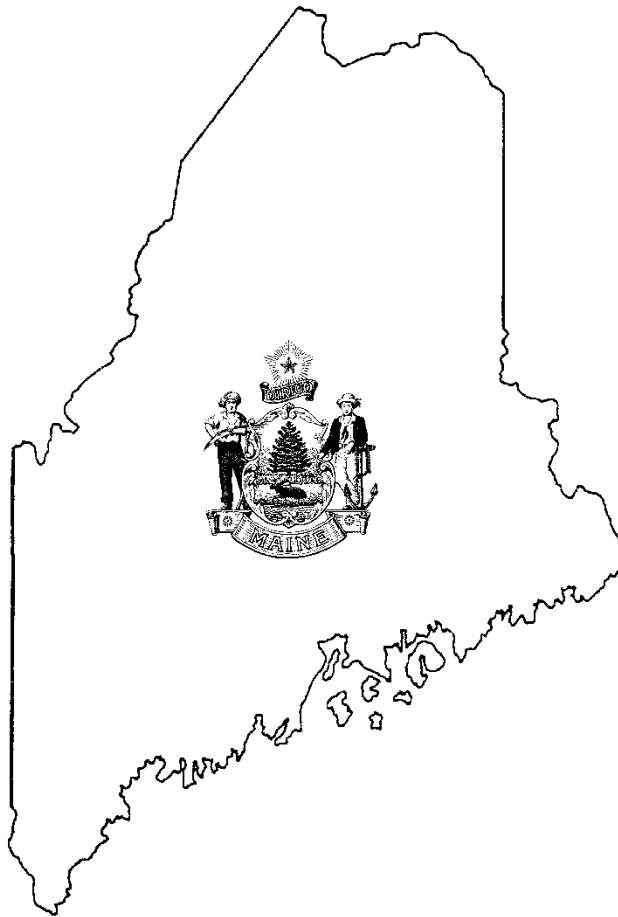


# **INDIVIDUAL INCOME TAX**

## **Form 1040ME, Schedule ETM**

For Calculating the Income Modifications for Tribal Members Residing on  
Tribal Land with Income from Sources on Tribal Land



# **GUIDANCE DOCUMENT**

**Maine Revenue Services, Income/Estate Tax Division**

Revised: December 2024

**Form 1040ME, Schedule ETM**  
**For Enrolled Tribal Members in Maine**  
**Schedule for Calculating Form 1040ME, Schedule 1A, line 10 and**  
**Form 1040ME, Schedule 1S, line 25**

**Note:** Unless otherwise indicated, line references to forms in this guidance document are to tax year 2024 forms.

**General Information**

For purposes of the Maine individual income tax, an enrolled tribal member residing on tribal land in Maine may, for taxable years beginning on or after January 1, 2023, reduce Maine taxable income by income derived from or connected with sources on tribal land. A tribal member may also be subject to an income addition modification if the amount derived from or connected with sources on tribal land is a loss. Both the reduction, through an income subtraction modification, and the income addition modification are calculated on Maine Form 1040ME, Schedule ETM.

For more information, see 36 M.R.S. §§ 5122(1)(PP), 5122(2)(ZZ), and 5132; Maine Revenue Services (“MRS”) Rule 825; and the “*Tribal Member Residing on Tribal Land*” guidance document.

See the Maine website for:

- Maine tax laws (Title 36) are available at: [legislature.maine.gov/legis/statutes/36/title36ch0sec0.html](https://legislature.maine.gov/legis/statutes/36/title36ch0sec0.html)
- MRS Rules are available at: [maine.gov/revenue/publications/rules](https://maine.gov/revenue/publications/rules)
- Maine income tax guidance documents are available at: [maine.gov/revenue/taxes/income-estate-tax/guidance-documents](https://maine.gov/revenue/taxes/income-estate-tax/guidance-documents)
- Maine tax forms are available at: [maine.gov/revenue/tax-return-forms](https://maine.gov/revenue/tax-return-forms).

For additional assistance, email MRS, Income/Estate Tax Division at [income.tax@maine.gov](mailto:income.tax@maine.gov).

A tribal member residing on tribal land who has income derived from or connected with sources on tribal land may claim the income subtraction modification under 36 M.R.S. § 5122(2)(ZZ) to exclude the income from Maine taxable income. A tribal member who realizes negative income (a loss) derived from or connected with sources on tribal land is subject to the income addition modification under 36 M.R.S. § 5122(1)(PP). The modification (subtraction or addition) is calculated on Form 1040ME, Schedule ETM. If married, either spouse, or both spouses, may be eligible for, or subject to, the income modifications described in this document if either, or both, meet the requirements of 36 M.R.S. §§ 5122(1)(PP), 5122(2)(ZZ), and 5132.

For purposes of this guidance document, the following terms have the following meanings:

**“Enrolled member”** means an individual who is enrolled with, and appears on the tribal membership roll of, the Houlton Band of Maliseet Indians, the Passamaquoddy Tribe, or the Penobscot Nation. Membership rolls of enrolled members are in the possession of, and maintained by, the Houlton Band of Maliseet Indians, the Passamaquoddy Tribe, and the Penobscot Nation.

**“Tribal land”** means land within the Houlton Band Trust Land, the Passamaquoddy Indian territory, or the Penobscot Indian territory.

**“Tribal member”** means an enrolled member of the Houlton Band of Maliseet Indians, the Passamaquoddy Tribe, or the Penobscot Nation.

**“Tribal member residing on tribal land”** means, in general terms, a tribal member who is domiciled on tribal land, even if domiciled on tribal land of a tribe of which the tribal member is not a member. A tribal member residing on tribal land also includes a tribal member who is not domiciled on tribal land but who maintains a “permanent place of abode” on tribal land and spends more than 183 days during the taxable year on tribal land. Certain exceptions apply, such as, for example, a tribal member that spends significant time during the taxable year outside tribal land. Other criteria may apply. See 36 M.R.S. § 5102(5-A) and the *“Tribal Member Residing on Tribal Land”* guidance document for more information.

36 M.R.S. §§ 111 and 5102 and MRS Rule 825 provide more complete definitions for the terms listed above and also provide definitions for other relevant terms, including “Houlton Band of Maliseet Indians,” “Houlton Band Trust Land,” “Passamaquoddy Indian territory,” “Passamaquoddy Tribe,” “Penobscot Indian territory,” and “Penobscot Nation”.

## **Calculating the Maine Income Modifications for Income from Sources on Tribal Lands**

The income modification (subtraction or addition) is equal to the tribal member’s Maine adjusted gross income derived from or connected with sources on tribal land. Use Form 1040ME, Schedule ETM to calculate the amount of the income modification.

The tribal member’s **Maine adjusted gross income derived from or connected with sources on tribal land** is equal to the sum of the following:

- The net amount of items of income, gain, loss, and deduction entering into the tribal member’s federal adjusted gross income that are derived from or connected with sources on tribal land (see below\*);

### **Plus or minus**

- The income modifications under 36 M.R.S. § 5122, subsections 1 and 2 (other than the income modifications under 36 M.R.S. §§ 5122(1)(PP) and 5122(2)(ZZ)) attributable to any item of income, gain, loss, and deduction derived from or connected with sources on tribal land, including, but not limited to:
  - Modifications attributable to the tribal member’s distributive share of partnership, limited liability company, and pro rata share of S corporation income, gain, loss, and deduction derived from or connected with sources on tribal land.
  - Modifications attributable to income and deductions of an estate or trust derived from or connected with sources on tribal land, but only to the extent that the modification is allocated to the tribal member as a beneficiary. Allocations to beneficiaries of an estate or trust are generally equal to the proportion of each beneficiary’s share in the distributable net income of the estate or trust.

\*The net amount of items of income, gain, loss, and deduction entering into the tribal member’s federal adjusted gross income that are derived from or connected with sources on tribal land (i.e., the amounts generally reported in Column C of Form 1040ME, Schedule ETM) include the following:

- The tribal member's compensation for personal services performed on tribal land, including wages, salaries, taxable benefits such as annual and sick leave, commissions, fees, payment in kind, and gains from certain stock options and stock purchase plans;
- The tribal member's unemployment compensation derived from employment on tribal land;
- The tribal member's income derived from the ownership or disposition of real or tangible personal property located on tribal land;
- The tribal member's proceeds from gambling activity conducted on tribal land or lottery tickets purchased by the tribal member on tribal land, including payments received from a third party for the transfer of the rights to future proceeds related to the gambling activity or lottery tickets, except that proceeds from Maine State Lottery tickets or payments received from a third party for the transfer of the rights to future proceeds related to Maine State Lottery tickets are not income derived from or connected with sources on tribal land;
- The tribal member's gain or loss on the sale of a partnership interest sourced to tribal land, generally calculated by multiplying the gain or loss by the ratio obtained by dividing the original cost of the partnership's tangible property located on tribal land by the original cost of the partnership's tangible property everywhere, determined at the time of sale. Certain exceptions apply;
- The tribal member's distributive share of partnership, limited liability company, and pro rata share of S corporation income and deductions derived from or connected with sources on tribal land that enter into the calculation of the tribal member's federal adjusted gross income. If the partnership, limited liability company, and S corporation conducts business activity on and off tribal land, the income of the business derived from or connected with sources on tribal land must be determined by applying an apportionment ratio equal to the property factor plus the payroll factor, divided by 2. Generally, the property factor is the ratio determined by dividing the average value of property owned or rented and used on tribal land divided by the average value of all property owned or rented and used by the business entity during the tax period. Generally, the payroll factor is the ratio determined by dividing the total amount paid by the business entity for compensation for personal services performed on tribal land by the total amount paid by the business entity for compensation for personal services performed everywhere during the tax period. An alternative apportionment method may be required, or may be requested, in certain unique situations;
- The tribal member's share of estate or trust income and deductions derived from or connected with sources on tribal land;
- The tribal member's capital losses, net long-term capital gains, and net operating losses that are based solely on income, gains, losses, and deductions derived from or connected with sources on tribal land determined in the same manner as the corresponding federal deductions;
- The tribal member's income from intangible personal property, such as annuities, dividends, interest, and gains from the disposition of intangible personal property, but only to the extent that the intangible income is from property employed in a business, trade, profession, or occupation carried on within tribal land; and
- Any other items of income, gain, loss, and deduction derived from or connected with sources on tribal land.

**Note:** MRS Rule 825, section .05 provides special sourcing rules for certain situations when a tribal member earns or derives income both on tribal land and elsewhere, such as, for example, when the tribal member is:

- Unable to establish the exact amount of compensation earned on or derived from tribal land.
- A salesperson or a person whose compensation is, in whole or in part, based on commissions.

- A professional athlete.
- An entertainer.

## Instructions for Completing Form 1040ME, Schedule ETM

Form 1040ME, Schedule ETM is a worksheet to assist tribal members who reside on tribal land to calculate the tribal member's Maine adjusted gross income derived from or connected with sources on tribal land. If the tribal member's Maine adjusted gross income derived from or connected with sources on tribal land is negative for the taxable year, the amount is reported on Form 1040ME, Schedule 1A as an income addition modification. If the tribal member's Maine adjusted gross income derived from or connected with sources on tribal land is positive for the taxable year the amount is reported on Form 1040ME, Schedule 1S as an income subtraction modification.

If married and filing a joint return, complete only one Form 1040ME, Schedule ETM for both you and your spouse as applicable.

File Schedule ETM only if you (and/or your spouse, if married) are a tribal member residing on tribal land who has received income derived from or connected with sources on tribal land.

Complete **Form 1040ME, Schedule ETM** in the following order:

- Column A, lines 1 through 4.
- Column B, lines 1 through 4.
- Column C, lines 1 through 5.

**Report in column A** your total income (except taxable refunds of state and local taxes) and adjustments as reported on your federal return, then enter the total Maine income modifications that apply.

**Report in column B** the amounts in column A that are attributable to all the income of a non-tribal member plus the income of a tribal member that is only derived from or connected with sources *off* tribal land.

**Enter in column C** the amounts in column A that are attributable to the income of a tribal member derived from or connected with sources on tribal land.

The total of the amounts in columns B and C for each line should equal the total of the amount for that line in column A.

**Form 1040ME, Schedule ETM, line 5.** If the amount calculated on Form 1040ME, Schedule ETM, column C, line 5 is *negative*, report the amount on Form 1040ME, Schedule 1A, line 10 as an income addition modification. If the amount calculated on Schedule ETM, column C, line 5 is *positive*, report the amount on Form 1040ME, Schedule 1S, line 25 as an income subtraction modification.

**Complete and file Form 1040ME.** As applicable, complete all other lines on Form 1040ME, Schedule 1A and Schedule 1S. Enter Form 1040ME, Schedule 1A, line 12 on Form 1040ME, line 15a and enter Form 1040ME, Schedule 1S, line 27 on Form 1040ME, line 15b. File your completed Form 1040ME with MRS and attach, as applicable, Schedule 1A, Schedule 1S, and Schedule ETM. See sample Form 1040ME on pages 6 through 11 below.

## Sample 2024 Form 1040ME, Schedule 1S, and Schedule ETM

Attached below is a sample 2024 individual income tax return for a tribal member who resided and worked on tribal land for part of the tax year. Maine tax law, MRS Rule 825, this guidance document, and the instructions for Form 1040ME are used to complete the Maine income tax return for the tribal member taxpayers (the Andersons) based on the information below:

*Joseph and Darcy Anderson are both tribal members. Joseph works as an engineer for a construction business. Effective August 1, 2024, Joseph was transferred by Joseph's employer from an office in Brunswick, Maine to an office on tribal land in eastern Maine. As a result of the transfer, Joseph and Darcy moved from Brunswick, Maine to a location on tribal land on August 1, 2024. After moving to the location on tribal land, Darcy got a job as a medical technician in a health care facility located on tribal land.*

*In 2024, Joseph earned a total of \$180,585 in wages from the construction company, of which \$110,470 was earned at the office in Brunswick, Maine and \$70,115 was earned at the office on tribal land. Darcy earned \$85,000 from a job at the health care facility on tribal land. From Joseph's pay earned in Brunswick, \$4,600 was withheld for Maine income tax. Darcy had \$0 withheld because this income was earned on tribal land. The Andersons had \$700 in interest income throughout the year, plus \$200 U.S. Government bond interest. (Note: Income from intangible property, such as interest on investments, is sourced to tribal land only if the intangible property is employed in a business, trade, profession, or occupation carried on within tribal land.)*

*The Andersons filed a married joint federal income tax return for 2024 and reported federal adjusted gross income of \$262,985, which included federal income adjustments of \$3,500.*

2024

MAINE INDIVIDUAL INCOME TAX  
FORM 1040ME

99

For tax period  
1/1/2024 to 12/31/2024 or

2024

to

\*2402100\*

See instructions. Print neatly in blue or black ink only.

Joseph

Your First Name

MI

Anderson

Your Last Name

Note: If either spouse is deceased, enter the date of death on Form 1040ME, page 3 in the spaces provided above the signature area.

Check here if this is an AMENDED return.

Darcy

Spouse's First Name

MI

123 45 6789

Your Social Security Number

Anderson

Spouse's Last Name

234 45 7890

Spouse's Social Security Number

543 Bear Bridge Road

Current Mailing Address (P.O. Box, street, and apartment number)

Home Phone Number

Indian Township

ME

04668

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.

☐ You☐ Spouse2. Check here if you were engaged in **COMMERCIAL FARMING OR FISHING** during 2024.....☐

## FILING STATUS (Check one)

3. ☐ Single4. ☒ Married filing jointly (Even if only one had income)5. ☐ Married filing separately. Enter spouse's social security number and full name above.6. ☐ Head of household (with qualifying person)7. ☐ Qualifying surviving spouse with dependent child (Year spouse died )

## RESIDENCY STATUS (Check one)

8. ☒ Resident8a. ☐ Safe Harbor Resident9. ☐ Part-year Resident10. ☐ Nonresident11. ☐ Nonresident Alien (Maine Nonresident)11a. ☐ Nonresident Alien (Maine Resident)☐ Check here if you are filing Schedule NRH

## 12. CHECK IF:

You

Spouse

werewas

65 or over ..... 12a.

12c.

Blind..... 12b.

12d.

13. Enter the TOTAL number of EXEMPTIONS. See instructions. .... 13.

2

13a. Enter the TOTAL number of qualifying children and dependents. Also see Form 1040ME, Schedule A, line 1 or 9 ... 13a.

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

Calculate Your Taxable Income

14. **FEDERAL ADJUSTED GROSS INCOME**..... 14. 262985 .0015a. **INCOME ADDITION MODIFICATIONS.** (From Schedule 1A, line 12.) ..... 15a. .0015b. **INCOME SUBTRACTION MODIFICATIONS.** (From Schedule 1S, line 27.) ..... 15b. 155315 .0016. **MAINE ADJUSTED GROSS INCOME.** (Line 14 plus line 15a, minus line 15b.) ..... 16. 107670 .0017. **DEDUCTION.** ☒ Standard (See page 4 of the instructions.) ..... 17. 29200 .00☐ Itemized (See Maine Schedule 2 and page 4 of the instructions.)17a. Check here if you itemized deductions on your federal income tax return.... 17a. ☐

Continue on Form 1040ME, page 2



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

\*2402101\*

Calculate Your Tax and Nonrefundable Credits

18. <b>EXEMPTION.</b> (Multiply line 13 x \$5,000.).....18.	10000	.00
<b>CAUTION</b> - your exemption amount may be limited. See instructions.		
19. <b>TAXABLE INCOME.</b> (Line 16 minus lines 17 and 18.).....19.	68470	.00
20. <b>INCOME TAX.</b> (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 <a href="http://maine.gov/revenue/tax-return-forms">maine.gov/revenue/tax-return-forms</a> .).....20.	4127	.00
20a. <b>TAX CREDIT RECAPTURE AMOUNTS.</b> (Enclose worksheet(s) - see instructions).....20a.		.00
21. <b>NONRESIDENT CREDIT.</b> (For part-year residents, nonresidents and safe harbor residents only.) From Schedule NR, line 9 or NRH, line 11. (You MUST attach a copy of your federal return and TDY papers, if applicable.).....21.		.00
22. <b>TOTAL TAX.</b> (Line 20 plus line 20a minus line 21) .....22.	4127	.00
23. <b>NONREFUNDABLE TAX CREDITS.</b> (From Maine Schedule A, line 22.) .....23.		.00
24. <b>NET TAX.</b> (Line 22 minus line 23.) (Nonresidents see instructions.) .....24.	4127	.00

Tax Payments/Refundable Credits

25. <b>TAX PAYMENTS.</b>		
a. Maine income tax withheld. (Enclose W-2, 1099 and 1099ME forms.).....25a.	4600	.00
b. 2024 estimated tax payments and 2023 credit carried forward, extension payments and payments with original return. (Include any <b>REAL ESTATE WITHHOLDING</b> tax payments.).....25b.		.00
c. <b>REFUNDABLE TAX CREDITS.</b> (From Maine Schedule A, line 8.) .....25c.		.00
d. Property Tax Fairness Credit ( <b>Schedule PTFC/STFC, line 16</b> ). (See instructions.) (For Maine residents and part-year residents only.).....25d.		.00
e. Sales Tax Fairness Credit. ( <b>Schedule PTFC/STFC, line 17 or 17a</b> ). (See instructions.) (For Maine residents and part-year residents only.).....25e.		.00
f. <b>TOTAL.</b> (Add lines 25a, b, c, d, and e.) .....25f.	4600	.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.	4600	.00
28. <b>INCOME TAX OVERPAID.</b> 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.	473	.00
29. <b>INCOME TAX UNDERPAID.</b> 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. <b>USE TAX (SALES TAX).</b> (See instructions.).....30.		.00
30a. <b>SALES TAX ON CASUAL RENTALS OF LIVING QUARTERS.</b> (See instructions.) .....30a.		.00
31. <b>CHARITABLE CONTRIBUTIONS and PARK PASSES.</b> (From Maine Schedule CP, line 12.).....31.		.00
32. <b>UNDERPAYMENT OF ESTIMATED TAX.</b> (Enclose Form 2210ME.) Check here if you checked the box on Form 2210ME, line 17.....32.	<input type="checkbox"/>	.00
33. <b>NET OVERPAYMENT.</b> (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.	473	.00
34. Amount of line 33 to be <b>CREDITED</b> to 2025 estimated tax. ....34a.		.00
<b>REFUND</b> .....34b.	473	.00



Name(s) as shown on Form 1040ME

Your Social Security Number

Joseph & Darcy Anderson

123 45 6789

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.

200

.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.)

4.

.00

Check here if the amount on line 4 includes military retirement pay (from line P6 of the Worksheet for Pension Income Deduction)

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.)

11.

.00

Enter your registration number or sales tax number:

12.

Adult use cannabis business expenses. (See instructions.)

12.

.00

Enter your registration number or sales tax number:

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



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

\*2402203\*

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.	155115	.00
26. Other. (Attach worksheet(s) - see instructions.) .....	26.		.00
27. <b>Total Subtractions.</b> (Add lines 1 through 26 - enter here and on 1040ME, line 15b.) .....	27.	155315	.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 <b>non-military</b> 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 <b>military</b> 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.**

**SCHEDULE ETM Enrolled Tribal Members in Maine - for Calculating Form 1040ME,**  
**FORM 1040ME**  
**2024**

Attachment Sequence No. 15

This schedule must be enclosed with your completed Form 1040ME. Also attach a COMPLETE copy of your federal return, including all schedules and worksheets.

Name as shown on Form 1040ME <b>Joseph Anderson</b>	Your Social Security Number <b>123-45-6789</b>	During the tax year, were you a tribal member residing on tribal land? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Tribes in Maine of which you are an enrolled member (check one): <input type="checkbox"/> Houlton Band of Maliseet Indians <input checked="" type="checkbox"/> Passamaquoddy Tribe <input type="checkbox"/> Penobscot Nation		
Spouse's Name as shown on Form 1040ME (if married filing jointly) <b>Darcy Anderson</b>	Spouse's Social Security Number <b>234-56-7890</b>	During the tax year, was your spouse a tribal member residing on tribal land? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Tribes in Maine of which your spouse is an enrolled member (check one): <input type="checkbox"/> Houlton Band of Maliseet Indians <input checked="" type="checkbox"/> Passamaquoddy Tribe <input type="checkbox"/> Penobscot Nation		

**Note:** First complete column A, lines 1 through 4, then complete column B, lines 1 through 4, then complete column C, lines 1 through 5. For each line, the sum of the amounts in columns B and C should equal the amount entered in column A. See the Specific Instructions on page 2.

- DO NOT ENTER \$ signs, commas, or decimals.
- Round down to the next lower dollar any amount less than 50 cents.
- Round up to the next higher dollar any amount 50 cents or more.

**1. Total federal income:**

- a. Wages, salaries, other employee compensation..... 1a.
- b. Taxable interest and dividends\*..... 1b.
- c. Taxable IRA distributions\*..... 1c.
- d. Taxable amount of pensions and annuities\*..... 1d.
- e. Taxable amount of social security benefits\*..... 1e.
- f. Capital gain or loss\*..... 1f.
- g. Business and farm income or loss..... 1g.
- h. Rental real estate, royalties, partnerships, S corporations, trusts, etc. .... 1h.
- i. Other income, gains, or loss (except state income tax refunds)\*..... 1i.
- j. Total income (add lines 1a through 1i)..... 1j.

**\*See instructions on page 2.**

**2. Federal income adjustments:**

- Column A: Federal Form 1040 or Form 1040-SR, Line 10.
- Column B: Amount from Column A attributable to the income of a non-tribal member and the income of a tribal member derived from, or connected with, sources off tribal land.
- Column C: Amount from Column A attributable to the income of a tribal member derived from, or connected with, sources on tribal land..... 2.

**3. Federal adjusted gross income:** Subtract line 2 from line 1j..... 3.

**4. Maine income modifications:**

- a. Addition modifications:
- Column A: Form 1040ME, Schedule 1A, lines 1 through 9.
- Column B: Amount from Column A attributable to the income of a non-tribal member and the income of a tribal member derived from, or connected with, sources off tribal land.
- Column C: Amount from Column A attributable to the income of a tribal member derived from, or connected with, sources on tribal land..... 4a.
- b. Subtraction modifications:
- Column A: Form 1040ME, Schedule 1S, lines 1 through 24, and 26.
- Column B: Amount from Column A attributable to the income of a non-tribal member and the income of a tribal member derived from, or connected with, sources off tribal land.
- Column C: Amount from Column A attributable to the income of a tribal member derived from, or connected with, sources on tribal land..... 4b.

**5. Tribal member Maine adjusted gross income:** Line 3 plus line 4a minus line 4b..... 5.

Column C: If line 5 is less than zero, enter column C, line 5 on Form 1040ME, Schedule 1A, line 10. If Column C, line 5 is greater than zero, enter on Form 1040ME, Schedule 1S, line 25.

A Total income and/or adjustments	B Income/adjustments in Column A attributable to the income of a non-tribal member and the income of a tribal member derived from, or connected with, sources off tribal land.	C Income/adjustments in Column A attributable to the income of a tribal member derived from, or connected with, sources on tribal land.
265585	110470	155115
900	900	
266485	111370	155115
3500	3500	
262985	107870	155115
200	200	
		155115