



**Form 1040ME, Schedule 1S,
Other Income Subtraction Modifications Worksheet
(for Line 26)
Tax Year 2025**



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Use this worksheet to list Income Subtraction Modifications - Other Subtractions for amounts that are taxable by the federal government but not by Maine in order to complete Form 1040ME, Schedule 1S, line 26. Include only items specifically listed below.

Include the taxpayer's distributive share of each item from partnerships, S corporations and other pass-through entities.

See page 2 for a description of each item listed below.

Name(s) as shown on Form 1040ME		Your Social Security Number
<input type="text"/>		<input type="text"/>
1.	Holocaust victim settlement payments..... 1.	<input type="text"/> .00
2.	Earnings on funds held in an ABLE savings account..... 2.	<input type="text"/> .00
3.	Maine seed capital credit distributions from a private venture capital fund..... 3.	<input type="text"/> .00
4.	Income recognized from the new markets capital investment credit..... 4.	<input type="text"/> .00
5.	Northern Maine Transmission Corporation investment income 5.	<input type="text"/> .00
6.	Maine Space Corporation, Maine Waste Management & Recycling Program, and Lincoln Mill Facilities District - interest income and capital gains from the sale of program bonds..6.	<input type="text"/> .00
7.	Gain on the transfer of a majority interest in a business that provides housing to a cooperative affordable housing corporation or municipal housing authority 7.	<input type="text"/> .00
8.	Student Homelessness Prevention Program financial assistance 8.	<input type="text"/> .00
9.	OBBBA amortization of domestic research and experimental (R & E) expenditures 9.	<input type="text"/> .00
10.	Total Other Subtractions (add lines 1 through 9 and enter the total here and on Form 1040ME, Schedule 1S, line 26) 10.	<input type="text"/> .00

**Form 1040ME, Schedule 1S, Other Income Subtraction Modifications Worksheet
(for Line 26)
Tax Year 2025 - Instructions**

Line 1. Holocaust victim settlement payments. Settlement payments received by Holocaust victims are exempt from Maine individual income tax. Enter on this line Holocaust victim settlement payments included in federal adjusted gross income. A Holocaust victim is an individual who died, lost property, or was a victim of persecution between January 1, 1929, and December 31, 1945, in Nazi Germany or in any European country allied with or occupied by Nazi Germany as a result of discriminatory laws, policies or actions targeted against discrete groups of individuals based on race, religion, ethnicity, sexual orientation or national origin. A Holocaust victim includes the spouse or descendant of a Holocaust victim. The exemption applies only to the first taxpayer (the Holocaust victim or the spouse or descendant of the Holocaust victim) receiving a Holocaust victim settlement payment. Enter on this line the following settlement payments eligible for the exemption: 1) payment as a result of the taxpayer's status as a Holocaust victim; 2) payment as a result of the settlement of a Holocaust-related claim; and 3) interest on any settlement payment accumulated through the date of payment. 36 M.R.S. § 5122(2)(O).

Line 2. Earnings on funds held in an ABLÉ savings account. Enter on this line the amount equal to any ABLÉ savings account income, such as interest, that is included in federal adjusted gross income. 36 M.R.S. § 5122(2)(QQ).

Line 3. Maine seed capital credit. Enter the refundable portion of the Maine seed capital investment tax credit allowed under 36 M.R.S. § 5216-B to the extent included in federal adjusted gross income. Private venture capital funds may claim the seed capital investment tax credit and the credit is refundable to those entities. The refundable portion of the credit is excluded from Maine taxable income. 36 M.R.S. § 5122(2)(JJ).

Line 4. New markets capital investment credit. Enter the amount of income recognized from the new markets capital investment credit to the extent included in federal adjusted gross income. 36 M.R.S. § 5122(2)(KK).

Line 5. Northern Maine Transmission Corporation investment income. The Northern Maine Transmission Corporation is a public instrumentality of the State. All bonds, notes, or other evidences of indebtedness issued on behalf of the Northern Maine Transmission Corporation are issued by a political subdivision or a body corporate and politic of the State and for an essential public and governmental purpose. Those bonds, notes, or other evidences of indebtedness, the interest on them and the income from them, including any profit on their sale, and all activities of the corporation and fees, charges, funds, revenue, income, and other money of the corporation, whether or not pledged or available to pay or secure the payment of those bonds, notes, or other evidences of indebtedness or interest on them, are exempt from Maine individual income tax. Enter on this line the amount of income from investments in the Northern Maine Transmission Corporation to the extent included in federal adjusted gross income. 10 M.R.S. § 9205.

Line 6. Maine Space Corporation, Maine Waste Management & Recycling Program, and Lincoln Mill Facilities District - interest income and capital gains from the sale of program bonds. Enter on this line interest income and capital gains from the sale of bonds issued relative to the Maine Space Corporation, the Maine Waste Management and Recycling Program, and the Lincoln Mill Facilities District to the extent included in federal adjusted gross income. 5 M.R.S. § 13207(2)(B), 38 M.R.S. § 2218, and P. & S.L. 2023, c. 23, § 7.

Line 7. Gain on the transfer of a majority interest in a business that provides housing to a cooperative affordable housing corporation or municipal housing authority. Enter on this line up to \$750,000 of gain recognized on the sale of a majority ownership interest in a qualified business to the extent included in federal adjusted gross income. The qualified business must provide housing and be transferred to a cooperative affordable housing corporation, municipal housing authority, or an affiliate of a municipal housing authority. A qualified business is any business that is not publicly traded and is registered with the Secretary of State or has its principal place of business in Maine including a corporation, an S corporation, a limited liability company, a limited liability partnership, and a sole proprietorship. 36 M.R.S. § 5122(2)(AAA).

Line 8. Student Homelessness Prevention Program financial assistance. Enter on this line any financial assistance received under the Student Homelessness Prevention Program under 20-A M.R.S. § 6691 to the extent included in federal adjusted gross income. 20-A M.R.S. § 6691(4).

Line 9. OBBBA amortization of domestic research and experimental (R & E) expenditures. For federal tax purposes, under the One Big Beautiful Bill Act (OBBBA), for tax years beginning after 2024, taxpayers may elect to amortize domestic R & E expenditures over a period of at least 60 months (IRC, Section 174A(c)(1)). For Maine tax purposes, domestic R & E expenditures must continue to be amortized over a five-year period as calculated before enactment of the OBBBA. If applicable, follow the instructions for Form 1040ME, Schedule 1A, line 10 to calculate the amount to enter on this line. Provide a statement showing the calculation for this line.