SCHEDULE NRH FORM 1040ME 2016

### SCHEDULE for CALCULATING the NONRESIDENT CREDIT FOR MARRIED PERSON ELECTING TO FILE SINGLE

This schedule must be enclosed <u>with your completed Form 1040ME</u>. Also attach a COMPLETE copy of your federal return including all schedules and worksheets. Nonresident or "Safe Harbor" resident spouses with no Maine-source income do <u>not</u> have to file a Maine return.

Attachment Sequence No. 11

Name(s) as	shown on	Form	1040ME

Your Social Security Number

## IMPORTANT: Complete Worksheet A available at <u>www.maine.gov/revenue/forms</u> before completing Schedule NRH.

	from	to		A Total for Both Spouses from the Federal Return	B Your Share of Column A	C Non-Maine Source Portion
1	available at <u>www.main</u> a. Wages, Salaries, O	mplete and attach Worksheet A <u>e.gov/revenue/forms</u> ): ther Employee Compensation				of Column B
		lds Income or Loss				
		S	- F			
		ss (Except state income tax refunds)			+	
		· · · · · · · · · · · · · · · · · · ·				
2		f, column B by line 1f, column A f, column C by line 1f, column B	2		·	·
3	Column B: Multiply colu	DJUSTMENTS: n 1040, line 36 or 1040A, line 20 mn A by line 2, column B mn B by line 2, column C	3			
4		GROSS INCOME: Subtract line 3 from line 1f. B on Form 1040ME, line 14	4			
5	INCOME MODIFICATION	DNS:	5a			
	b. Deductions — Spec	ify	5b			
	c. Total Modifications:	Line 5a minus line 5b — indicate a negative amou Inter amount in column B on Form 1040ME, line	unt			
6		COSS INCOME: Line 4 plus or minus line 5c. B on Form 1040ME, line 16	6			
7	Column B: Divide line 6	USTED GROSS INCOME: , column B by line 6, column A , column C by line 6, column B	7			
8	Itemized Deductions, if <u>Column A</u> : From Maine Standard/Itemized Dedu <u>Column B</u> : Multiply line Enter result here and or	Schedule 2, line 7 or, if applicable, the Workshee	se			
9	EXEMPTIONS:					
	a. Dependents — <u>Colu</u>	umn A: see instructions				
	Column B: Multiply	line 9a, column A by line 7, column B	9a			
	b. Yourself — see inst	ructions	9b			
		dd lines 9a and 9b, column B. Enter total here IE, line 18	9c			
10	MAINE INCOME TAX:	Enter Form 1040ME, line 20	10			
11		IT: Multiply line 10 by line 7, column C. n Form 1040ME, line 23	11			

# SCHEDULE NRH INSTRUCTIONS

Enclose Schedule NRH and Worksheet A (and Worksheet C, if used) with your Maine return, Form 1040ME. Include a COMPLETE copy of your federal tax return, including all schedules and worksheets. Enclose W-2 forms from other states and temporary duty (TDY) papers to support your entry in Box C.

#### STEP 1. Complete Worksheet A available at www.maine.gov/revenue/forms before completing Schedule NRH.

## STEP 2. Complete column A. List Your Joint Income As Reported On Your Joint Federal Return.

Lines 1a through 1f — Total Income. Enter income of both spouses as reported on your joint federal return. Include all income listed on the federal return except taxable refunds, line 10 of federal Form 1040.

Line 5 — Income Modifications/Pension Income Deduction. Complete lines 5a through 5c if you have Maine income modifications. See the instructions for Form 1040ME, Schedule 1 and the Worksheet for Pension Income Deduction for details explaining these modifications. Do not include taxable refunds of state and local income tax.

Line 8 — Deductions. If you itemized deductions on your joint federal return, complete Form 1040ME, Schedule 2 and, if line 6, column A is more than \$140,000, the related Workshseet for Standard / Itemized Deductions (for Form 1040ME, line 17) available at <a href="http://www.maine.gov/revenue/forms">www.maine.gov/revenue/forms</a> to calculate the amount of your joint Maine itemized deductions. Enter the result in column A.

If you claimed the standard deduction on your joint federal return, leave line 8, column A blank. Additional instructions for the standard deduction are included in step 3, line 8 below.

**Line 9** — **Exemptions.** Multiply the number of <u>dependent</u> exemptions claimed on your federal return by your allowable federal exemption amount (see federal Form 1040, line 42). Exclude the exemptions for you and your spouse. Enter the result on line 9a in column A. Additional instructions for personal exemptions are included in step 3 below.

## STEP 3. Complete column B. List Your Income.

Lines 1a through 1f. Enter only <u>your</u> income in column B. Attribute earned income to the spouse who earned it. Unless it is attributable to one spouse, divide unearned income (interest, dividends, capital gains, etc.) equally between you and your spouse.

Line 3 — Federal Income Adjustments. Enter <u>your</u> share of the adjustments shown on your federal Form 1040, line 36 or federal Form 1040A, line 20.

Line 5 — Income Modifications. Enter your share of the income modifications listed in column A.

Line 8 — Deductions. If you itemized deductions, calculate <u>your</u> share by multiplying the amount on line 8, column A, by the percentage listed on line 7, column B. If your share of the itemized deductions is less than the Maine standard deduction for single, use the Maine standard deduction for single.

If you use the standard deduction on your joint federal return, use the Maine "single" standard deduction. The Maine standard deduction for a single individual is \$11,600. If you are age 65 or over **or** blind, increase the standard deduction amount by \$1,550. If age 65 or over **and** blind, increase it by \$3,100. Caution: Your standard deduction may be limited. If the amount on line 6, column B is more than \$70,000, you must complete the Worksheet for Standard / Itemized Deductions (for Form 1040ME, line 17) available at <u>www.maine.gov/revenue/forms</u> to calculate the reduced deduction amount.

Enter your deduction amount (itemized or standard, whichever is greater) on line 8, column B.

Line 9 — Exemptions. You are entitled to claim your own personal exemption plus a portion of the <u>dependent</u> exemptions claimed on your joint federal return. <u>Line 9a</u> - multiply the number of dependents included on federal Form 1040, line 6c by your allowable federal exemption amount (see federal Form 1040, line 42). <u>Line 9b</u> - enter the allowable federal exemption amount for yourself (see federal Form 1040, line 42). To calculate the **allowable federal exemption amount**, divide the amount from federal Form 1040, line 42 by the number of exemptions claimed on federal Form 1040, line 6d. Generally, the allowable 2016 federal exemption amount is \$4,050 unless your income exceeds certain thresholds (see federal Form 1040, line 42).

**Tax Credits.** See Form 1040ME, Schedule A for tax credits. Personal credits on Form 1040ME, Schedule A, lines 1, 2, 3, 4, 8, 9, 10, 11, and 13 are limited to the Maine residency period <u>or</u> prorated based on the ratio of Maine-source income to total income using the applicable worksheets available at <u>www.maine.gov/revenue/forms</u>. You may claim 100% of <u>your ownership share</u> of the business credits on Maine Schedule A, lines 5, 6, 12 and 14 through 20.

STEP 4. Complete Form 1040ME. Complete Form 1040ME lines 1-21, 30 and 30a using the amounts listed in column B, Schedule NRH. Filing Status: Check Single.

**Number of Exemptions:** Enter total number of exemptions claimed on your joint federal return **less** the exemption for your spouse. **Lines 14, 15, 16, 17, 18:** Enter amounts from column B of Schedule NRH. Follow the instructions on Schedule NRH.

Line 20: Use the tax amount from the Single column in the tax table available at <u>www.maine.gov/revenue</u> or compute your tax based on the tax rate schedule available at <u>www.maine.gov/revenue</u> for your taxable income as listed on line 19.

Line 30: Use Tax. Enter zero unless you are filing as a resident and have a use tax liability.

- STEP 5. Complete column C. List in column C the Non-Maine-Source portion of the income listed in column B. If you are filing as a Maine resident, do not complete column C. For an overall description of Maine-source and non-Maine-source income, see Maine Revenue Services Rule 806 available at <a href="http://www.maine.gov/revenue">www.maine.gov/revenue</a> (select Laws and Rules). For line 5, prorate the pension deduction (Form 1040ME, Schedule 1, line 2d based on the percentage of qualified pension income received as a nonresident or "Safe Harbor" resident. Do not include your spouse's income in this column. Supply W-2 forms from other states or temporary duty (TDY) papers to support entries in column C.
- STEP 6. Compute your Nonresident Credit. If you are filing as a Maine resident, do not complete lines 10 and 11.

Line 10. Maine Income Tax. Enter the Maine income tax from Form 1040ME, line 20.

Line 11. Nonresident Credit. Find your nonresident credit by multiplying the amount on line 10 by line 7, column C. Enter the result here and on Form 1040ME, line 23. This is your nonresident credit.

STEP 7. Complete Form 1040ME. Calculate your balance due or refund by completing the remaining lines on Form 1040ME. Follow the instructions for Form 1040ME.