

# 2021

**INCOME SCHEDULE FOR  
NONRESIDENT ESTATES AND TRUSTS OR RESIDENT  
ESTATES AND TRUSTS WITH NONRESIDENT OR "SAFE  
HARBOR" RESIDENT BENEFICIARIES**

**SCHEDULE NR  
FORM 1041ME**

A copy of federal Form 1041 must be attached to this Schedule

Name as shown on Form 1041ME

Estate/Trust EIN

	A FEDERAL	B MAINE-SOURCE
<b>1. DISTRIBUTABLE NET INCOME (DNI):</b> <u>Column A:</u> Federal Form 1041, Schedule B, line 7 ..... 1 <u>Column B:</u> Enter the net amount of the Maine-source portion of income and deductions included in Column A.		
<b>2. ESTATE/TRUST PORTION OF DNI:</b> Column A and Column B: Form 1041ME, Schedule 2, line f, Column 3. ( <b>Note:</b> If less than zero, enter 0.0000. If greater than 100, enter 1.0000)..... 2	_ . _ _ _ _ _	_ . _ _ _ _ _
<b>3.</b> Multiply line 1 by line 2. .... 3		
<b>4. BENEFICIARY PORTION OF DNI:</b> Subtract line 3 from line 1 (enter the result from Column B on Schedule 2, line g, Column 6.) ..... 4		
<b>5. NON-DISTRIBUTABLE NET INCOME:</b> <u>Column A:</u> Subtract federal Form 1041, line 19 and federal Form 1041, Schedule B, line 7 from federal Form 1041, line 17. Also enter the sum of the taxable income of the S corporation portion of Electing Small Business Trusts (ESBT) and the amount of unrelated business taxable income from federal Form 990-T, if applicable. <u>Column B:</u> Enter the net amount of the Maine-source portion of income and deductions included in Column A. ( <b>Note:</b> Column B may be larger than the amount shown in Column A). .... 5		
<b>6.</b> Add line 3 and line 5..... 6		
<b>7. FIDUCIARY ADJUSTMENT:</b> <u>Column A:</u> Enter fiduciary portion of Form 1041ME, Schedule 1, line 3. <u>Column B:</u> Maine-source portion of amount in Column A. .... 7		
<b>8. EXEMPTION:</b> <u>Column B:</u> Federal Form 1041, line 21. .... 8		
<b>9. MAINE TAXABLE INCOME:</b> Line 6 plus or minus line 7 minus line 8. Also enter this amount on Form 1041ME, line 3. .... 9		

**SPECIFIC INSTRUCTIONS for Form 1041ME, Schedule NR**  
(See page 2 for more information)

Schedule NR is used to determine the Maine taxable income of a nonresident estate or trust and the taxable income of nonresident and "safe harbor" resident beneficiaries of a resident estate or trust. Generally, Maine taxable income of a nonresident estate or trust is the Maine-source portion of its federal taxable income. The nonresident or "safe harbor" resident beneficiaries are taxed on their share of the Maine-source distributable net income. Resident beneficiaries are taxed on their entire share of the estate or trust income as though the estate or trust was a resident estate or trust.

**Step 1.** Complete Schedules 1 and 2 on Form 1041ME, pages 2 and 3.

**Step 2.** Complete Schedule NR, lines 1-6. For lines 1 and 5, Column B, attach a schedule showing the calculation of Maine-source income.

**Step 3.** Complete Schedule NR, lines 7 through 9. Include on line 7, Column B, the net amount of Maine-source additions included on Schedule 1, line 1i and subtractions included on Schedule 1, line 2g that are related to the income shown on Schedule NR, line 6, Column B.

**Step 4.** Complete Form 1041ME, page 1.

## SCHEDULE NR INSTRUCTIONS

A **nonresident** estate/trust is subject to Maine income tax only on income derived from sources within Maine. See 36 M.R.S. § 5142 (nonresident taxable income) and MRS Rule No. 806 (nonresident individual income tax). This includes the following:

1. Salaries and wages earned working in Maine, including all taxable benefits such as annual and sick leave except for certain salaries and wages earned by the spouse of a nonresident military service member;
2. Distributive share of income (loss) from partnerships and S Corporations operating in Maine;
3. Shares of estate and trust income derived from Maine sources;
4. Income (loss) attributed to the ownership or disposition of real or tangible personal property in Maine;
5. Maine-source gain (or loss) from sale of a partnership interest.

**Note:** To determine the gain or loss from the sale of a partnership interest attributable to Maine, divide the original cost of all tangible property of the partnership located in Maine by tangible property everywhere. Tangible property includes real estate, inventory and equipment. If you don't know these amounts, contact the partnership. If more than 50% of the partnership's assets consist of intangibles, the gain (or loss) is allocated to Maine based on the sales factor of the partnership.

Divide the sales in Maine for the last full tax year of the partnership preceding the year of sale by the total sales for that same year. Multiply the result by the gain or loss on the sale of the partnership interest reported on the federal return. "Sales" for purposes of computing the sales factor are defined in Rule No. 801.06; and

6. Maine State Lottery or Tri-State Lottery winnings from tickets purchased within Maine on or after July 13, 1993, including payments received from third parties for the transfer of rights to future proceeds related to Maine State Lottery or Tri-state Lotto tickets purchased in Maine plus all other income from gambling activity conducted in Maine on or after June 29, 2005.

Except for #5 above, income from intangible sources, such as interest, dividends, pensions, annuities, gains or losses attributable to intangible personal property, is not Maine-source income **unless** it is attributable to a business, trade, profession or occupation carried on in Maine.

**Note:** Resident estates or trusts with nonresident or "Safe Harbor" resident beneficiaries must complete a pro forma Schedule NR (as if the estate or trust were a nonresident estate or trust) in order to complete Column 6 of Schedule 2. Enter on Schedule 2, line g, Column 6 the amount from Schedule NR, line 4, Column B. Attach a copy of the pro forma Schedule NR to the Maine income tax return for the estate or trust.