



# Renewable Chemicals Tax Credit Worksheet for Tax Year 2024

## 36 M.R.S. § 5219-XX

Enclose with Form 1040ME, Form 1040C-ME, Form 1041ME, or Form 1120ME.

Taxpayer Name: \_\_\_\_\_ EIN/SSN: \_\_\_\_\_

**Note:** In the case of pass-through entities (such as partnerships, LLCs, S corporations, and trusts) that is eligible for the credit, the partners, members, shareholders, beneficiaries, or other owners are allowed a credit in proportion to their respective interests in these entities. 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. Attach a copy of federal Schedule K-1 issued to you by the pass-through entity.

Name of Pass-through Entity	EIN/SSN	Ownership Percentage
_____	_____	_____ %

### Enclose this worksheet and the documents listed below with your return:

- Third-party affidavit certifying the percentage of biobased content for each type of renewable chemical produced, as required by Maine Revenue Services (MRS) Rule 818, section .03.
- Certification from the Department of Economic and Community Development (DECD) that at least 75% of the employees of the contractors hired or retained to harvest renewable biomass used in the production of the renewable chemicals produced in Maine during the tax year meet the eligibility conditions specified in the Employment Security Law.
- Other supporting documentation described in the worksheet instructions.

### Required information:

- A. Does the renewable chemical used to calculate the credit comply completely with the definition of renewable chemical contained in 7 United States Code § 8101(14)?

Yes ☐ No ☐ If no, explain:

\_\_\_\_\_  
\_\_\_\_\_

- B. Check whether the renewable chemical produced in Maine during the tax year was:

- ☐ Cellulose nanomaterial  
☐ The product of, or reliant upon, biological conversion  
☐ The product of, or reliant upon, thermal conversion  
☐ The product of, or reliant upon, both biological and thermal conversion

- C. If you checked cellulose nanomaterial in paragraph B above, describe the content to illustrate to what extent it is compliant with its definition in 36 M.R.S. § 5219-XX(1)(A-1).

\_\_\_\_\_  
\_\_\_\_\_

- D. Describe the type and quantity of renewable biomass used in the production of the renewable chemical produced in Maine during the tax year.

\_\_\_\_\_  
\_\_\_\_\_

E. Check if the renewable chemical produced in Maine during the tax year was sold or used (check all that apply) and briefly describe the sale or use in the space provided:

☐ For the production of chemicals, polymers, plastics, or formulated products.

☐ As a chemical, polymer, plastic, or formulated product.

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**Credit Calculation:**

1. a. Total pounds of all renewable chemical produced in Maine during the tax year (round to the nearest pound). ..... 1a. \_\_\_\_\_  
  
b. Multiply line 1a by \$0.08. Enter result here..... 1b. \_\_\_\_\_  
  
c. If you are an owner in a pass-through entity that produced the renewable chemical in Maine, multiply line 1b by the percentage representing your ownership share in the entity. Enter result here. Otherwise, leave this line blank. .... 1c. \_\_\_\_\_
2. a. Maine taxable income generated from the production of renewable chemicals in Maine during the tax year. See instructions. .... 2a. \_\_\_\_\_  
  
b. Applicable tax rate on Maine taxable income. Enter as a decimal. See instructions. .... 2b. . \_\_\_\_\_  
  
c. Tax liability related to credit (multiply line 2a by line 2b). .... 2c. \_\_\_\_\_
3. Credit amount for this tax year. Enter line 1b (or line 1c, if applicable) or line 2c, whichever is less. .... 3. \_\_\_\_\_

Enter the amount on line 3 on line 14 of the Form 1040ME, Schedule A, Lines 7 and 19 Other Tax Credits Worksheet; Form 1040C-ME, Schedule A, line 13; Form 1041ME, Schedule A, line 17; or Form 1120ME, Schedule C, line 1m, whichever applies.

**Note:** MRS may request additional information supporting the credit claimed before the return can be processed.

**Unused credit amount may be carried forward up to 10 tax years following the year during which the credit was generated.**

# Renewable Chemicals Tax Credit Worksheet for Tax Year 2024

## General Instructions

A taxpayer engaged in the production of qualifying renewable chemicals in Maine is allowed a credit equal to 8 cents per pound of renewable chemical produced. The credit is limited to the tax imposed for the tax year on income derived from the production of the renewable chemicals and may not reduce the Maine tax liability to less than zero. Unused credit amounts may be carried forward for up to 10 taxable years.

**To qualify for the credit, the renewable chemical must be sold or used by the taxpayer for the production of chemicals, polymers, plastics, or formulated products and/or sold or used as a chemical, polymer, plastic, or formulated product. The renewable chemical cannot be sold or used for production of any, or sold as, food, feed, or fuel (including biofuel as defined by 36 M.R.S. § 5219-X(1)). A renewable chemical may include cellulose sugars used to produce aquaculture feed and food additives, supplements, vitamins, nutraceuticals, or pharmaceuticals, that do not provide caloric value and are not considered food or feed.**

In accordance with Maine Revenue Services ("MRS") Rule 818, each renewable chemical for which a credit is claimed must be tested not less than annually by an independent third party to establish the level of biobased content. The taxpayer and the third-party tester must complete the accompanying affidavit attesting to the percentage of biobased content of each renewable chemical included in the computation of the credit. The affidavit must be attached to the worksheet.

The taxpayer must demonstrate to the Maine Department of Economic and Community Development (DECD) that at least 75% of the employees of any contractor hired or retained to harvest renewable biomass used in the production of the renewable chemical for which the credit is claimed meet the eligibility conditions specified in Maine Employment Security Law. A copy of verification from DECD must be attached to the credit worksheet.

Taxpayers claiming the credit must also report to DECD the amount of the credit, number of direct manufacturing jobs created and amount of capital investment in manufacturing.

For more information about obtaining the required verification or filing the report, contact DECD at [maine.gov/decd/business-development](http://maine.gov/decd/business-development) (select Financial Incentives and Resources, Financial Incentives, then Additional Tax Credits and Sales Tax Exemptions) or by calling (207) 624-9800.

For questions about MRS Rule 818 or how the credit is calculated, email Maine Revenue Services, Business Tax Unit, at [corporate.tax@maine.gov](mailto:corporate.tax@maine.gov).

## Specific Instructions

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

Line 1a. Enter the total pounds (rounded to the nearest pound) of renewable chemical produced in Maine during the tax year. For purposes of line 1a, renewable chemical means (36 M.R.S. § 5219-XX(1)(C)):

A renewable chemical, as defined in 7 United States Code, Section 8101(14), that:

- (1) Is the product of, or reliant upon, biological conversion, thermal conversion or a combination of biological and thermal conversion of renewable biomass or is a cellulose nanomaterial;
- (2) Is sold or used by the taxpayer:
  - (a) For the production of chemicals, polymers, plastics or formulated products; or
  - (b) As a chemical, polymer, plastic or formulated product;
- (3) Is not less than 95% biobased content, as determined by testing representative samples using the ASTM International D6866 standard test methods; and
- (4) Is not sold or used for production of any, or sold as, food, feed or fuel, including any biofuel as defined under 36 M.R.S. § 5219-X(1), except that "renewable chemical" may include:
  - (a) Cellulosic sugars used to produce aquaculture feed; and
  - (b) A food additive, supplement, vitamin, nutraceutical or pharmaceutical that does not provide caloric value and is not considered food or feed.

**Documentation supporting amounts entered on line 1a must be included with the return.**

**Renewable Chemicals Tax Credit**  
**Worksheet for Tax Year 2024**  
**Instructions, continued**

Line 2a. Enter on line 2a the Maine taxable income generated during the tax year from producing renewable chemicals in Maine. If you are claiming the credit as a result of an ownership interest in a pass-through entity that produced renewable chemicals, enter on line 2a that portion of the income generated by the pass-through entity from the production of renewable chemicals in Maine that is included in your Maine taxable income. If the Maine taxable income generated during the tax year from producing renewable chemicals in Maine is less than 100% of your Maine taxable income, attach a schedule showing how the amount entered on line 2a is calculated.

Line 2b. To calculate the applicable tax rate, divide the gross tax liability (Form 1040ME, line 20; Form 1040C-ME, line 2; Form 1041ME, line 4; or Form 1120ME, line 5) by the taxable income shown on your return (Form 1040ME, line 19; Form 1040C-ME, line 1; Form 1041ME, line 3; or Form 1120ME, line 4).

**Affidavit of Third-party Testing**

The percentage of biobased content for each type of renewable chemical produced must be supported by annual testing of samples by a third party in accordance with MRS Rule 818.

If more than one type of renewable chemical was produced in Maine during the tax year, attach an additional schedule listing each type of renewable chemical produced and the related percentage of biobased content.

You do not qualify for the credit unless the total biobased content of all renewable chemical produced in Maine is 95% or more.