. Enter total qualified research expenses applied to research conducted in Maine during the taxable year included on federal Form 6765, Section A, line 9 or Form 6765, Section B, line 28.
- Line 4. Enter the qualified research expenses applied to research conducted in Maine for the three prior tax years. This is the base amount for purpose of calculating the qualified research expense credit. If any of the three prior tax years is a short year, the qualified research expenses must be prorated according to federal regulations.
- Line 7. Enter the unused credit amounts from prior years. Unused credit amounts may be carried forward for 15 years.
- Line 8. If a taxable corporation's tax liability exceeds \$25,000 (before other credits), the corporation must enter on line 8 the lesser of the total of lines 2, 6 and 7 or the total of \$25,000 plus 75% of the tax liability (before other credits) exceeding \$25,000.

For individuals and for taxable corporations with a tax liability of no more than \$25,000, the credit is limited to the tax liability of the taxpayer. Unused credit amounts may be carried forward for 15 years.