

Maine

What's New

Returns Included	e-File Approved*	e-File Activated
706ME	Must be paper filed	Must be paper filed
941P-ME	11/27/2023	01/02/2024
1040ME	01/20/2024	01/23/2024
1041ME	01/19/2024	01/26/2024
1120ME	01/03/2024	01/06/2024

*NOTE: Certain return types may not be available for e-file as of the EF approval date. e-File will be activated when the state taxing authority is ready to receive all forms within the applicable package.

New Schedules

- Schedule 1040C-ME-1 (Form 1040C-ME), Listing of Owners Participating in Composite Filing
- Schedule ETM (Form 1040ME), Enrolled Tribal Members in Maine

Modified Forms

- Form 1040ME, Maine Individual Income Tax – Added the section “Health Care Coverage,” authorizing the ME Department of Health and Human Services (DHHS) to contact taxpayers regarding free or reduced-cost health coverage
- Schedule 1 (Form 1041ME), Fiduciary Adjustment – Added line 2f, “Contributions to Qualified Tuition Programs – 529 Plans”
- Schedule 1040C-ME, Worksheet for Composite Filing of Maine Income Tax for Nonresidents Owners – Expanded for one to three pages
- Schedule 1S (Form 1040ME), Income Subtractions Modifications – Added the following lines:
 - Line 8, “Contributions to Qualified Tuition Programs – 529 Plans”
 - Line 12, “Adult use cannabis business expense”
 - Line 25, “Enrolled tribal members in Maine”
- Added a subtraction for adult-use cannabis business expenses (requires registration number or sales tax number):
 - Form 1041ME, Income Tax Return for Resident and Nonresident Estates and Trusts – Schedule 1, line 2e
 - Schedule 1S (Form 1040ME), Income Subtractions Modifications – Line 12
 - Schedule 1S (Form 1120ME), Income Subtractions Modifications – Line 11

- Removed the business meals deduction:
 - Schedule 1A (Form 1040ME), Income Addition Modifications
 - Schedule 1A (Form 1120ME), Income Addition Modifications
- Increased phaseout limitations on the Personal Exemption Deduction Amount Worksheets

Obsolete Schedule

Schedule 1040C-ME has been retired for individual returns, reworked, and renamed “Composite Filing of Maine Income Tax for Nonresident Owners and Partnership Audit Return.” This form is now filed at the entity level for S corporation and partnership returns.

Program Updates

- New options
 - Screen **40C** (Schedule 1040C) – Expanded Form 1040C-ME options
 - Screen **EITC** (Maine Earned Income Tax Credit) – Taxpayer qualifies for the ME Earned Income Tax Credit for ITIN filers
 - Screen **SLR** (Student Loan Repayment) – The 2022 Student Loan Repayment Tax credit was NOT more than \$2500
 - Screen **SUB** (Schedule 1 – Income Modifications Subtractions) – Contributions to Qualified Tuition Programs and Number of Beneficiaries
- New screens
 - Screen **ASUB** (Additions and Subtractions) – Used to complete lines 1, “Additions,” and 2, “Subtractions,” of Form 1041ME, Schedule 1 (Fiduciary package)
 - Screen **CME** (Schedule 1040C-ME-1) – Used to list owners who participate in composite filings (S Corporation and Partnership packages)
 - Screen **ETM** (Enrolled Tribal Member) – Used to complete the new Schedule ETM (Form 1040ME), Enrolled Tribal Members in Maine
 - Screen **HCC** (Health Care Coverage) – Used to authorize the ME DHHS to contact taxpayers regarding free or reduced-cost health coverage plans

Tax Law Changes

- An additional Property Tax Credit can now be claimed on Schedule PTFC/STFC, Property Tax Fairness Credit Sales Tax Fairness Credit, for a qualified taxpayer or spouse who, per the United States Department of Veteran Affairs, is rated 100% permanently and totally disabled. A copy of the VA Rating Decision Letter or VA Benefit Summary Letter is required to substantiate the additional deduction.
- A new subtraction provision allows contributions to qualified tuition programs (529 plans) for the individual and fiduciary packages. The subtraction is limited to a maximum contribution amount of \$1,000 per qualified beneficiary.
- For tax years beginning on or after January 1, 2023, but before January 1, 2024, the amount of winter energy relief payments received is deductible in calculating Maine taxable income, to the extent the payment is included in federal adjusted gross income.
- For tax years beginning on or after January 1, 2023, the cannabis business expense subtraction modification is extended to include expenses related to carrying on a trade or business as a manufacturing facility.
- For tax years beginning on or after January 1, 2023, the Passamaquoddy Tribe, the Penobscot Nation, the Houlton Band of the Maliseet Indians, and a tribal corporation organized by these tribes under section 17 of the federal Indian Reorganization Act are not subject to Maine corporate income tax.
- A new provision exempts qualified tribal earnings for enrolled members of the Houlton Band of Maliseet Indians, Passamaquoddy Tribe, and Penobscot Nation residing on tribal lands. The new Schedule ETM is to be used whether the taxpayer is entitled to a subtraction from Maine taxable income or, in some cases, an addition for net business losses.
- The maximum allowable itemized deduction on Schedule 2 (Form 1040ME), Itemized Deductions, has been increased from \$31,150 → \$33,200.
- The pension income deduction for non-military retirement benefits has been increased from \$25,000 → \$30,000 for tax years beginning in 2023.

Supported Forms

The following Maine forms are supported in Drake Tax 2023. ME forms cannot be e-signed.

Form	Description	IND	CRP	SCRIP	PTR	FID	EST
	Adult Dependent Care Credit Worksheet	✓					
	Biofuel Commercial Production and Commercial Use Tax Credit Worksheet	✓	✓			✓	
	Capital Investment Credit Worksheet	✓	✓			✓	
	Certified Visual Media Production Credit Worksheet	✓	✓			✓	
	Credit for Disability Income Protection Plans	✓	✓			✓	
	Credit for Income Tax Paid to Other Jurisdiction Worksheet	✓					
	Credit for Rehabilitation of Historic Properties Worksheet	✓	✓			✓	
	Credit for Wellness Programs Worksheet	✓	✓			✓	
	Dual Resident Reduction of Tax Credit Worksheet	✓					

Form	Description	IND	CRP	SCRIP	PTR	FID	EST
	Earned Income Tax Credit Worksheet	✓					
	Electronic Funds Withdrawal Affirmation	✓	✓	✓	✓	✓	
	Employer Credit for Family and Medical Leave Worksheet	✓	✓			✓	
	Employer Support for Volunteer Firefighters and Volunteer Municipal Emergency Medical Services Persons Worksheet	✓	✓			✓	
	Form 1040ME, Schedule A, Lines 6 and 20 Other Tax Credits Worksheet	✓					
	Income Tax Withheld	✓				✓	
	Maine 1040 Amended Worksheet	✓					
	Maine Estate Tax, Form 706ME Worksheet D – Credit for Estate Tax Paid to Other Jurisdiction						✓
	Maine Minimum Tax Credit and Carryforward Worksheet	✓					
	New Markets Capital Investment Credit Worksheet	✓	✓			✓	
	Phaseout of Personal Exemption Deduction Amount Worksheet	✓					
	Pine Tree Development Zone Tax Credit Worksheet	✓	✓			✓	
	Research Expense Tax Credit Worksheet	✓	✓			✓	
	Seed Capital Investment Tax Credit Worksheet	✓	✓			✓	
	Student Loan Repayment Tax Credit Worksheet	✓					
	Super Credit for Substantially Increased Research and Development Carryforward of Unused Credit Worksheet	✓	✓			✓	
	Worksheet A – Residency Information Worksheet for Part-Year Residents/Nonresidents/“Safe Harbor” Residents	✓					
	Worksheet B – Income Allocation Worksheet for Part-Year Residents/Nonresidents/“Safe Harbor” Residents	✓					
	Worksheet C – Employee Apportionment Worksheet	✓					
	Worksheet for Child Care Credit – Schedule A, Lines 1 and 9	✓					
	Worksheet for Form 1040ME, Schedule 1S, Line 28 Income Subtraction Modifications – Other Subtractions	✓					
1040ES-ME	Estimated Tax Voucher	✓					
1040EXT-ME	Extension Payment Voucher for Individual Income Tax	✓					
1040ME	Individual Income Tax	✓					
1040ME-PV	Individual Income Tax Payment Voucher	✓					
1041ES-ME	Estimated Tax Payment Voucher for Estates and Trusts					✓	
1041ME	Income Tax Return for Resident and Nonresident Estates and Trusts					✓	
1041ME-EXT	Extension Payment Voucher for Fiduciary Income Tax					✓	
1041ME-PV	Payment Voucher for Fiduciary Income Tax					✓	
1099ME	Pass-Through Withholding	✓	✓			✓	
1120ES-ME	Estimated Tax Payment Voucher for Corporations		✓				
1120EXT-ME	Extension Tax Payment Voucher for Corporations		✓				
1120ME	Corporate Income Tax Return		✓				
1120ME-PV	Corporate Income Tax Payment Voucher		✓				

Form	Description	IND	CRP	SCRCP	PTR	FID	EST
1310ME	Statement of Person Claiming Refund Due a Deceased Taxpayer	✓					
2210ME	Underpayment of Estimated Tax by Individuals, Estates, or Trusts	✓				✓	
2220ME	Underpayment of Estimated Tax by Corporations or Financial Institutions		✓				
2848-ME	Power of Attorney	✓	✓	✓	✓	✓	✓
706EXT	Extension Payment Information						✓
706ME	Estate Tax Return						✓
901ES-ME	Pass-Through Entity Withholding Payment Voucher			✓	✓		
941P-ME	Pass-Through Entity Return of Maine Income Tax Withheld from Members			✓	✓		
941P-PV-ME	Payment Voucher			✓	✓		
CR	Maine Corporate Income Tax Combined Report for Unitary Members		✓				
Schedule 1040C-ME	Worksheet for Composite Filing of Maine Income Tax for Nonresident Owners	✓		✓	✓		
Schedule 1040C-ME-1 (1040C-ME)	Listing of Owners Participating in Composite Filing			✓	✓		
Schedule 1A (1040ME)	Income Addition Modifications	✓					
Schedule 1A (1120ME)	Income Addition Modifications		✓				
Schedule 1S (1040ME)	Income Subtractions	✓					
Schedule 1S (1120ME)	Income Subtractions		✓				
Schedule 2 (1040ME)	Itemized Deductions	✓					
Schedule 2P (941P-ME)	Through Entity Withholding Listing			✓	✓		
Schedule 3P (941P-ME)	List of Exempt Members			✓	✓		
Schedule A (1040ME)	Adjustments to Tax	✓					
Schedule A (1041ME)	Adjustments to Tax					✓	
Schedule C	Tax Credits for Corporations		✓				
Schedule CP (1040ME)	Charitable Contributions and Purchase of Park Passes	✓					
Schedule ETM (1040ME)	Enrolled Tribal Members in Maine	✓					
Schedule NOL (1120ME)	Calculating Net Operating Loss (NOL) Recapture Subtraction Modification		✓				
Schedule NR (1040ME)	Schedule for Calculating the Nonresident Credit – Part-Year Residents, Nonresidents, and “Safe Harbor” Residents Only	✓					

Form	Description	IND	CRP	SCRIP	PTR	FID	EST
Schedule NR (1041ME)	Income Schedule for Nonresident Estates and Trusts or Resident Estates and Trusts with Nonresident or “Safe Harbor” Resident Beneficiaries					✓	
Schedule NRH (1040ME)	Schedule for Apportionment and for Calculating the Nonresident Credit for Married Person Electing to File Single	✓					
Schedule PTFC/STFC (1040ME)	Property Tax Fairness Credit/Sales Tax Fairness Credit	✓					
Schedule X	Amended Return Adjustments		✓				