



**REVISED 2019 Additional Worksheet to Report Certain "Other" Modifications to  
Maine Income Related to Federal Tax Law Changes Enacted After  
December 31, 2019**

Form 1120ME, Line 2o  
Form 1120ME, Line 4i

Use this worksheet to report "Other" income modifications for Form 1120ME, Line 2o (subtraction modifications) and Line 4i (addition modifications), resulting from federal tax law changes enacted after December 31, 2019.

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

See pages 2 and 3 for a description of each item listed below.

Name of Corporation as shown on Form 1120ME	Federal ID Number

**A. Other Subtraction Income Modifications**

- 1. See **Form 1120ME, Line 2o** .....1.
- 2. Depreciation on qualified improvement property (QIP). (Also see line 8 below).....2.
- 3. Paid Sick Leave Credit and Paid Family Leave Credit deduction .....3.
- 4. Reduction in federal salaries and wages deduction due to claiming the Employee Retention Credit .....4.
- 5. **Total Other Subtraction Modifications.** .....5.

Do not enter an amount on lines 1, 2, 3, 4 and 5. Maine now conforms to the federal depreciation on QIP, the reduction in the federal salaries and wages expense deduction directly related to claiming the Paid Sick Leave Credit, the Paid Family Leave Credit, and the Employee Retention Credit. See instructions.

**B. Other Addition Income Modifications**

- 6. If applicable, and to the extent not otherwise included in lines 7 through 10 below, enter the amount of "Other" addition modifications listed in the 2019 Form 1120ME, Line 4i instructions.....6.
- 7. Business interest deduction exceeding 30% of federal adjusted taxable income .....7.
- 8. Depreciation on qualified improvement property (QIP). (Also see line 2 above).....8.
- 9. Discharge of indebtedness on Payroll Protection Program (PPP) loans.....9.
- 10. Charitable contributions of cash or food during 2020.....10.
- 11. **Total Other Addition Modifications.** Add lines 6, 7 and 10. Enter here and on Form 1120ME, Line 4i ..... 11.

	<input style="width: 100%;" type="text"/>	.00
	<input style="width: 100%;" type="text"/>	.00
	<input style="width: 100%;" type="text"/>	.00
	<input style="width: 100%;" type="text"/>	.00
	<input style="width: 100%;" type="text"/>	.00

Do not enter an amount on lines 8 and 9. Maine now conforms to the federal depreciation on QIP and discharge of indebtedness on PPP loans. See instructions.

**Note that you may be asked to provide additional documentation before your return is processed.**

# REVISED 2019 Additional Worksheet to Report Certain “Other” Modifications to Maine Income Related to Federal Tax Law Changes Enacted After December 31, 2019

Income and deductions are generally treated the same for Maine income tax purposes as treated for federal income tax purposes. However, certain federal and state laws may require different tax treatment of some items. These differences require adjustments, or modifications, to federal income to calculate Maine taxable income. See Form 1120ME. This worksheet provides additional Maine modifications required for the 2019 tax year due to Maine nonconformity with federal tax law changes enacted after December 31, 2019.

**Note that the modifications listed below affect only taxpayers whose taxable year began during 2019.**

## Income Modifications - Other Subtractions, Form 1120ME, Line 2o

**NOTE, EFFECTIVE MARCH 2021, LINES 1 THROUGH 5 ARE REVERSED DUE TO CONFORMITY WITH THE FEDERAL INTERNAL REVENUE CODE AS AMENDED THROUGH DECEMBER 31, 2020.**

**Line 1. “Other” Subtraction Modifications from Form 1120ME, Line 2o.** See Form 1120ME, line 2o.

**Line 2. Depreciation on qualified improvement property (QIP) - subtraction modification. Maine now conforms to the federal depreciation of qualified improvement property (QIP).** As a result, you must file an amended return(s) to reverse the effect of any amounts previously entered on this line and the 2018 REVISED Additional Worksheet to Report Certain “Other” Modifications to Maine Income Related to Federal Tax Law Changes Enacted After December 31, 2019, line 2. Also see Form 1120ME, line 2j and line 4h relative to bonus depreciation for QIP. Note that QIP does not qualify for the Maine Capital Investment Tax Credit for tax year 2019. Revised March 2021.

**Line 3. Paid Sick Leave Credit and Paid Family Leave Credit deduction.** Previously, due to nonconformity, this line was used to reduce Maine taxable income by the amount of the reduction in federal salaries and wages expense deduction directly related to amounts claimed for the paid sick leave and paid family leave payroll tax credits under the federal Families First Coronavirus Response Act (FFCRA). **Maine now conforms to the reduction in federal salaries and wages expense deduction relative to these credits.** As a result, you must file an amended return(s) to reverse the effect of any amounts previously entered on this line. Revised March 2021.

**Line 4. Reduction in the federal salaries and wages deduction due to claiming the Employee Retention Credit.** Previously, due to nonconformity, this line was used to reduce Maine taxable income by the amount of the reduction in federal salaries and wages expense deduction directly related to amounts claimed for the federal Employee Retention Credit. **Maine now conforms to the reduction in federal salaries and wages expense deduction relative to claiming this credit.** As a result, you must file an amended return(s) to reverse the effect of any amounts previously entered on this line. Revised March 2021.

## Income Modifications - Other Additions, Form 1120ME, Line 4i

Addition modifications are required for items of income that are not included in federal income but are subject to Maine corporate income tax or to reverse a federal deduction not allowed for Maine tax purposes. See Form 1120ME, lines 4a through 4j. See descriptions below for each item.

**Line 6. “Other” Addition Modifications From Form 1120ME, Line 4i.** If applicable, enter the sum of the “other” addition income modifications listed in the instructions for Form 1120ME, line 4i to the extent not included in the lines below.

**Lines 7 through 10 - Other Addition Modifications Resulting From Federal Tax Law Changes Enacted After December 31, 2019. Enter only amounts not included in line 6 or otherwise previously reported on Maine Form 1120ME. NOTE, EFFECTIVE MARCH 2021, LINES 8 AND 9 ARE REVERSED DUE TO CONFORMITY WITH THE FEDERAL INTERNAL REVENUE CODE AS AMENDED THROUGH DECEMBER 31, 2020.**

**Line 7. Business interest deduction exceeding 30% of federal adjusted taxable income.** The federal CARES Act increases the allowable business interest deduction from 30% to 50% of federal adjusted taxable income. For Maine income tax purposes, business interest greater than 30% of federal adjusted taxable income may not be used to reduce Maine taxable income. To calculate this amount, complete a pro forma federal Form 8990 using the 30% business interest deduction limitation. Enter on this line the difference between the allowable interest deduction using the 50% limitation on federal Form 8990, Line 26 and the interest deduction calculated using the 30% limitation on the pro forma federal Form 8990, Line 26. **Note:** Do not complete this line if the federal business interest expense deduction does not exceed 30% of federal adjusted taxable income.

**Line 8. Depreciation on qualified improvement property (QIP) - addition modification.** The federal CARES Act changed the depreciation allowable for QIP for federal tax purposes from 39-year class life to 15-year class life (20-year class life for the Alternative Depreciation System) and allows first-year 100% bonus depreciation. Previously, due to nonconformity, the increase in federal depreciation was required to be added back to Maine taxable income. However, **Maine now conforms to the federal depreciation of qualified**

**improvement property (QIP).** As a result, you must file an amended return to reverse the effect of any amounts previously entered on this line. Also see Form 1120ME, line 2j and line 4h relative to bonus depreciation for QIP. Note that QIP does not qualify for the Maine Capital Investment Tax Credit for tax year 2019. Revised March 2021.

**Line 9. Discharge of indebtedness on Payroll Protection Program loans.** Previously, due to nonconformity and to the extent not otherwise excludable under Internal Revenue Code, Section 108, the amount of covered loan forgiveness excluded from federal taxable income pursuant to section 1106 of the CARES Act, was required to be added back to Maine taxable income. **Maine now conforms to the federal treatment of discharge of indebtedness on Payroll Protection Program loans and Economic Injury Disaster Loans,** as enacted under section 1106 of the federal CARES Act and section 276 of the federal Consolidated Appropriations Act, 2021. As a result, you must file an amended return to reverse the effect of any amounts previously entered on this line. Revised March 2021.

**Line 10. Charitable contributions of cash or food during 2020.** Section 2205 of the federal CARES Act increases the maximum allowable charitable contribution deduction for cash contributions from 10% to 25% of federal taxable income and for qualified food contributions from 15% to 25% of federal taxable income. For Maine tax purposes, the charitable contribution deduction continues to be subject to the limitations in effect prior to enactment of the CARES Act. Enter on this line the increase in the charitable contribution deduction for cash contributions and contributions of food inventory claimed on your 2019 federal income tax return in accordance with the federal CARES Act, Sections 2205(a)(2)(B) and 2205(b).

**Line 11. Total Other Addition Modifications.** Add lines 6, 7 and 10. Enter the sum here and on Form 1120ME, Line 4i.

**Note that you may be asked to provide additional documentation before your return is processed.**