

**SCHEDULE PTFC
FORM 1040ME
2014**

Attachment
Sequence No. 3

PROPERTY TAX FAIRNESS CREDIT

For MAINE RESIDENTS and PART-YEAR RESIDENTS ONLY.

Enclose with your Form 1040ME.
See instructions.

For more information, visit www.maine.gov/revenue/forms.



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Name(s) as shown on Form 1040ME

Your Social Security Number

Enter your
date of birth

MM DD YYYY

If married, enter your
spouse's date of birth

MM DD YYYY

Physical location of property where you lived during 2014 (if different from your mailing address):

TOTAL INCOME - Complete line 1 or line 2 below, but not both. Complete line 1 if you do not file federal Form 1040, 1040A or 1040EZ. Complete line 2 if you do file federal Form 1040, 1040A or 1040EZ. Then go to line 3.

IF YOU DO NOT FILE FEDERAL FORM 1040, 1040A or 1040EZ, ENTER:

- 1. (a) Social security benefits and railroad retirement benefits (see instructions) 1a. .00
- (b) Interest and dividends (see instructions)..... 1b. .00
- (c) Pensions, annuities and IRA distributions (see instructions)..... 1c. .00
- (d) Wages, salaries, tips, etc. (see instructions.) 1d. .00
- (e) Other income (see instructions) 1e. .00

OR, IF YOU DO FILE FEDERAL FORM 1040, 1040A or 1040EZ, ENTER:

- 2. (a) Federal total income (from federal Form 1040, line 22, Form 1040A, line 15 or Form 1040EZ, line 4). Part-year residents - see instructions..... 2a. .00
- (b) Social security benefits not included on line 2a above (federal Form 1040, line 20a minus line 20b or Form 1040A, line 14a minus line 14b) and railroad retirement benefits not included on line 2a above (see instructions) 2b. .00
- (c) Interest not included on line 2a above 2c. .00
- (d) Loss add-backs (see instructions)..... 2d. .00
- 3. **Total Income.** Add lines 1a through 1e **OR** lines 2a through 2d above..... 3. .00

If the amount on line 3 is more than the amount shown in the table below for your filing status and the number of personal exemptions you claim on Form 1040ME, line 13, stop here. You do not qualify for the property tax fairness credit. Otherwise, go to line 4.

If your Filing Status is:	AND	You claim no more than 2 personal exemptions	OR	You claim more than 2 personal exemptions
Your maximum income limitation is:				
Single		\$33,333		\$33,333
Head of Household, or Married filing Jointly, or Qualifying Widow(er)		\$43,333		\$53,333
Married filing Separately		\$21,667		\$26,667



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BENEFIT BASE - PROPERTY TAX and/or RENT PAID:

- 4. Enter the property tax you paid on your home in 2014. (See instructions.)4. .00
If you paid no property tax in 2014, skip to line 5a.
- 5. (a) Enter the rent you paid on your home in 2014. (See instructions.)5a. .00
If you paid no rent in 2014, skip to line 6.
- (b) Does the rent entered on line 5a include heat, utilities, furniture or similar items?..... 5b. Yes No
- (c) If line 5b is yes and you know the amount paid for heat, utilities, furniture or similar items, enter that amount on line 5c. If yes, and you do not know the amount paid, multiply line 5a by 15% (.15) and enter the result on line 5c. If line 5b is no, enter "0" on line 5c. 5c. .00
- (d) Line 5a minus line 5c5d. .00
- (e) Multiply line 5d by 15% (.15)5e. .00
- (f) Landlord's name and telephone number
- 6. Add lines 4 and 5e.....6. .00
- 7. Enter the amount shown in the table below for your filing status and the number of personal exemptions you claim on Form 1040ME: 7. .00

If your Filing Status is:	AND	You claim no more than 2 personal exemptions	OR	You claim more than 2 personal exemptions
Your maximum benefit base is:				
Single		\$2,000		\$2,000
Head of Household, or Married filing Jointly, or Qualifying Widow(er)		\$2,600		\$3,200
Married filing Separately		\$1,300		\$1,600

- 8. Benefit base. Enter the smaller of line 6 or line 7.....8. .00

PROPERTY TAX FAIRNESS CREDIT CALCULATION:

- 9. Multiply line 3 by 6% (.06)9. .00
- (a) Is the amount on line 8 more than the amount on line 9?9a. Yes No
If yes, go to line 10 below. If no, stop here, you do not qualify for the Property Tax Fairness Credit.
- 10. Subtract line 9 from line 8..... 10. .00
- 11. Multiply line 10 by 50% (.50) 11. .00
- 12. Were you or your spouse (if married) at least 65 years of age during the tax year?..... 12. Yes No
- (a) If yes, enter \$900. If no, enter \$600. 12a. .00
NOTE: If you are married filing a separate return and both you and your spouse claim the property tax fairness credit on the same homestead, enter \$450 if yes or \$300 if no.
- 13. Enter line 11 or line 12a, whichever is smaller, here and on Form 1040ME, line 25d..... 13. .00

SCHEDULE PTFC – PROPERTY TAX FAIRNESS CREDIT INSTRUCTIONS

Who is eligible?

You may qualify for a **refundable** Property Tax Fairness Credit up to \$600 (\$900 if you are 65 years of age or older) if you meet all of the following:

- You were a Maine resident during any part of the tax year;
- You owned or rented a home in Maine during any part of the tax year and lived in that home as your principal residence during the year;
- Your total income during 2014 was not more than the amount shown in the table below for your filing status and the number of personal exemptions you claim:

If your Filing Status is:	AND You claim no more than 2 personal exemptions	OR You claim more than 2 personal exemptions
	Your maximum income limitation is:	
Single	\$33,333	\$33,333
Head of Household, or Married filing Jointly, or Qualifying Widow(er)	\$43,333	\$53,333
Married filing Separately	\$21,667	\$26,667

- You paid property tax on your home (principal residence) in Maine during the tax year that is greater than 6% of your total income or you paid rent on your home (principal residence) in Maine during the tax year that is greater than 40% of your total income. **Note** that the amount of property tax or rent you can include may be limited. See line 7 on Schedule PTFC.

SPECIFIC INSTRUCTIONS

Step 1. Complete Form 1040ME according to the form instructions.

However, if you are filing Form 1040ME only to claim the property tax fairness credit, you have no Maine income modifications on Form 1040ME, Schedule 1 and you do not file a federal income tax return, complete Maine Form 1040ME according to the instructions below:

- fill in your name, address, social security number, telephone number and, if married, your spouse's name and social security number;
- check Box A below your address;
- enter your correct filing status on lines 3-7;
- enter your correct residency status on lines 8-11;
- check the applicable boxes on lines 12a through 12d if either you or your spouse were 65 years or over or blind during 2014;
- enter the number of personal exemptions you can claim on line 13;
- enter 0 on lines 14, 15 and 16;
- complete Schedule PTFC (see Step 2 instructions below); and
- enter the amount from Schedule PTFC, line 13 on Form 1040ME, lines 25d, 25e, 27, 28, 32 and 33b. Any refund will be mailed to you. However, if you want your refund deposited directly into your checking or savings account, also complete lines 33c, 33d and 33e.

Note: Part-year residents must also complete Form 1040ME, Schedule NR and related Worksheet B – Income Allocation Worksheet.

Step 2. Complete Schedule PTFC. Enter your name and social security number as shown on Form 1040ME. Also enter your date of birth and your spouse's date of birth, if married.

Complete either lines 1a through 1e **OR** lines 2a through 2d. **If you do not file federal Form 1040, 1040A or 1040EZ, complete lines 1a through 1e. If you do file a federal Form 1040, 1040A or 1040EZ, enter your income on lines 2a through 2d.**

If you do not file federal Form 1040, 1040A or 1040EZ:

Line 1a. Social security and railroad retirement benefits. Enter all payments received under the federal Social Security Act, including regular social security benefits, social security disability benefits and supplemental security income. Include the gross amount before Medicare is subtracted. This amount can generally be located on federal Form SSA-1099 (see also federal Form 1040, line 20a). Also enter on this line the amount of railroad retirement benefits received. This amount can generally be located on federal Form RRB-1099 or RRB-1099-R.

Line 1b. Interest and dividends. Enter all interest and ordinary dividends you received. These amounts can generally be found on the federal Form 1099 issued by the payer.

Line 1c. Pensions, annuities and IRA distributions. Enter the amount of all pensions, annuities and IRA distributions you received that would be included in federal total income if you filed a federal income tax return. These amounts can generally be found on the federal Form 1099 issued by the payer.

Line 1d. Wages, salaries, tips, etc. Enter the total amount of wages, salaries and other compensation that would be included in federal total income if you filed a federal income tax return. This amount is generally reported in box 1 of the federal Form W-2 or on the federal Form 1099 issued by the payer.

Line 1e. Other income. Enter alimony received; business income (but do not enter business losses); capital gains; other gains; any income from rental real estate, royalties, partnerships, S corporations, trusts, etc.; farm income; unemployment compensation; any other income that would be included in federal total income if you filed a federal income tax return. For more information on federal total income, see federal income tax forms and instructions at www.irs.gov.

If you do file federal Form 1040, 1040A or 1040EZ:

Line 2a. Federal Total Income. Enter your federal total income from federal Form 1040, line 22; 1040A, line 15 or 1040EZ, line 4. Part-year residents - enter on line 2a the portion of your federal total income related to that part of the tax year you were a Maine resident plus any Maine-source income while you were a nonresident. To determine this amount, add Form 1040ME, Worksheet B, Column B, line 15 plus Worksheet B, Column E, line 15.

Line 2b. To the extent not already included in federal total income on line 2a, enter all payments received under the federal Social Security Act and the amount of railroad retirement benefits received. See the instructions for line 1a above.

Line 2c. Enter only amounts not already included in federal total income on line 2a.

Line 2d. Loss add-backs. Enter on line 2d the amount of any negative amount (net loss) shown on federal Form 1040, lines 12, 13, 14, 17, 18 and 21. Enter the total of the amounts as a positive number.

Line 3. Total income. If the amount on line 3 is more than the amounts shown in the table, you do not qualify for the property tax fairness credit.

Line 4. Property Tax. If you owned your home in Maine and lived in that home during 2014, enter the amount of property tax paid during 2014 on your house and house lot up to 10 acres. If your house is on land that is more than 10 acres, call your town or city assessor to get the tax on your house and the land up to 10 acres. Part-year residents - enter only the property tax amounts you paid for your home in Maine during the part of the tax year you were a Maine resident. **Note: You may be asked to provide proof of the property tax paid before a refund is issued.**

- Do not use the amount of property tax assessed; enter only the amount of tax actually paid on your home during 2014.
- Do not include amounts paid for interest or special assessments.
- Do not include property taxes on property other than your primary residence.
- Do not claim any property tax paid by others. If the home is jointly owned, **enter only the property tax you paid**. You can claim the tax you paid on your home even if you have transferred ownership to someone else under a legal agreement that allows you to continue to live in the home, but you can only claim the tax on the home for as long as you live in the home.
- Do not include taxes on any part of your home or property used exclusively for business. For example, you owned a two-story building. You lived upstairs and ran a store downstairs. You can claim one-half of the property tax you paid. Do not include property taxes claimed as a business expense on your federal tax return.
- Do not include taxes on any part of your home that serves as a separate dwelling. Include only the taxes paid for the part of the home you occupied as your primary residence. For example, your primary residence is one unit located in a three-unit dwelling. You can only claim one-third of the property tax paid.

Note: If you owned a home that was on rented land or vice-versa, you can include the property tax you paid during 2014 on line 4 and the rent you paid during 2014 on line 5a. For example, you owned a mobile home located in a park. Enter the property tax on your mobile home on line 4 and the lot rent you paid on line 5a.

Line 5. Rent.

Line 5a. Enter the total rent you paid for your home (principal residence) in Maine during 2014. If you moved during the tax year, include the rent you paid during the tax year to live in each home or apartment. Include Workfare payments received from your town used to pay your rent. Part-year residents - enter only rent amounts you paid on your home in Maine during the part of the tax year you were a Maine resident. **Note: You may be asked to provide copies of rent receipts or canceled checks before a refund is issued.**

- Do not include mortgage payments or room and board payments. Mortgage payments and room and board payments are not rent.
- Do not include the rent amount paid by a government program.
- Do not include rent for any part of your home that was rented out to others. For example, you share an apartment with your sister. Each of you are equally responsible for one-half of the rent. Include only the amount of rent you paid to live in the apartment.
- Do not include rent for any part of your home used exclusively for business. For example, you rent a two-story building. You live in a 2nd floor apartment and run a business on the 1st floor. Claim only the portion of rent you paid for the right to live in the 2nd floor apartment.
- Do not include rent claimed as a business expense on your federal return.

Line 5c. If the rent you entered on line 5a includes an amount for heat, utilities, furniture or other similar items and you know the amount paid toward the heat, utilities, furniture or other similar items, enter the amount on line 5c. If your landlord cannot provide the amount you paid for heat, utilities, furniture or other similar items, multiply the amount on line 5a by 15% (.15) and enter the result on line 5c. If the rent entered on line 5a does not include an amount paid for heat, utilities, furniture or other similar items, enter 0 on line 5c.

Line 5d. Subtract line 5c from line 5a. The rent you paid can only include the amount paid for the right to live in your home, excluding amounts paid for heat, utilities, furniture or other similar items.