

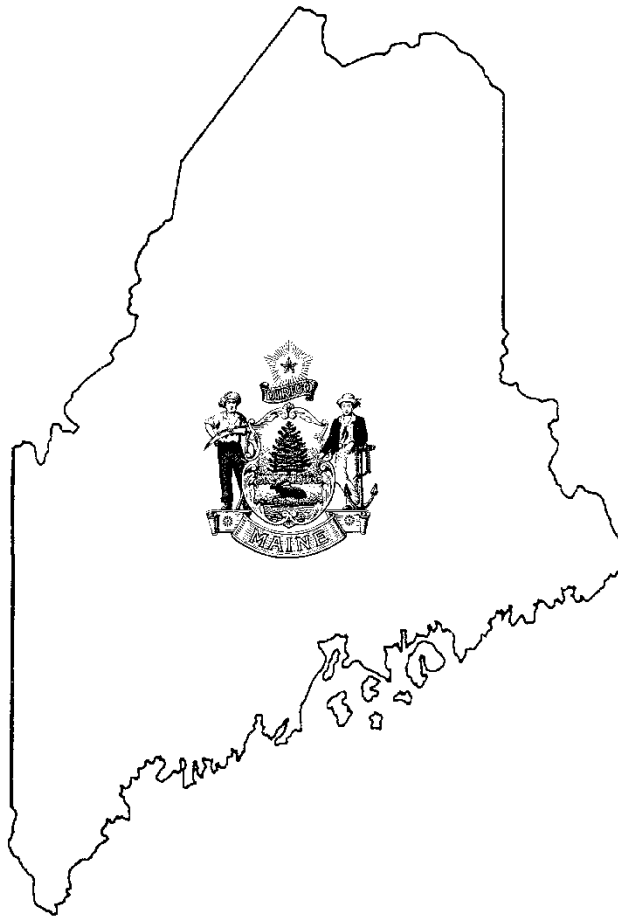
INDIVIDUAL INCOME TAX

Schedule NR

Worksheet A

Worksheet B

For Calculating the Nonresident Credit for Part-year Residents,
Nonresidents, and Safe Harbor Residents



GUIDANCE DOCUMENT

Maine Revenue Services, Income/Estate Tax Division

Last Revised: December 2024

Schedule NR and Worksheets A and B

Part-year Residents, Nonresidents and Safe Harbor Residents Only

If you are a **part-year resident** of Maine and received income during that part of the year you were a resident of Maine, or during any period you were a nonresident or safe harbor resident and had income from Maine sources resulting in a Maine income tax liability, you must file Maine Form 1040ME.

Nonresident filing exceptions

- **Minimum taxability thresholds.** A nonresident individual working in Maine as an employee is not required to pay a Maine tax or file a Maine return on income from personal services unless that individual works in Maine for more than 12 days and earns or derives income from all Maine sources totaling more than \$3,000. Up to 24 days performing certain personal services, such as training and site inspections, are not counted against the 12-day threshold. Also, generally, a nonresident individual present in Maine for business on other than a systematic or regular basis, either directly or through agents or employees, for no more than 12 days and earning no more than \$3,000 from business activity in Maine is not required to pay a Maine tax or file a Maine return on that income.
- **Political subdivision employee.** Income earned by a nonresident employee of a political subdivision of an adjoining state performing services in Maine in accordance with an interlocal agreement under 30-A M.R.S., Chapter 115 is not considered Maine-source income, so long as the work performed does not displace a Maine resident employee.
- **Declared state disaster or emergency.** Compensation or income directly related to a declared state disaster or emergency is exempt from Maine tax if the taxpayer's only presence in Maine during the tax year is for the sole purpose of providing disaster relief.

For more information, see 36 M.R.S. §§ 5142(8-B) and 5142(9), [MRS Rule 806](#), the “*Determining Residency Status*” guidance document and the “*Residency Safe Harbors For Residents Spending Time Outside Maine*” guidance document.

Maine income tax **guidance documents** are available at: maine.gov/revenue/taxes/income-estate-tax/guidance-documents.

Downloadable Maine **tax forms** are available at: maine.gov/revenue/tax-return-forms.

Part-year residents, nonresidents, and safe harbor residents who receive income from outside Maine during the period of nonresidence may be able to claim a nonresident credit. This credit is calculated on Schedule NR using Worksheet A, Worksheet B, and, if necessary, Worksheet C. Full-year residents of Maine may not claim a nonresident credit and should not complete Schedule NR. Do not file Schedule NR if all your income is taxable by Maine.

Part-year residents, nonresidents and safe harbor residents must include a complete copy of their federal income tax return (including all schedules and worksheets) with the Maine income tax return.

Except for certain married taxpayers described below, part-year residents, nonresidents, and safe harbor residents must file a Maine income tax return using the same filing status as properly used on the federal income tax return and must complete Form 1040ME and Schedule NR. However, do not use Schedule NR if all your income is taxable to Maine, because in that case you are not eligible for the nonresident credit.

If one spouse is a full-year Maine resident and the other spouse is not, and a joint federal return was filed, you have two options:

- 1) You can choose to file a joint Maine income tax return as if both were full-year Maine residents, in which case, you may qualify for the Credit for Income Tax Paid to Other Jurisdictions (36 M.R.S. § 5217-A); or
- 2) Each spouse may file a Maine income tax return as a single individual using Form 1040ME with Schedule NRH. For more information, see Form 1040ME, Schedule NRH and the “*Schedule NRH*” guidance document. Each income tax return must show the proper residency status.

If the nonresident or safe harbor resident spouse has no Maine-source income, that spouse does not have to file a Maine Return.

If one spouse is a full-year Maine resident and the other spouse is a nonresident, the Maine resident spouse must file as a single individual using Schedule NRH unless filing a married joint return as full-year Maine residents results in a lower tax liability. See the “*Schedule NRH*” guidance document for examples of when to file Schedule NRH.

If both spouses are nonresidents or safe harbor residents and a joint federal income tax return was filed, but only one spouse has Maine-source income, you have two options:

- 1) You can choose to file a joint Maine return and determine your joint tax liability as nonresidents using Form 1040ME with Schedule NR; or
- 2) The spouse who has Maine-source income can choose to file a return as a single individual using Form 1040ME with Schedule NRH. For more information, see Form 1040ME, Schedule NRH.

Calculating Your Tax

Maine taxable income is equal to federal adjusted gross income adjusted by Maine income modifications, personal exemptions, and deductions. Your tax is first calculated as if you were a resident of Maine for the entire year. Part-year residents, nonresidents, and safe harbor residents may then claim a nonresident credit calculated using Schedule NR, Worksheets A and B, and, if necessary, Worksheet C based on the income that was earned outside Maine while a nonresident of Maine. **Note:** Nonresident or safe harbor resident service members, see below for special instructions.

- Do not begin the Maine return with only the income earned in Maine. You must begin your Maine income tax return with the total federal adjusted gross income.
- Unless specifically instructed, do not subtract income earned outside Maine as an income subtraction modification on Form 1040ME, Schedule 1S.

Schedule NR is designed to separate a part-year resident’s, nonresident’s, or safe harbor resident’s income between Maine-source income and non-Maine-source income.

Maine-source income/loss includes the following:

- 1) All income received while a resident of Maine;

- 2) Salaries and wages earned working in Maine, including any taxable benefits related to those earnings, such as annual and sick leave, unless otherwise excepted. See Exceptions above. Also see 36 M.R.S. §§ 5142(8-B) and 5142(9) and MRS Rule 806;
- 3) Income/loss derived from or connected with the carrying on of a trade or business within Maine (including distributive share of income (loss) from partnerships and S corporations operating in Maine), unless otherwise excepted. See Exceptions above. See 36 M.R.S. §§ 5142(8-B) and 5142(9) and MRS Rule 806;
- 4) Shares of trust and estate income derived from Maine sources;
- 5) Income (loss) attributed to the ownership or disposition of real or tangible personal property in Maine. For tax years beginning on or after January 1, 2019, nonresident individual taxpayers may elect to recognize the entire gain from an installment sale of real or tangible property located in Maine in the taxable year of the transfer or the remaining gain in a subsequent taxable year to the extent the gain has not been reported in a previous tax year. Once made, the election is irrevocable. See 36 M.R.S. § 5147;
- 6) Maine-source gain/loss from the sale of a partnership interest. 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, but is not limited to, 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 your federal return. "Sales" for purposes of computing the sales factor are defined in [MRS Rule 801](#). Include the gain (or loss) from the sales of a partnership interest on Worksheet B, Column E, line 6; and
- 7) Maine State Lottery or Tri-State Lottery winnings from tickets purchased within Maine, 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.

Except for Item 6 above, income from intangible sources, such as interest, dividends, annuities, most pensions, and gains or losses attributable to intangible personal property, received by a nonresident or a safe harbor resident is not Maine-source income unless it is attributable to a business, trade, profession, or occupation carried on in Maine.

Instructions for Completing 2024 Form 1040ME, Schedule NR

A part-year resident is subject to Maine income tax on all income derived while a resident of Maine, even if the income is received from out-of-state sources, plus any income derived from Maine sources during the period of nonresidence.

Form 1040ME, Worksheets A and B, must be completed prior to completing Schedule NR. Follow the step-by-step instructions for Form 1040ME, Schedule NR.

Nonresident and safe harbor resident service members, see below for special instructions.

Lines 1a through 1c. After you complete Form 1040ME through line 20a based on your total federal adjusted gross income, complete Schedule NR to calculate the amount of your nonresident credit. To complete Schedule NR, lines 1a through 1c:

- 1) Enter your total federal income on line 1a. (from Worksheet B, line 15, Column A).
- 2) Enter all Maine-source income on line 1b, including any income earned in Maine while a nonresident or safe harbor resident of Maine (Worksheet B, line 15, Column B plus Worksheet B, line 15, Column E).
- 3) Enter all non-Maine-source income on line 1c. (Worksheet B, line 15, Column D minus Worksheet B, line 15, Column E). If you included a taxable state income tax refund on your federal income tax return, do not include that refund when completing Worksheet B or Schedule NR.

Line 2. If the ratio of non-Maine income to total income calculated on Schedule NR, line 2, is less than 0%, enter 0.0000. If the ratio is 100% or greater, enter 1.0000. You may not claim a negative nonresident credit or a nonresident credit that is more than your tax liability otherwise due to Maine. You should always extend the percentage calculations four digits beyond the decimal point; for example, 5.00% is entered as .0500, 25.25% is entered as .2525 and 100.00% is entered as 1.0000.

Line 3. To complete Schedule NR, line 3, Federal Income Adjustments, multiply the amount of federal income adjustments from non-Maine sources listed on federal Form 1040 or Form 1040-SR, by the percentage calculated on Schedule NR, line 2.

Line 5. (Nonresident and safe harbor resident service members, see below for special instructions.) If you have completed Form 1040ME, Schedule 1A, Income Addition Modifications or Schedule 1S, Income Subtraction Modifications, you must complete Schedule NR, line 5. Enter the amount of income modifications from non-Maine sources on Schedule NR, lines 5a and 5b as they apply. Generally, for a part-year resident, the amount of the non-Maine-source income modifications that is from intangible sources (interest, dividends, annuities, etc.) is calculated by multiplying the income by the percentage of the year you were a nonresident. For example, if you were a nonresident for 9 months of the year, you would enter on Schedule NR, lines 5a and 5b as applicable, 75% (9 months divided by 12 months) of the income modifications reported on Maine Schedules 1A or 1S.

- Do not include taxable refunds of state and local taxes.
- Prorate the pension deduction (Form 1040ME, Schedule 1S, line 4) based on the percentage of qualified pension income received as a nonresident.

Line 9. After completing Schedule NR, any nonresident credit on line 9 is entered on Form 1040ME, line 21. This credit will reduce your Maine taxes for income not taxable to Maine.

- If you are a nonresident of Maine, and your only income from Maine sources are losses, you do not need to file an income tax return with Maine, because you have no Maine income tax liability. However, you may choose to file a return with Maine if you expect to have positive income from Maine sources in future years and want to avoid having gaps in your filing history.
- You may not use Maine losses in a prior year to offset Maine income in the current year unless those losses (1) also appear on the federal return for the current year, (2) relate to NOLs disallowed in 2009 through 2011 or (3) relate to a federal NOL carryback disallowed for Maine income tax purposes. (Federal NOL carrybacks with respect to NOLs realized in tax years beginning after 2001 are not allowed for Maine purposes. The disallowed NOL carryback may be recovered in the allowable carryover period.)

- For additional information on determining what types of income are subject to Maine tax when received by a nonresident, see MRS Rule 806.

Sample part-year resident return:

The instructions in the Form 1040ME booklet and this document are used to complete a Maine return for the Smiths based on the information below:

Jim and Jennifer Smith are from New York. Jim works as an analyst for a large bank. Effective August 1, 2024, Jim was transferred to Maine while working for the same employer. The Smiths moved to Maine and became residents of Maine on August 1, 2024. After coming to Maine, Jennifer got a job as a supervisor in a local production facility.

In 2024, Jim earned a total of \$107,895 in wages from the bank. He earned \$63,250 in New York and \$44,645 in Maine. Jennifer earned \$25,000 from the job in Maine. From Jim's pay, \$3,200 was withheld for New York income taxes and \$2,250 was withheld for Maine income tax. Jennifer had \$1,250 withheld for Maine income taxes. The Smiths had \$600 in interest income throughout the year, \$300 of which came from U.S. Government bonds.

The Smiths filed a married joint federal income tax return for 2024 and reported federal adjusted gross income of \$131,495. They also had federal income adjustments of \$2,000.

Jennifer		<div>Note: If either spouse is deceased, enter the date of death on Form 1040ME, page 3 in the spaces provided above the signature area.</div>	
Your First Name		MI	
Smith		Check here if this is an AMENDED return.	
Your Last Name			
Jim		000 00 1234	
Spouse's First Name		Your Social Security Number	
Smith		000 00 4321	
Spouse's Last Name		Spouse's Social Security Number	
124 Abc Drive			
Current Mailing Address (P.O. Box, street, and apartment number)		Home Phone Number	
Augusta	ME	04330	
City or Town	State	ZIP Code	Work Phone Number
Foreign country name		Foreign province/state/county	
		Foreign postal code	

A. ☐ **Maine Property Tax Fairness Credit / Maine Sales Tax Fairness Credit.** Maine residents and part-year residents only. See Schedule PTFC/STFC. Check this box if you are filing a return only to claim the Property Tax Fairness Credit on line 25d and/or the Sales Tax Fairness Credit on line 25e. Otherwise, leave this box blank. Follow the instructions on Schedule PTFC/STFC.

1. Maine Clean Election Fund. Maine Residents Only. Check here if you, or your spouse, if filing jointly, want \$3 to go to this fund. <input type="checkbox"/> You <input type="checkbox"/> Spouse	2. Check here if you were engaged in COMMERCIAL FARMING OR FISHING during 2024..... <input type="checkbox"/>
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FILING STATUS (Check one)		RESIDENCY STATUS (Check one)		12. CHECK IF: You <u>were</u> Spouse <u>was</u>	
3. <input type="checkbox"/> Single		8. <input type="checkbox"/> Resident		65 or over 12a.	<input type="checkbox"/> 12c. <input type="checkbox"/>
4. <input checked="" type="checkbox"/> Married filing jointly (Even if only one had income)		8a. <input type="checkbox"/> Safe Harbor Resident		Blind..... 12b.	<input type="checkbox"/> 12d. <input type="checkbox"/>
5. <input type="checkbox"/> Married filing separately. Enter spouse's social security number and full name above.		9. <input checked="" type="checkbox"/> Part-year Resident		13. Enter the TOTAL number of EXEMPTIONS. See instructions. 13. <input type="text" value="2"/>	
6. <input type="checkbox"/> Head of household (with qualifying person)		10. <input type="checkbox"/> Nonresident		13a. Enter the TOTAL number of qualifying children and dependents. Also see Form 1040ME, Schedule A, line 1 or 9 ... 13a. <input type="text"/>	
7. <input type="checkbox"/> Qualifying surviving spouse with dependent child (Year spouse died <input type="text"/>)		11. <input type="checkbox"/> Nonresident Alien (Maine Nonresident)			
		11a. <input type="checkbox"/> Nonresident Alien (Maine Resident)			
		<input type="checkbox"/> Check here if you are filing Schedule NRH			

DO NOT ENTER \$ signs, commas, or decimals.		
Calculate Your Taxable Income	14. FEDERAL ADJUSTED GROSS INCOME 14.	131495 .00
	15a. INCOME ADDITION MODIFICATIONS. (From Schedule 1A, line 12.) 15a.	.00
	15b. INCOME SUBTRACTION MODIFICATIONS. (From Schedule 1S, line 27.) 15b.	300 .00
	16. MAINE ADJUSTED GROSS INCOME. (Line 14 plus line 15a, minus line 15b.) 16.	131195 .00
	17. DEDUCTION. <input checked="" type="radio"/> Standard (See page 4 of the instructions.) 17. <input type="radio"/> Itemized (See Maine Schedule 2 and page 4 of the instructions.)	29200 .00
17a. Check here if you <u>itemized deductions</u> on your federal income tax return.... 17a. <input type="checkbox"/>		

Continue on Form 1040ME, page 2



DO NOT ENTER \$ signs, commas, or decimals.

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Calculate Your Tax and Nonrefundable Credits

18. EXEMPTION. (Multiply line 13 x \$5,000.)18.	10000	.00
CAUTION - your exemption amount may be limited. See instructions.		
19. TAXABLE INCOME. (Line 16 minus lines 17 and 18.)19.	91995	.00
20. INCOME TAX. (Find the tax for the amount on line 19 in the tax table in this booklet or compute your tax using the tax table or tax rate schedules available at maine.gov/revenue/tax-return-forms .)20.	5715	.00
20a. TAX CREDIT RECAPTURE AMOUNTS. (Enclose worksheet(s) - see instructions).....20a.		.00
21. NONRESIDENT CREDIT. (For part-year residents, nonresidents and safe harbor residents only.) From Schedule NR, line 9 or NRH, line 1121.	2721	.00
(You MUST attach a copy of your federal return and TDY papers, if applicable.)		
22. TOTAL TAX. (Line 20 plus line 20a minus line 21)22.	2994	.00
23. NONREFUNDABLE TAX CREDITS. (From Maine Schedule A, line 22.)23.		.00
24. NET TAX. (Line 22 minus line 23.) (Nonresidents see instructions.)24.	2994	.00

Tax Payments/Refundable Credits


25. TAX PAYMENTS.		
a. Maine income tax withheld. (Enclose W-2, 1099 and 1099ME forms.)..... 25a.	3500	.00
b. 2024 estimated tax payments and 2023 credit carried forward, extension payments and payments with original return. (Include any REAL ESTATE WITHHOLDING tax payments.)25b.		.00
c. REFUNDABLE TAX CREDITS. (From Maine Schedule A, line 8.)25c.		.00
d. Property Tax Fairness Credit (Schedule PTFC/STFC, line 16).25d.		.00
(See instructions.) (For Maine residents and part-year residents only.)		
e. Sales Tax Fairness Credit. (Schedule PTFC/STFC, line 17 or 17a.)25e.		.00
(See instructions.) (For Maine residents and part-year residents only.)		
f. TOTAL. (Add lines 25a, b, c, d, and e.)25f.	3500	.00

26. If this is an amended return, enter overpayment, if any, on original return or as previously adjusted.....26.		.00
27. Line 25f minus line 26. (If negative, enter a minus sign in the box to the left of the number.)27.	3500	.00
28. INCOME TAX OVERPAID. If line 27 is larger than line 24, enter amount overpaid. (Line 27 minus line 24 - if line 24 is negative, enter line 27 here.)28.	506	.00
29. INCOME TAX UNDERPAID. If line 24 is larger than line 27, enter amount underpaid. (Line 24 minus line 27.) (See instructions.)29.		.00

Sales Tax/Use Tax/Voluntary Contributions

30. USE TAX (SALES TAX). (See instructions.)30.		.00
30a. SALES TAX ON CASUAL RENTALS OF LIVING QUARTERS. (See instructions.)30a.		.00
31. CHARITABLE CONTRIBUTIONS and PARK PASSES. (From Maine Schedule CP, line 12.)31.		.00
32. UNDERPAYMENT OF ESTIMATED TAX. (Enclose Form 2210ME.)32.		.00
Check here if you checked the box on Form 2210ME, line 17. <input type="checkbox"/>		
33. NET OVERPAYMENT. (Line 28 minus lines 30, 30a, 31, and 32.) – Note: If total of lines 30, 30a, 31, and 32 is greater than line 28, enter as amount due on line 35.33.	506	.00
34. Amount of line 33 to be CREDITED to 2025 estimated tax.34a.		.00
REFUND ➡34b.	506	.00

Continue on Form 1040ME, page 3

Attachment Sequence No. 5	SCHEDULE 1S Form 1040ME 2024	Income Subtraction Modifications See instructions on pages 7 through 8. Enclose with your Form 1040ME. For more information, visit maine.gov/revenue/tax-return-forms .	 *2402105*	99
	Name(s) as shown on Form 1040ME Jennifer & Jim Smith		Your Social Security Number 000 00 1234	

DO NOT ENTER \$ signs, commas, or decimals.

SUBTRACTIONS from federal adjusted gross income.

1.	U.S. Government Bond interest included in federal adjusted gross income. (See instructions.)	1.	300	.00
2.	State income tax refund. (Only if included in federal adjusted gross income.)	2.		.00
3.	Social Security and Railroad Retirement Benefits included in federal adjusted gross income. (See instructions.)	3.		.00
4.	Pension income deduction. (Complete and attach the worksheet on back.) Check here if the amount on line 4 includes military retirement pay (from line P6 of the Worksheet for Pension Income Deduction)	4.		.00
5.	Non-Maine active duty military pay received by a Maine resident and military compensation received by a nonresident of Maine. (See instructions.)	5.		.00
6.	Military annuity payments made to a survivor of a deceased member of the military	6.		.00
7.	Maine Public Employees Retirement System pick-up contributions paid to the taxpayer during 2024 which have been previously taxed by the state.	7.		.00
8.	Contributions to Qualified Tuition Programs - 529 Plans. (Limited to \$1,000 per beneficiary. See Instructions)	8.		.00
9.	Fiduciary adjustment - subtractions only. (Attach a copy of your federal Schedule K-1.)	9.		.00
10.	Bonus depreciation and section 179 recapture. (See instructions.)	10.		.00
11.	Medical cannabis business expenses. (See instructions.) Enter your registration number or sales tax number:	11.		.00
12.	Adult use cannabis business expenses. (See instructions.) Enter your registration number or sales tax number:	12.		.00
13.	Net operating loss recapture	13.		.00
14.	FAME nonprofit student loan repayment program	14.		.00
15.	Qualified health care student loan payments made by your employer	15.		.00
16.	Municipal property tax benefits for senior citizens	16.		.00
17.	Family Development Account proceeds	17.		.00
18.	Interest from Maine Municipal General Obligation Bonds, Private Activity Bonds, and Airport Authority Bonds included in federal adjusted gross income	18.		.00
19.	Amount of the reduction in your salaries and wages expense deductions related to claiming the federal Work Opportunity Credit or Empowerment Zone Credit	19.		.00
20.	Earnings from fishing operations contributed to a capital construction fund	20.		.00

Continue on Form 1040ME, Schedule 1S, page 2



DO NOT ENTER \$ signs, commas, or decimals.

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21. All items of income, gain, interest, dividends, royalties and other items of income of a pass-through financial institution due to an ownership share in the financial institution. EIN of financial institution:	21.		.00
22. The total of capital gains and ordinary income resulting from depreciation recapture from the sale of multi-family affordable housing property.	22.		.00
23. Percentage of gain from the sale of eligible timberlands	23.		.00
24. Business interest deduction recapture	24.		.00
25. Enrolled tribal members in Maine. If Schedule ETM, column C, line 5 is greater than zero, enter the amount here. Otherwise, leave this line blank. (Attach Schedule ETM.)	25.		.00
26. Other. (Attach worksheet(s) - see instructions.)	26.		.00
27. Total Subtractions. (Add lines 1 through 26 - enter here and on 1040ME, line 15b.)	27.	300	.00

Worksheet for Pension Income Deduction - Schedule 1S, Line 4

Enclose this worksheet and copies of your 1099 form(s) with Form 1040ME

Note: Enter eligible **non-military** pension benefits on line P1 and eligible **military** retirement pay on line P6.

	<u>Taxpayer</u>	<u>Spouse*</u>
P1. Total eligible non-military pension income (both Maine and non-Maine sources) included in your federal adjusted gross income (from federal Form 1040, lines 4b and 5b or Form 1040-SR, lines 4b and 5b). CAUTION: Include only deductible pension benefits that are <u>not</u> specifically excluded. See the instructions below.	P1. .00	.00
P2. Maximum allowable deduction.	P2. 45,864.00	45,864.00
P3. Total social security and railroad retirement benefits you received - whether taxable or not.	P3. .00	.00
P4. Subtract line P3 from line P2 (if zero or less, enter zero).	P4. .00	.00
P5. Enter the smaller of line P1 or line P4 here.	P5. .00	.00
P6. Total eligible military retirement pay included in your federal adjusted gross income (from federal Form 1040, lines 4b and 5b or Form 1040-SR, lines 4b and 5b).	P6. .00	.00
P7. Add line P5 and line P6 and enter the total for both spouses on Schedule 1S, line 4.	P7. .00	.00

**Use this column only if you are married filing jointly and only if your spouse separately earned an eligible pension.*

The benefits received under a United States military retirement plan, including survivor benefits, are fully exempt from Maine income tax. See line P6 of the worksheet above. Only military retirement pay received as a result of service in the United States Army, Navy, Air Force, Marines, Coast Guard, or Space Force qualify for the military retirement deduction on line P6.

In addition, you and your spouse (if married) may each deduct up to \$45,864 of other eligible pension income* that is included in your federal adjusted gross income. The \$45,864 cap must be reduced by any social security and railroad retirement benefits received, whether taxable or not.

Deductible pension income, other than military retirement pay, includes state and federal pension benefits and retirement benefits received from plans established and maintained by an employer for the benefit of its employees under Internal Revenue Code (IRC) sections 401(a) (qualified pension plans, including qualified 401 SIMPLE plans), 401(k) (qualified cash or deferred arrangements) and 403 (employee annuities). Deductible pension income also includes benefits received from an individual retirement account under IRC section 408, Roth IRA accounts under IRC section 408A, SIMPLE individual retirement accounts under IRC section 408(k), simplified employee pension plans under IRC section 408(p), benefits received under IRC section 457(b) (state and local government/tax exempt organizations/eligible deferred compensation plans), **except** that pick-up contributions received from the Maine Public Employees Retirement System ("MainePERS") allowed to be deducted on Form 1040ME, Schedule 1S, line 7 and pension income from

457(b) plans received prior to age 55 that is not part of a series of equal periodic payments made over the life of the recipient and the recipient's designated beneficiary, if applicable, may not be included in the deductible pension amount.

Note that a conversion of benefits from one account to another does not qualify for the pension income deduction. For example, a deduction may not be taken when a taxpayer converts a traditional IRA to a Roth IRA. The taxpayer, in this case, does not receive a retirement or IRA benefit at the time of conversion.

Pension benefits that **do not qualify** are those received from an ineligible deferred compensation plan under IRC section 457(f), refunds of excess contributions, lump-sum distributions included on federal Form 4972 and distributions subject to the additional 10% federal tax on early distributions. See federal Form 5329, Part 1, or federal Form 1040 or 1040-SR, Schedule 2, line 8. Also, disability benefits reported as wages on your federal income tax return do not qualify.

***Eligible pension income does not include benefits earned by another person, except in the case of a surviving spouse. Only the individual who earned the benefit from prior employment may claim the pension income for the deduction. However, a widowed spouse receiving survivor's benefits under an eligible pension plan may claim that amount for purposes of this deduction, but the total pension deduction for the surviving spouse may not exceed \$45,864.**

Jennifer & Jim Smith

000-00-1234

Attachment
Sequence No. 10

WORKSHEET A - Residency Information Worksheet for Part-year Residents / Nonresidents / Safe Harbor Residents

Enclose with your Form 1040ME

The following individuals must complete Worksheet A: 1) All part-year residents whether moving into or out of Maine during the tax year; 2) nonresidents and safe harbor residents who are filing a Maine return for the first time, and 3) former Maine residents who are filing as nonresidents or safe harbor residents for the first time. **Failure to enclose a completed Worksheet A with your 1040ME may delay processing of your return.**

	Yourself	Spouse
1. NAME.....	1. Jennifer Smith	Jim Smith
a. Social security number	1a. 000-00-1234	000-00-4321
b. Date of birth	1b. 01/30/1970	02/05/1971
c. Occupation.....	1c. Taxpaver	Taxpaver
Unless otherwise indicated, enter "Yes" or "No" on each line. During 2024:		
2. I was domiciled in (Enter state(s)).....	2. NY, ME	NY, ME
3. I was in the military and stationed in (Enter state or country)	3. _____	_____
a. My designated state of legal residence was (Enter state)	3a. _____	_____
4. The number of days I spent in Maine (for any purpose) was.....	4. 152	152
5. I own(ed) a home/real property in Maine	5. YES	YES
a. If yes, in what municipality was the property located?.....	5a. _____	_____
b. Did you ever apply for a Homestead or Veterans property tax exemption?	5b. _____	_____
c. Have you disposed of the property?	5c. _____	_____
If yes, when? (Yourself: _____ Spouse: _____)		
6. I became a Maine resident on (Enter date).....	6. 08/01/2024	08/01/2024
a. Enter state of prior residence.....	6a. _____	_____
b. Registered to vote in Maine	6b. _____	_____
If yes, when? (Yourself: _____ Spouse: _____)		
c. Purchased a home in Maine	6c. _____	_____
If yes, when? (Yourself: _____ Spouse: _____)		
d. Obtained a driver's license in Maine.....	6d. _____	_____
If yes, when? (Yourself: _____ Spouse: _____)		
e. Registered an auto or other vehicle in Maine	6e. _____	_____
If yes, when? (Yourself: _____ Spouse: _____)		
7. I moved from Maine and became a nonresident (I established a legal residence in another state) (Enter date of move)	7. _____	_____
a. Enter new state of residence	7a. _____	_____
b. Registered to vote in my new state of residence	7b. _____	_____
If yes, when? (Yourself: _____ Spouse: _____)		
c. Purchased a home in my new state of residence	7c. _____	_____
If yes, when? (Yourself: _____ Spouse: _____)		
d. Obtained a driver's license in my new state of residence.....	7d. _____	_____
If yes, when? (Yourself: _____ Spouse: _____)		
e. Registered an auto or other vehicle in my new state of residence	7e. _____	_____
If yes, when? (Yourself: _____ Spouse: _____)		
f. If married, did your spouse and dependent children (if any) move to your new state of residence?	7f. _____	_____
8. During period of nonresidency, have you:		
a. Performed any work or services in Maine.....	8a. _____	_____
If yes, list employer. (Yourself: _____ Spouse: _____)		
b. Registered an auto or other vehicle in Maine	8b. _____	_____
c. Renewed a Maine driver's license.....	8c. _____	_____
d. Voted in Maine, in person or by absentee ballot.....	8d. _____	_____
e. Attended or sent your children (if any) to a Maine school.....	8e. _____	_____
f. Purchased a Maine resident hunting or fishing license	8f. _____	_____
g. Listed Maine as your legal residence for any purpose	8g. _____	_____
h. Obtained or renewed any Maine trade or professional licenses or union memberships	8h. _____	_____
9. If you answered "yes" to question 5 but have not disposed of the property, what use do you intend to make of it and how often (Attach a separate sheet if necessary)?		
10. If you answered "no" to question 7(f), please explain the circumstances (Attach a separate sheet if necessary):		

WORKSHEET B**Income Allocation Worksheet for Part-Year Residents / Nonresidents / Safe Harbor Residents**(See instructions at maine.gov/revenue/tax-return-forms) - Enclose with your Form 1040MEPart-year residents, nonresidents and safe harbor residents **must** complete this worksheet before completing Schedule NR.

(Note: Married persons filing separate Maine income tax returns must complete separate worksheets for each spouse)		Federal Income		Maine Resident Period (Part-year residents only)		Nonresident Period (Part-year residents, nonresidents and safe harbor residents)	
		Column A Income from federal return	Column B Income from Column A for this period	Column C* Income from Column B earned outside of Maine	Column D Income from Column A for this period	Column E Income from Column D from Maine sources	
1. Wages, salaries, tips, other compensation**	1	132,895.00	69,645.00		63,250.00		
2. Taxable interest.....	2	600.00	250.00		350.00		
3. Ordinary dividends.....	3						
4. Alimony received	4						
5. Business income/loss	5						
6. Capital gain/loss	6						
7. Other gains/losses	7						
8. Taxable amount of IRA distributions	8						
9. Taxable amount of pensions and annuities	9						
10. Rental real estate, royalties, partnerships, S corporations, and trusts, etc	10						
11. Farm income/loss	11						
12. Unemployment Compensation	12						
13. Taxable amount of social security benefits.....	13						
14. Other income (including lump-sum distributions, but excluding state income tax refunds)	14						
15. Add lines 1 through 14.....	15	133,495.00	69,895.00		63,600.00		

***Part-year residents must make an entry in Column C if income was earned in another jurisdiction during the period of Maine residency.** Enter below the name of each other jurisdiction and the dates the income was earned in those jurisdictions. Use a separate sheet if additional space is needed.

Name of other jurisdiction _____ Period (mm/yy) From _____ To _____

Name of other jurisdiction _____ Period (mm/yy) From _____ To _____

Name of other jurisdiction _____ Period (mm/yy) From _____ To _____

You must attach a copy of the income tax return(s) filed with the other jurisdiction

****If necessary, use Worksheet C (Employee Apportionment Worksheet) for Part-Year Residents / Nonresidents / Safe Harbor Residents to calculate the amount for line 1, Column E.** For a copy of Worksheet C, go to the Maine Revenue Services website at: maine.gov/revenue/tax-return-forms.

Note: See instructions at maine.gov/revenue/tax-return-forms on how to use Worksheet B, line 15 entries to complete line 1 of Schedule NR.

Schedule NR
Form 1040ME
2024

Attachment Sequence No. 8

Schedule for Calculating the Nonresident Credit
Part-Year Residents, Nonresidents and
Safe Harbor Residents Only

This schedule must be enclosed with your completed Form 1040ME.



99

If part-year resident, enter dates you were a Maine Resident:

from 8 1 2024 to 12 31 2024

Name(s) as shown on Form 1040ME

Jennifer & Jim Smith

Your Social Security Number

000 00 1234

Who must file Schedule NR? Part-year resident, nonresident and safe harbor resident individuals who are required to file a Maine return, but have income not taxable by Maine and use the same filing status on the Maine return as used on the federal return. See reverse side for instructions.

Do NOT file Schedule NR if all your income is taxable by Maine or if your federal filing status is "Married filing jointly" and you elect to file "Single" on the Maine return (use Schedule NRH available at maine.gov/revenue/tax-return-forms).

You **MUST** enclose a complete copy of your federal tax return, including all schedules and worksheets. Enclose copies of W-2 forms from other states or temporary duty (TDY) papers to support your entry on line 1c.

IMPORTANT: If required, complete Worksheets A and B available at maine.gov/revenue/tax-return-forms before completing Schedule NR.

1. INCOME

a. Federal income. From Worksheet B, line 15, column A..... 1a. 133495 .00

b. Maine income. Worksheet B, line 15, column B plus Worksheet B, line 15, column E..... 1b. 69895 .00

c. Non-Maine income. Worksheet B, line 15, column D minus Worksheet B, line 15, column E..... 1c. 63600 .00

2. RATIO OF INCOME: Divide line 1c by line 1a and enter the result here. Except, if non-Maine-source income (line 1c) is negative, enter 0.0000 or if line 1c is positive and Maine-source income (line 1b) is negative, enter 1.0000 2. 0.4764

COMPLETE THIS SECTION ONLY IF YOU HAVE FEDERAL INCOME ADJUSTMENTS

3. FEDERAL INCOME ADJUSTMENTS — NON-MAINE-SOURCE ONLY: Multiply amount on federal Form 1040 or Form 1040-SR, line 10 by the percentage listed on line 2. Enter result here 3. 953 .00

4. FEDERAL ADJUSTED GROSS INCOME — NON-MAINE-SOURCE ONLY: Subtract line 3 from Line 1c 4. 62647 .00

COMPLETE THIS SECTION ONLY IF YOU HAVE INCOME MODIFICATIONS (Form 1040ME, line 15a or line 15b)

5. INCOME MODIFICATIONS — NON-MAINE-SOURCE ONLY. Enter only amounts attributable to your non-resident period. See instructions.

a. Additions — Specify 5a. .00

b. Subtractions — Specify Gov't Bond Interest (300 x .5833) 5b. 175 .00

c. **Total Modifications:** line 5a minus line 5b (may be a negative amount)..... 5c. -175 .00

6. NON-MAINE ADJUSTED GROSS INCOME: Line 4 plus or minus line 5c..... 6. 62472 .00

7. RATIO OF MAINE ADJUSTED GROSS INCOME: Divide line 6 by the amount from Form 1040ME, line 16 and enter result here. Except, if line 6 is negative, enter 0.0000 or if line 6 is greater than the amount on Form 1040ME, line 16, enter 1.0000 7. 0.4762

8. MAINE INCOME TAX: Enter from Form 1040ME, line 20 8. 5715 .00

9. NONRESIDENT CREDIT: Multiply amount on line 8 by line 7. Enter result here and on Form 1040ME, line 21 9. 2721 .00

Revised: December 2024

Nonresident & Safe Harbor Resident Service Members

A “service member” is defined as a member of the United States Army, Navy, Air Force, Marine Corps, Space Force, Coast Guard, a commissioned officer of the Public Health Service, or the National Oceanic and Atmospheric Administration. It also includes a member of the National Guard who is under a call to active service authorized by the President or the Secretary of Defense for a period of more than 30 consecutive days for purposes of responding to a national emergency declared by the President and supported by Federal funds.

The federal Servicemembers Civil Relief Act (SCRA), as amended, (50 U.S.C. Chapter 50, Subchapter V) generally provides that a service member neither loses nor acquires a residence or domicile for purposes of state income tax. Amendments to the SCRA further provide certain residency elections for the service member and the service member’s spouse and affects the computation of Maine individual income tax for certain nonresidents (including safe harbor residents) as follows:

- 1) For tax years beginning on or after January 1, 2003 (tax years beginning on or after January 1, 2007 for safe harbor residents), the SCRA prevents states from including the military compensation of nonresident service members in the total income when computing the applicable rate of tax imposed on other income earned by the nonresident service member, or their spouse, that is subject to tax by the state.
- 2) For tax years beginning on or after January 1, 2009, the SCRA provides that a spouse of a service member may retain residency in their home state for tax purposes if the spouse is in a state solely to be with the service member who is in the state due to military orders.
- 3) For tax years beginning on or after January 1, 2018, the SCRA provides that a spouse of a service member may adopt the home of record of their military spouse for tax purposes. Income earned in Maine by a nonresident service member’s spouse who is domiciled in another state may not be considered Maine-source income..
- 4) For tax years beginning on or after January 1, 2023, the SCRA allows the active-duty service member and the service member’s spouse to elect, for any taxable year of the marriage, to file state income taxes based on one of the three residency options noted below:
 - a. The residence or domicile of the service member,
 - b. The residence or domicile of the service member’s spouse, or
 - c. The permanent duty station of the service member.

The service member’s Leave and Earnings Statement will indicate which state the service member and the service member’s spouse are claiming as their legal residence.

Since the 2024 Maine income tax return includes income of the nonresident service member, a deduction must be made on the Maine return for a nonresident (or safe harbor resident) service member. To deduct the military income of a nonresident (or safe harbor resident) service member from the Maine taxable income in 2024 and to calculate a nonresident credit for any income of a nonresident military spouse, use the following instructions:

- 1) Enter the total federal adjusted gross income on Form 1040ME, line 14.
- 2) Complete Form 1040ME, Schedule 1S (see line 5).
- 3) Complete Form 1040ME, lines 15a through 20a.

- 4) Complete Form 1040ME, Worksheet A (if applicable), and Worksheet B for Part-Year Residents/Nonresidents/Safe Harbor Residents.

When completing Worksheet B, include the military compensation received by the nonresident or safe harbor resident service member and the Maine earned income of the service member's spouse on line 1, columns A and D. This procedure results in the proper determination of non-Maine-source income.

- 5) Complete Form 1040ME, Schedule NR.

The military income of a nonresident (or safe harbor resident) service member should be included on both line 1a and line 1c and line 5b of Schedule NR. On line 5b, write "NR military compensation" in the space provided.

The Maine earned income of the service member's spouse should be included on line 1a and line 1b of Schedule NR.

This procedure will result in the calculation of the proper ratio for the determination of the nonresident credit.

If you are completing Schedule NRH, see the "*Schedule NRH*" guidance document for more information.

- 6) Complete Form 1040ME, lines 21 through 35.

Questions about the computation of Maine individual income tax for certain nonresidents should be directed to the Income/Estate Tax Division of Maine Revenue Services at: income.tax@maine.gov.