

SCHEDULE 1S
Form 1040ME
2024

Attachment
 Sequence No. 5

Income Subtraction Modifications

See instructions on pages 7 through 8.
 Enclose with your Form 1040ME.

For more information, visit maine.gov/revenue/tax-return-forms.



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Name(s) as shown on Form 1040ME

Your Social Security Number

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.	<input type="text"/>	.00
2.	State income tax refund. (Only if included in federal adjusted gross income.).....	2.	<input type="text"/>	.00
3.	Social Security and Railroad Retirement Benefits included in federal adjusted gross income. (See instructions.).....	3.	<input type="text"/>	.00
4.	Pension income deduction. (Complete and attach the worksheet on back.)..... Check here if the amount on line 4 includes military retirement pay (from line P6 of the Worksheet for Pension Income Deduction)	4.	<input type="text"/>	.00
5.	Non-Maine active duty military pay received by a Maine resident and military compensation received by a nonresident of Maine. (See instructions.).....	5.	<input type="text"/>	.00
6.	Military annuity payments made to a survivor of a deceased member of the military	6.	<input type="text"/>	.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.	<input type="text"/>	.00
8.	Contributions to Qualified Tuition Programs - 529 Plans. (Limited to \$1,000 per beneficiary. See Instructions)	8.	<input type="text"/>	.00
9.	Fiduciary adjustment - subtractions only. (Attach a copy of your federal Schedule K-1.)	9.	<input type="text"/>	.00
10.	Bonus depreciation and section 179 recapture. (See instructions.).....	10.	<input type="text"/>	.00
11.	Medical cannabis business expenses. (See instructions.)..... Enter your registration number or sales tax number: _____	11.	<input type="text"/>	.00
12.	Adult use cannabis business expenses. (See instructions.)	12.	<input type="text"/>	.00
	Enter your registration number or sales tax number: _____			
13.	Net operating loss recapture	13.	<input type="text"/>	.00
14.	FAME nonprofit student loan repayment program.....	14.	<input type="text"/>	.00
15.	Qualified health care student loan payments made by your employer.....	15.	<input type="text"/>	.00
16.	Municipal property tax benefits for senior citizens.....	16.	<input type="text"/>	.00
17.	Family Development Account proceeds	17.	<input type="text"/>	.00
18.	Interest from Maine Municipal General Obligation Bonds, Private Activity Bonds, and Airport Authority Bonds included in federal adjusted gross income.....	18.	<input type="text"/>	.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.	<input type="text"/>	.00
20.	Earnings from fishing operations contributed to a capital construction fund	20.	<input type="text"/>	.00



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

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