



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

Form 1120ME, Line 2o

Form 1120ME, Line 4i

Use this worksheet to report “Other” income modifications for Form 1120ME, Line 2o (subtraction modifications) and Line 4i (addition modifications), resulting from federal tax law changes enacted after December 31, 2019.

Include the taxpayer’s distributive share of each item from partnerships and other pass-through entities.

See pages 2 and 3 for a description of each item listed below.

Name of Corporation as shown on Form 1120ME	Federal ID Number

A. Other Subtraction Income Modifications

1. If applicable, and to the extent not otherwise included in lines 2 through 4 below, enter the amount of “Other” subtraction modifications listed in the 2019 Form 1120ME, Line 2o instructions.1.	<input style="width: 100%;" type="text"/>	.00
2. Depreciation on qualified improvement property (QIP). (Also see line 8 below).....2.	<input style="width: 100%;" type="text"/>	.00
3. Paid sick leave credit and paid family leave credit deduction3.	<input style="width: 100%;" type="text"/>	.00
4. Reduction in federal salaries and wages deduction due to claiming the employee retention credit.....4.	<input style="width: 100%;" type="text"/>	.00
5. Total Other Subtraction Modifications. Add lines 1 through 4. Enter here and on Form 1120ME, Line 2o5.	<input style="width: 100%;" type="text"/>	.00

B. Other Addition Income Modifications

6. If applicable, and to the extent not otherwise included in lines 7 through 10 below, enter the amount of “Other” addition modifications listed in the 2019 Form 1120ME, Line 4i instructions.....6.	<input style="width: 100%;" type="text"/>	.00
7. Business interest deduction exceeding 30% of federal adjusted taxable income7.	<input style="width: 100%;" type="text"/>	.00
8. Depreciation on qualified improvement property (QIP). (Also see line 2 above).....8.	<input style="width: 100%;" type="text"/>	.00
9. Discharge of indebtedness on Payroll Protection Program loans9.	<input style="width: 100%;" type="text"/>	.00
10. Charitable contributions of cash or food during 2020.....10.	<input style="width: 100%;" type="text"/>	.00
11. Total Other Addition Modifications. Add lines 6 through 10. Enter here and on Form 1120ME, Line 4i 11.	<input style="width: 100%;" type="text"/>	.00

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

2019 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 1120ME. This worksheet provides additional Maine modifications required for the 2019 tax year due to Maine nonconformity with federal tax law changes enacted after December 31, 2019.

Note that the modifications listed below affect only taxpayers whose taxable year began during 2019.

Income Modifications - Other Subtractions, Form 1120ME, Line 2o

Subtraction modifications are required for items of income that are included in federal income but are not subject to Maine corporate income tax or to provide for a deduction allowed for Maine tax purposes. See Form 1120ME, lines 2a through 2p. See descriptions below for each item.

Line 1. “Other” Subtraction Modifications from Form 1120ME, Line 2o. If applicable, enter the sum of the “other” subtraction income modifications listed in the instructions for Form 1120ME, line 2o to the extent not otherwise included in the lines below.

Lines 2 through 4. Other Subtraction 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 Form 1120ME.

Line 2. Depreciation on qualified improvement property (QIP) - subtraction modification. If, for taxable year 2018, you claimed 100% bonus depreciation under Internal Revenue Code, Section 168(k) on QIP for which you previously made an addition modification on your 2018 Maine tax return (see the addition modification for depreciation on qualified improvement property (QIP) on the *2018 Additional Worksheet to Report Certain “Other” Modifications to Maine Income Related to Federal Tax Law Changes Enacted After December 31, 2019*), enter on Line 2 the depreciation allowed for year two on that property using the 39-year depreciation schedule as required prior to enactment of the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

If, for taxable year 2018, you claimed less than 100% bonus depreciation under Internal Revenue Code, Section 168(k) on QIP for which you previously made an addition modification on your 2018 Maine tax return (see the addition modification for depreciation on qualified improvement property (QIP) on the *2018 Additional Worksheet to Report Certain “Other” Modifications to Maine Income Related to Federal Tax Law Changes Enacted After December 31, 2019*), enter on Line 2 the excess of a) depreciation allowed for that property for the current tax year, without regard to the bonus depreciation claimed, using the 39-year depreciation schedule as required prior to enactment of the federal CARES Act over b) depreciation claimed for federal tax purposes on that property for the current tax year.

Line 3. Paid sick leave credit and paid family leave credit deduction. To the extent included in federal taxable income, enter the total of the amounts claimed for the paid sick leave and paid family leave payroll tax credits under the federal Families First Coronavirus Response Act (FFCRA).

Line 4. Reduction in the federal salaries and wages deduction due to claiming the employee retention credit. Enter the amount of the reduction in your federal salaries and wages expense deduction directly related to claiming the federal Employee Retention Credit under the federal CARES Act.

Line 5. Total Other Subtraction Modifications. Add Lines 1 through 4. Enter the sum here and on Form 1120ME, Line 2o.

Income Modifications - Other Additions, Form 1120ME, Line 4i

Addition modifications are required for items of income that are not included in federal income but are subject to Maine corporate income tax or to reverse a federal deduction not allowed for Maine tax purposes. See Form 1120ME, lines 4a through 4j. See descriptions below for each item.

Line 6. “Other” Addition Modifications From Form 1120ME, Line 4i. If applicable, enter the sum of the “other” addition income modifications listed in the instructions for Form 1120ME, line 4i to the extent not included in the lines below.

Lines 7 through 10 - Other Addition Modifications Resulting From Federal Tax Law Changes Enacted After December 31, 2019. Enter only amounts not included in line 6 or otherwise previously reported on Maine Form 1120ME.

Line 7. Business interest deduction exceeding 30% of federal adjusted taxable income. The federal CARES Act increases the allowable business interest deduction from 30% to 50% of federal adjusted taxable income. For Maine income tax purposes, business interest greater than 30% of federal adjusted taxable income may not be used to reduce Maine taxable income. To calculate this amount,

complete a pro forma federal Form 8990 using the 30% business interest deduction limitation. Enter on this line the difference between the allowable interest deduction using the 50% limitation on federal Form 8990, Line 26 and the interest deduction calculated using the 30% limitation on the pro forma federal Form 8990, Line 26. **Note:** Do not complete this line if the federal business interest expense deduction does not exceed 30% of federal adjusted taxable income.

Line 8. 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. Calculate the Line 8 addition modification by using:

- 1) the 39-year depreciation schedule as required prior to enactment of the federal CARES Act, and
 - 2) either the 15-year GDS schedule or the 20-year ADS schedule, whichever schedule was used to calculate QIP depreciation for federal tax purposes.
- **If you claim 100% bonus depreciation under Internal Revenue Code, Section 168(k) on QIP placed in service during 2019,** enter on Line 8 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. Also see the Line 2 instructions above to calculate the applicable Maine depreciation on QIP for which the 100% bonus depreciation was previously claimed. **Note:** If you claimed less than 100% bonus depreciation under Internal Revenue Code, Section 168(k) on QIP placed in service during 2019, enter on Line 8 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 years 2018 and 2019, 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 8.

Also include on Line 8 the amount of any additional depreciation deduction claimed on the 2019 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 8 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 9. Discharge of indebtedness on Payroll Protection Program loans. To the extent not otherwise excludable under Internal Revenue Code, Section 108, enter the amount of covered loan forgiveness excluded from federal taxable income pursuant to section 1106 of the CARES Act, less the amount of any covered ordinary and necessary business expenses paid by the taxpayer during the covered period from the proceeds of such loans that were not otherwise deducted for federal tax purposes. **Note:** If deductible expenses related to the cancelled debt exceeds the amount of the cancelled debt income otherwise includible in income, call Maine Revenue Services at 207-626-8475 or email income.tax@maine.gov for additional instructions.

Line 10. Charitable contributions of cash or food during 2020. Section 2205 of the federal CARES Act increases the maximum allowable charitable contribution deduction for cash contributions from 10% to 25% of federal taxable income and for qualified food contributions from 15% to 25% of federal taxable income. For Maine tax purposes, the charitable contribution deduction continues to be subject to the limitations in effect prior to enactment of the CARES Act. Enter on this line the increase in the charitable contribution deduction for cash contributions and contributions of food inventory claimed on your 2019 federal income tax return in accordance with the federal CARES Act, Sections 2205(a)(2)(B) and 2205(b).

Line 11. Total Other Addition Modifications. Add lines 6 through 10. Enter the sum here and on Form 1120ME, Line 4i.

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