



PINE TREE DEVELOPMENT ZONE TAX CREDIT WORKSHEET FOR TAX YEAR 2018 36 M.R.S. § 5219-W

TAXPAYER NAME: _____ EIN/SSN: _____

Note: Owners of pass-through entities (such as partnerships, LLCs, S corporations, and trusts) making an eligible investment, see instructions. Enter name and ID number of the entity on the lines below. Also enter your ownership percentage in the pass-through entity for the tax year.

| NAME OF PASS-THROUGH ENTITY | EIN/SSN | OWNERSHIP PERCENTAGE |
|-----------------------------|---------|----------------------|
| _____ | _____ | _____ % |

Tier 1 location
 Tier 2 location
 (check one - see instructions)

Note: Individual and estate and trust taxpayers skip lines 1 through 6 and complete the Worksheet PTE Credit Ratio Worksheet before completing line 7.

1. Qualified Pine Tree Development Zone property1. _____
2. All Maine property2. _____
3. Qualified Pine Tree Development Zone payroll3. _____
4. All Maine payroll.....4. _____
5. Apportionment numerator (line 1 + line 3)5. _____
6. Apportionment denominator (line 2 + line 4).....6. _____
7. Pine Tree Development Zone apportionment percentage (line 5 ÷ line 6)
(except if individual, estate or trust, enter amount from Worksheet PTE, line 8)7. _____
8. Regular income tax (Form 1120ME, line 7a or Form 1040ME, line 20 or
Form 1041ME, line 4)8. _____
9. Pine Tree Development Zone credit (line 7 x line 8)9. _____
10. **Credit rate.** See instructions below10. _____

If certified as a Tier 1 qualified business, enter 1.00 on this line if this tax year is within the first 5 years of being certified as a qualified business. Enter .50 on this line if this tax year is within the second 5 years of being certified as a qualified business. If this tax year is more than 10 years of being certified as a qualified business, you do not qualify for the credit.

If certified as a Tier 2 qualified business, enter 1.00 on this line if this tax year is within the first 5 years of being certified as a qualified business. If this tax year is more than 5 years of being certified as a qualified business, you do not qualify for the credit.

11. Multiply line 9 by line 10. Enter here and on Form 1120ME, Schedule C, line 1e or Form 1040ME, Schedule A, line 18 or Form 1041ME, Schedule A, line 13. 11. _____

2018
PINE TREE DEVELOPMENT ZONE TAX CREDIT (“PTDZ”)
WORKSHEET INSTRUCTIONS

There are two statewide PTDZ classifications:

Tier 1: All areas of the state outside Cumberland and York counties plus high unemployment areas within Cumberland and York counties. To qualify as a Tier 1 location, a municipality in Cumberland or York County must have an unemployment rate that is 15% higher than the county’s labor market unemployment rate for the calendar year. The benefit period is ten years. Check the Tier 1 box on the worksheet if the qualified business activity has been certified by the Department of Economic and Community Development (“DECD”) as occurring in a Tier 1 location. Also check the Tier 1 box if the qualified business activity was certified by DECD prior to 2010 and after 2013.

Tier 2: All units of local government that are not classified for the Tier 1 designation. A business located in a Tier 2 location may not be certified under the Pine Tree Development Zone program after December 31, 2013. Businesses located in a Tier 2 location certified prior to 2014 qualify for benefits for up to five years, beginning with the year during which the taxpayer commences its qualified business activity.

General Instructions

What is the PTDZ income tax credit? The credit is available to certain businesses that expand or begin operations in Maine. For Tier 1 qualified businesses, the credit allowed is up to 100% of the Maine tax liability related to qualified activity for the first five years and 50% of the tax liability for each of the years six through ten. For Tier 2 qualified businesses, the credit allowed is 100% of the Maine tax liability related to qualified activity for the first five years. For details about the program, visit: www.maine.gov/revenue/taxrelief/ptdz.htm.

Who must complete this worksheet? Corporate taxpayers (including insurance companies) claiming PTDZ tax credits must calculate the credits using this worksheet. Individual, estate and trust taxpayers claiming a PTDZ credit from either a sole proprietorship or a pass-through entity (such as a partnership or S corporation) must calculate the amount of the credit using this worksheet and Worksheet PTE. This worksheet (and Worksheet PTE, if required) must be attached to the taxpayer’s Maine income tax return along with a copy of the PTDZ certificate issued by DECD.

What does this worksheet do? This worksheet calculates the PTDZ apportionment percentage for those entities that have qualified and non-qualified business activity. The worksheet also calculates the application of the PTDZ tax credit for all qualified businesses. Individuals claiming this credit must also complete Worksheet PTE, which apportions the taxpayer’s income between business and nonbusiness sources. Non-qualified business activity includes the level of business activity in Maine that existed prior to PTDZ certification.

For more information about the PTDZ program and the related benefits, see Maine Revenue Services guidance on the PTDZ tax credit available at: www.maine.gov/revenue/taxrelief/ptdz.htm.

In the case of pass-through entities (such as partnerships, LLCs, S corporations and trusts), the partners, members, shareholders, beneficiaries or other owners are allowed credits in proportion to their respective interests in these entities.

Specific Instructions

Note: Individual taxpayers must skip lines 1 through 6 and enter on line 7 the amount from Worksheet PTE, line 8.

Line 1. Enter the value of qualified Pine Tree Development Zone property. Qualified property includes all real and tangible personal property directly associated with the qualified business activity and placed in service in Maine after the entity becomes a certified PTDZ business. Excluded from this amount is the value of property transferred by an affiliated business to a PTDZ business from elsewhere in Maine. Purchased property is valued at cost and rented property is valued at eight times the annual rental rate. Total qualified property is determined by averaging the property owned or rented at the beginning and the end of the tax year.

Line 2. Enter the value of all property located in Maine and owned or rented by the entity or by affiliated businesses.

Line 3. Enter the compensation paid to new employees engaged in a qualified business activity. Compensation of employees transferred by the business or an affiliated business to a PTDZ business from elsewhere in Maine must be excluded from this line. “New employee” means employees above the baseline, as established for the Department of Economic and Community Development.

Line 4. Enter the compensation of all Maine employees of the business, including Maine employees of affiliated businesses.

Line 7. Corporate taxpayers (including insurance companies) enter the result of line 5 divided by line 6. This is the ratio of qualified to non-qualified business activity for the corporation. Individual, estate and trust taxpayers enter the amount from Worksheet PTE, line 8. This is the ratio of qualified business activity to the taxpayer’s overall activity, including nonbusiness income. For example, if an individual is claiming a PTDZ credit of 100%, but only 50% of the taxpayer’s income is from qualified business activity, the taxpayer is only entitled to a credit against the tax liability related to the qualified business activity, or 50% of the total tax liability for the year.