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Thank you.

SCHEDULES
# A, B, D, & E
(FORM 40NR)

Alabama Department of Revenue
## Schedule A–Itemized Deductions
# 2023

**(Schedules B, D, and E are on back)**

**ATTACH TO FORM 40NR — SEE INSTRUCTIONS FOR SCHEDULE A**

Name(s) as shown on Form 40NR | Reset Schedule A | Your social security number

The itemized deductions you may claim for the year 2023 are similar to the itemized deductions claimed on your Federal return; however, the amounts may differ. Please see instructions before completing this schedule.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Medical and Dental Expenses** | | *CAUTION: Do not include expenses reimbursed or paid by others.* | | | | | |
| | 1 | Medical and dental expenses | 1 | | 00 | | |
| | 2 | Enter amount from Form 40NR, line 12, col. B (2) 0 00 | | | | | |
| | 3 | Multiply the amount on line 2 by 4% (.04). Enter the result | 3 | 0 | 00 | | |
| | 4 | Subtract line 3 from line 1. Enter the result. If zero or less, enter –0– | | | | 4 | • 0 00 |
| **Taxes You Paid** | 5 | Real estate taxes | 5 | | 00 | | |
| | 6 | FICA Tax (Social Security and Medicare) and Federal Self-Employment Tax | 6 | | 00 | | |
| | 7 | Railroad Retirement. (Tier 1 only) | 7 | | 00 | | |
| | 8 | Other taxes. (List – include personal property taxes.) _____ | 8 | | 00 | | |
| | 9 | Add the amounts on lines 5 through 8. Enter the total here | | | | 9 | • 0 00 |
| **Interest You Paid** | 10a | Home mortgage interest and points reported to you on Federal Form 1098 | 10a | | 00 | | |
| | b | Home mortgage interest not reported to you on Federal Form 1098. (If paid to an individual, show that person's name and address.) ▶ _____ | 10b | | 00 | | |
| *NOTE: Personal interest is not deductible.* | 11 | Reserved for future use | 11 | | 00 | | |
| | 12 | Points not reported to you on Form 1098 | 12 | | 00 | | |
| | 13 | Investment interest. (Attach Form 4952A) Go To 4952A | 13 | 0 | 00 | | |
| | 14 | Add the amounts on lines 10a through 13. Enter the total here | | | | 14 | • 0 00 |
| **Gifts to Charity** | | ***CAUTION:*** *If you made a charitable contribution and received a benefit in return, see instructions.* | | | | | |
| | 15 | Contributions by cash or check (If more than $250, see instructions) | 15 | | 00 | | |
| | 16 | Other than cash or check. (You **MUST** attach Federal Form 8283 if over $500.) | 16 | | 00 | | |
| | 17 | Carryover from prior year | 17 | | 00 | | |
| | 18 | Add the amounts on lines 15 through 17. Enter the total here | | | | 18 | • 0 00 |
| **Qualified Long-Term Care** | | ***CAUTION:*** *Do not include medical insurance premiums.* | | | | | |
| | 19 | Enter Amount | | | | 19 | • 00 |
| **Miscellaneous Deductions** | 20 | Other (from list in the instructions). List type and amount. ▶ _____ | | | | 20 | • 00 |
| **Proration of Above Amounts** | 21 | Total itemized deductions to be prorated. (Add lines 4, 9, 14, 18, 19, and 20.) | | | | 21 | • 0.00 00 |
| | 22 | Enter percentage (%) from Form 40NR, page 1, line 10 | | | | 22 | • % |
| | 23 | Multiply line 21 by the percentage on line 22 | | | | 23 | • 0 00 |
| **Alabama Casualty and Theft Losses** | 24a | Enter the loss from Federal Form 4684, either **A** ☐ line 15, or **B** ☐ line 16, attach copy. | 24a | | 00 | | |
| | b | Enter 10% of your Adjusted Gross Income (Form 40NR, line 12, column C) if box B checked, otherwise enter zero | 24b | 0 | 00 | | |
| | c | Subtract line 24b from line 24a. If zero or less, enter –0– | | | | 24c | • 0 00 |
| **Alabama Job Related Expenses** | 25 | Unreimbursed employee expenses — job travel, union dues, job education, etc. (You **MUST** attach Federal Form 2106 if required. See instructions.) ▶ _____ | 25 | | 00 | | |
| | 26 | Other expenses (investment, tax preparation, safe deposit box, etc.). List type and amount. ▶ _____ | 26 | | 00 | | |
| *You may ONLY deduct expenses associated with your Alabama income.* | 27 | Add the amounts on lines 25 and 26. Enter the total here | 27 | 0 | 00 | | |
| | 28 | Multiply the amount on Form 40NR, line 12, column C by 2% (.02). Enter the result here | 28 | 0 | 00 | | |
| | 29 | Subtract line 28 from line 27. Enter the result. If zero or less, enter –0– | | | | 29 | • 0 00 |
| **Total Itemized Deductions** | 30 | Add the amounts on lines 23, 24c, and 29. Enter the total here. Then enter on Form 40NR, page 1, line 13 and check 13a, Itemized Deductions | Check the box If you want to enter different Itemized Deduction. ☐ | | | 30 | • 0 00 |

Go To Page 1

Name(s) as shown on Form 40NR (Do not enter name and social security number if shown on other side)

Reset Schedule B

Your social security number

## SCHEDULE B – Interest and Dividend Income

| | | | | B Adjusted Gross Income from All Sources | | C Adjusted Gross Income Earned in Alabama | |
|---|---|---|---|---|---|---|---|
| 1 | Total Income from Interest and Dividends before any exclusions | 1 | 00 | | | | |
| 2 | List all interest received from obligations of the Federal Government, State of Alabama, and political subdivisions of Alabama. | | | | | | |
| a | | 2a | 00 | | | | |
| b | | 2b | 00 | | | | |
| c | | 2c | 00 | | | | |
| d | | 2d | 00 | | | | |
| 3 | Total. Add amounts on lines 2a, b, c, and d | 3 | 0 00 | | | | |
| 4 | **TOTAL TAXABLE INCOME FROM INTEREST AND DIVIDENDS.** Subtract line 3 from line 1. Enter here and also on Form 40NR, page 2, Part I, line 1, column B and C. Go To Page 2 | 4 | | 0 | 00 | | 00 |

## SCHEDULE D – Profit From Sale of Real Estate, Stocks, Bonds, etc.

Reset Schedule D

| | | | B | | C | |
|---|---|---|---|---|---|---|
| 1 | Enter total gain or (loss), before any Federal exclusion, from the sale of all assets which **is not** taxable to the State of Alabama. | 1 | | 00 | | |
| 2 | Itemize all other transactions which are taxable to Alabama in columns a through f below. | | | | | |

| a Kind of Property & Location | b Date Acquired | c Amount Received | d Depreciation Allowable Since Acquisition | e Cost or Other Basis | f Subsequent Improvements |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| 3 Totals | | 0 | 0 | 0 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 4 | Net profit or (loss) (total of columns c and d less total of columns e and f) | 4 | 0 | 00 | 0 | 00 |
| 5 | **TOTAL GAIN OR (LOSS) FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC.** Add the amounts on lines 1 and 4. Enter here and on Form 40NR, page 2, Part I, line 5, columns B and C. Go To Page 2 | 5 | 0 | 00 | 0 | 00 |

## SCHEDULE E – Income From Rents, Royalties, Partnerships, Estates, Trusts, and S Corporations

### PART I — Rent and Royalty Income or (Loss)

Reset Schedule E

| | | | B | | C | |
|---|---|---|---|---|---|---|
| 1 | Enter total income or (loss) from all rents and royalties which is not taxable to Alabama. | 1 | | 00 | | |
| 2 | Itemize below all rent and royalty income which is taxable to Alabama. | | | | | |

| a Kind of Property & Location | b Amount of Rent or Royalty | c Depreciation or Depletion (attach schedule) | d Repairs (attach itemized list) | e Other Expenses (attach itemized list) |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| 3 Totals (columns 2b through 2e) | 0 | 0 | 0 | 0 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 4 | Net profit or (loss) (column b less sum of columns 2c through 2e) | 4 | 0 | 00 | 0 | 00 |
| 5 | **TOTAL INCOME FROM RENTS AND ROYALTIES.** Add the amounts on lines 1 and 4. Enter the totals here and include in line 8 below. | 5 | 0 | 00 | 0 | 00 |

### PART II — Income or (Loss) from Partnerships, S Corporations, Estates, or Trusts

6 List income received from partnerships, estates, trusts, and S corporations in 2023. Income from these sources not taxable to Alabama should be listed in column B only. This type income earned from Alabama sources should be listed in both columns B and C.

| Name and Address | Check One: Partnership | Estate or Trust | S Corporation | Employer Identification Number | | B | | C | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | 6a | | 00 | | 00 |
| | | | | | 6b | | 00 | | 00 |
| | | | | | 6c | | 00 | | 00 |
| 7 **TOTAL INCOME OR (LOSS) FROM PARTNERSHIPS, S CORPORATIONS, ESTATES, AND TRUSTS.** Add the amounts on lines 6a, b, and c. Enter the totals here and include in line 8 below. | | | | | 7 | 0 | 00 | 0 | 00 |

### PART III — Summary

| | | | | | | |
|---|---|---|---|---|---|---|
| 8 | **TOTAL INCOME OR (LOSS).** Combine the amounts on lines 5 and 7, columns B and C. Enter here and on Form 40NR, page 2, Part I, line 6, columns B and C. Go To Page 2 | 8 | 0 | 00 | 0 | 00 |

SCHEDULE
# DS & HOF 2023
**( Form 40 or 40NR )**

Alabama Department of Revenue
## Dependents Schedule

NAME(S) AS SHOWN ON TAX RETURN

PRIMARY'S SOCIAL SECURITY NUMBER | SPOUSE'S SOCIAL SECURITY NUMBER

## Schedule DS – Dependents Schedule

*See instructions for definition of a dependent.* ***NOTE:*** *If you checked filing status 3 (Married filing separate), you may claim* ***only*** *the dependent(s) for whom you* ***separately*** *furnished over 50% of the total support.*

**1a Dependents.** *Do not include yourself or your spouse.* (See Instructions)

| First Name | Last Name | Dependent's Social Security Number | Dependent's Relationship to you | Did you provide more than one-half dependent's support? |
|---|---|---|---|---|
| | | ● | | |
| | | ● | | |
| | | ● | | |
| | | ● | | |
| | | ● | | |
| | | ● | | |
| | | ● | | |
| | | ● | | |
| | | ● | | |
| | | ● | | |
| | | ● | | |
| | | ● | | |

**1b** Total number of dependents claimed above. Enter total here and on Form 40, Page 2, Part III, line 1 or Form 40NR, Page 2, Part V, line 1 . . . . . **GO TO PAGE 2, PART III** **1b●**

**ADOR**

SCHEDULE
# DS & HOF 2023
**( Form 40 or 40NR )**



NAME(S) as shown on tax return (Do not enter name and social security number if shown on other side)

PRIMARY SOCIAL SECURITY NUMBER | SPOUSE SOCIAL SECURITY NUMBER

## Schedule HOF – Head of Family Schedule

| **Complete the following information:** | |
|---|---|
| Enter the dependent/qualifying person's name here: _____ | |
| Dependents/qualifying person's Social Security Number: _____ | |
| What is the dependent's/qualifying person's relationship to you: _____ | |
| Do you rent or own the home maintained for the dependent/qualifying person? . . . . . | ☐ Rent ☐ Own |
| Are you married, divorced, or legally separated? . . . . . | ☐ Yes ☐ No |
| *If you answered yes, please provide the following information:* | |
| Date of Marriage? _____ | |
| Date of Divorce? _____ | |
| Date of Legal Separation? _____ | |
| Did the dependent(s)/ qualifying person(s) reside with you in your home? . . . . . | ☐ Yes ☐ No |
| Did you pay more than 50% of the dependent(s)/ qualifying person(s) support? . . . . . Return to Page 1 | ☐ Yes ☐ No |

SCHEDULE
# OC 2023
(FORM 40 OR 40NR)

Alabama Department of Revenue

## Other Available Credits

**ATTACH TO FORM 40 OR 40NR**

TEST BC MAX

*** Individual Credits must be submitted through My Alabama Taxes (MAT) before completion of the Schedule OC. See instructions for submission details.**

-This form has been enhanced to complete all calculations and to compute the amount of tax due. Just key in your data prior to printing the form. If you choose to use the fill-in option, PLEASE DO NOT HANDWRITE ANY OTHER DATA ON THE FORM OTHER THAN YOUR SIGNATURE. Also, do not attach your pre-printed label to this form. It will cause problems with processing. This information will be contained in the 2-D barcode when you print the form.

-It has also been enhanced to print a two dimensional (2D) barcode. The PRINT FORM button MUST be used to generate the (2D) barcode which contains data entered on the form. The use of a 2D barcode vastly improves processing of your return and reduces the costs associated with processing your return.

Name(s) as shown on Form 40 or 40NR

Reset Schedule OC

Your social security number

**SECTION A** **Current Tax Period Liability.** Enter tax amount from Form 40, page 1, line 17 or Form 40NR, page 1, line 19 ..... 0

**SECTION B** **Current Year Credits**

### PART A – Credit for Taxes Paid to Other States (Form 40 Only)

| | | | |
|---|---|---|---|
| A1 | Sum of Alabama Adjusted Gross Income Attributable to all other States from Schedule CR, line 26 | A1 | |
| A2 | Alabama Adjusted Gross Income from Form 40, page 1, line 10 | A2 | |
| A3 | Total Other States' % of Alabama AGI (Divide line A1 by line A2) | A3 | |
| A4 | Multiply the current tax liability (Section A) by line A3 | A4 | |
| A5 | Enter line 27 from Schedule CR | A5 | |
| A6 | Credit Allowable (Enter smaller of lines A4 or A5). Enter here and on Section C, Part A, Column 3 | | A6 |

### PART B – Alabama Enterprise Zone Credit or Exemption

B1 Enter amount from Schedule EZK1, Part II, page 2, line 13, or Schedule EZ, Part IV, page 2, line 13. Enter here and on Section C, Part B, Column 3 . B1

### PART C – Basic Skills Education Credit

Attach this schedule to your Alabama return along with a copy of your approved certification notice issued by the Alabama Department of Education.

C1 Enter your assigned Department of Education Certification Number_____

C2 Name of employer/firm sponsoring the education program_____

C3 Name of approved provider_____Location_____

C4 Were all participants for whom you are claiming a tax credit continuously employed by you for at least 16 weeks? ☐ Yes ☐ No

C5 If the answer to line C4 is yes, did employee(s) work at least 24 hours each week? ☐ Yes ☐ No

| | | | |
|---|---|---|---|
| C6 | If the answer to lines C4 and C5 above is yes, enter the total expenses available for credit (see instructions) | C6 | 0 |
| C7 | **CREDIT ALLOWABLE.** Multiply line C6 by 20% (.20). Enter here and on Section C, Part C, Column 3. | | C7 |

### PART D – Rural Physician Credit

D1 Name of hospital and community where you live and provide medical services _____

_____

| | | | |
|---|---|---|---|
| D2 | Maximum Rural Physician Credit. Qualifying Physicians, enter $5,000. If Married Filing Jointly (MFJ) and both spouses qualify for Rural Physician Credit, enter $10,000 | D2 | 0 |
| D3 | **CREDIT ALLOWABLE.** Enter the amount from line D2. Enter here and on Section C, Part D, Column 3 | | D3 0 |

### PART E – Coal Credit*

| | | | |
|---|---|---|---|
| E1 | Enter the amount of Coal Credit not reported on Schedule K-1 | E1 | |
| E2 | Pro rata share of credit from Schedule K-1. FEIN of entity _____ *(If credit from more than one entity, attach schedule.)* | E2 | |
| E3 | **CREDIT ALLOWABLE.** Add line E1 and line E2. Enter here and on Section C, Part E, Column 3 | | E3 |

### PART F – Full Employment Act of 2011 Credit.*

*Owners of qualified employers that are entities taxed under subchapters S or K of the Internal Revenue Code will report their pro rata share of credit on line F6 below.*

Were you in business with 50 or fewer full and/or part-time employees on June 9, 2011? ☐ Yes ☐ No If "No", you do not qualify for this credit.

| | | | |
|---|---|---|---|
| F1 | Number of full time employees on 12-31-2022 | F1 | |
| F2 | Number of full time employees on 12-31-2021 | F2 | |
| F3 | Subtract line F2 from line F1. If less than or equal to zero, STOP! You do not qualify for credit. | F3 | |
| F4 | Number of qualifying new employees from line F3 that completed their first 12 months service in 2023 | F4 | |
| F5 | Multiply line F4 by $1,000.00 | | F5 |
| F6 | Pro rata share of credit from Schedule K-1 FEIN of entity _____ *(If credit from more than one entity, attach schedule.)* | | F6 |
| F7 | **CREDIT ALLOWABLE.** Add line F5 and line F6. Enter here and on Section C, Part F, Column 3 | | F7 |

Name(s) as shown on Form 40 or 40NR | Your social security number

**PART G – Veterans Employment Act - Employer's Credit.*** *Owners of qualified employers that are entities taxed under subchapters S or K of the Internal Revenue Code skip Lines G1 and G2 and report your pro rata share of credit on line G3 below.*

**EMPLOYER CREDIT**

| | | | |
|---|---|---|---|
| G1 Number of unemployed veterans included in Part F, line F4 | G1 | | |
| G2 Multiply line G1 by $2,000.00 | | G2 | 0 |
| G3 Pro rata share of credit from Schedule K-1 | | G3 | |
| FEIN of entity _____ *(If credit from more than one entity, attach schedule.)* | | | |
| G4 **CREDIT ALLOWABLE.** Add line G2 and line G3. Enter here and on Section C, Part G, Column 3 | | G4 | 0 |

**PART H – Veterans Employment Act - Business Startup Expense Credit.*** *For owners of qualified employers that are entities taxed under subchapters S or K of the Internal Revenue Code skip Lines H1 through H4 and report your pro rata share of credit on line H5 below.*

Did this business start up after April 2, 2012? ☐ Yes ☐ No If "No", you do not qualify for this credit.

**BUSINESS START-UP EXPENSES CREDIT**

| | | | |
|---|---|---|---|
| H1 Name and business ID number _____ | | | |
| H2 Enter total amount of business start-up expenses | H2 | | |
| H3 Maximum credit | H3 | $2,000 | |
| H4 Enter the lesser of line H2 or line H3 | | H4 | |
| H5 Pro rata share of credit from Schedule K-1 | | H5 | |
| FEIN of entity _____ *(If credit from more than one entity, attach schedule.)* | | | |
| H6 **CREDIT ALLOWABLE.** Add line H4 and line H5. Enter here and on Section C, Part H, Column 3. | | H6 | 0 |

**PART I – Credit for Taxes paid to a Foreign Country (For Form 40 Only)** ***Note:*** *All dollar figures must be in U.S. dollars.*

I1 S Corporation/Partnership/Estate/Trust Name ● _____

I2 FEIN ● _____

I3 Name of country income earned in ● _____

| | | | |
|---|---|---|---|
| I4 Your pro rata share in entity | I4 | | |
| I5 Pro rata share of income from foreign operations | I5 | | |
| I6 Alabama tax imposed on the pro rata share of income from foreign operations as reported on line I5 | I6 | | |
| I7 Pro rata share of tax due the foreign country as shown on that country's tax return | I7 | | |
| I8 Multiply I7 by 50% (.50) | I8 | | |
| I9 **CREDIT ALLOWABLE.** Enter the lesser of line I6 or line I8. Enter here and on Section C, Part I, Column 3. | | I9 | |

**PART J – Qualified Irrigation System/Reservoir System Tax Credit*** (Any unused Qualified Irrigation System/Reservoir System Tax Credit may be carried forward for a maximum of 5 years.)

Type of Credit:

Select either the purchase or conversion of irrigation system checkbox or the construction of reservoir checkbox. You cannot select both. However, the pro-rata share of credit checkbox can be selected in addition to either.

- ● ☐ Purchase or conversion of irrigation system. Complete lines J1 through J4 and J7 through J11 below. Skip lines J5 through J6.
- ● ☐ Construction of reservoir. Skip lines J1 through J4 and complete lines J5 through J11 below.
- ● ☐ Pro-rata share of credit from Subchapter S or K. Complete lines J10 through J11 below.

| | | | |
|---|---|---|---|
| J1 Purchase cost and installation costs of irrigation system | J1 | | |
| J2 Conversion costs to convert from fuel to electricity | J2 | | |
| J3 Add lines J1 and J2 | J3 | | |
| J4 Multiply line J3 by 20% (.20) | J4 | | |
| J5 Cost of construction reservoir | J5 | | |
| J6 Multiply line J5 by 20% (.20) | J6 | | |
| J7 Enter the amount from either line J4 or line J6, but not both | J7 | | |
| J8 Credit Limit | J8 | $10,000 | |
| J9 Enter the lesser of line J7 or line J8 | J9 | | |
| J10 Pro rata share of credit from Schedule K-1 | J10 | | |
| FEIN of entity ● _____ | | | |
| J11 Maximum credit allowable. Add line J9 and line J10 Enter here and on Section C, Part J, Column 3. | | J11 | |

**PART K – Alabama Accountability Tax Credit – School Transfer Credit** Go To Schedule AATC

| | | |
|---|---|---|
| K1 Enter total cost of attending nonfailing public school or nonpublic school from Schedule AATC, Line 37. Enter here and on Section C, Part K, Column 3 | K1 | 0 |

Name(s) as shown on Form 40 or 40NR | Your social security number

**PART L – Alabama Accountability Act Credit - Scholarship Granting Organization (SGO) portion** (Any unused Alabama Accountability Act Credit - Scholarship Granting Organization (SGO) portion may be carried forward for a maximum of 3 years.)

L1 Name of Scholarship Granting Organization: ●

L2 Address of Scholarship Granting Organization:

| | | | |
|---|---|---|---|
| L3 | Enter amount contributed for scholarship(s) | L3 ● | |
| L4 | Pro rata share of credit from Schedule K-1<br>FEIN of entity ● | L4 ● | |
| L5 | Current Year Credit Available. Add L3 and L4 | L5 ● | 0 |
| L6 | Maximum credit allowable for current year contribution | L6 | $100,000 |
| L7 | Current Year Credit Allowable. Enter the lesser of line L5 or L6. Enter here and on Section C, Part L, Column 3 | L7 ● | 0 |

**PART M – Alabama Adoption Tax Credit**

M1 **CREDIT ALLOWABLE.** Enter the amount from Schedule AAC, Part III, Line 3 here and on Section C, Part M, Column 3 **Go To Schedule AAC** M1 ● 0

**PART N – 2013 Alabama Historic Rehabilitation Tax Credit*** – For project numbers prior to 2018. (Any unused 2013 Alabama Historic Rehabilitation Tax Credit may be carried forward for a maximum of 10 years.)

N1 Amount of tax credit certificate for any project placed in service this year

| | Project Number | Date Placed In Service | Credit Amount |
|---|---|---|---|
| N1a | ● | ● | ● |
| N1b | ● | ● | ● |
| N1c | ● | ● | ● |

| | | | |
|---|---|---|---|
| N2 | Total Credit - Add lines N1a, N1b and N1c | N2 ● | 0 |
| N3 | Pro rata share of credit from Schedule K-1<br>FEIN of entity ● | N3 ● | |
| N4 | **CREDIT ALLOWABLE.** Add line N2 and line N3. Enter here and on Section C, Part N, Column 3 | N4 ● | 0 |

**PART O – Career – Technical Dual Enrollment Credit** (Any unused Career – Technical Dual Enrollment Credit may be carried forward for a maximum of 3 years.)

| | | | |
|---|---|---|---|
| O1 | Amount Contributed this year (Department of Post-Secondary Education Tax Credit Certificate) | O1 ● | |
| O2 | Amount of Current Credit — Multiply line O1 by .50 | O2 ● | 0 |
| O3 | Pro rata share of credit from Schedule K-1<br>FEIN of entity ● | O3 ● | |
| O4 | Current Year Credit Available. Add Lines O2 and O3. Enter here and on Section C, Part O, Column 2. | O4 ● | 0 |
| O5 | Multiply the current tax liability (Section A) by 50% (.50) | O5 ● | |
| O6 | Maximum Credit | O6 | $500,000 |
| O7 | Current Year Credit Allowable. Enter the Lessor of O4, O5 or O6. Enter here and on Section C, Part O, Column 3 | O7 ● | 0 |
| O8 | **MAXIMUM CREDIT ALLOWABLE FOR PRIOR YEAR CREDIT CARRYFORWARD**. Subtract line O7 from line O5. Enter here and on line O9a, Column 3 | O8 ● | 0 |

O9 Calculation of Allowable Prior Year Credit Carryforward - enter here and on Section D. If Part O, line O8 is equal to zero, do not complete this section.

| | Column 1<br>Credit Year (YYYY) | Column 2<br>Credit Carryforward Available | Column 3<br>Credit Limitation (Line O9a, Col. 3 equals line O8. Lines O9b - O9c, Col. 3 equal Col. 5, prior row) | Column 4<br>Maximum Credit Carryforward Available This Year (Lesser of Col. 2 or Col. 3) | Column 5<br>Unused Credit Limitation (Col. 3 minus Col. 4) |
|---|---|---|---|---|---|
| O9a | ● | ● | ● | ● 0 | 0 |
| O9b | ● | ● | ● 0 | ● 0 | 0 |
| O9c | ● | ● | ● 0 | ● 0 | 0 |
| O9d | Maximum Credit Carryforward Available. Sum of Column 4, line O9a, O9b, and O9c | | | ● 0 | |

**PART P – Investment Credit – Alabama Jobs Act** (Any unused Investment Credits – Alabama Jobs Act may be carried forward for a maximum of 5 years.)

Project Number ●

| | | | |
|---|---|---|---|
| P1 | Current Year's Investment Credit amount allocated to income tax | P1 ● | |
| P2 | Current Year's Allocated share of credit from Schedule K-1<br>FEIN of entity ● | P2 ● | |
| P3 | **CREDIT ALLOWABLE.** Add line P1 and line P2. Enter here and on Section C, Part P, Column 3 | P3 ● | |

Schedule OC
(Form 40 or 40NR) 2023

Alabama Department of Revenue

# Other Available Credits

**ATTACH TO FORM 40 OR 40NR**

TEST BC MAX

*** Individual Credits must be submitted through My Alabama Taxes (MAT) before completion of the Schedule OC. See instructions for submission details.**

-This form has been enhanced to complete all calculations and to compute the amount of tax due. Just key in your data prior to printing the form. If you choose to use the fill-in option, PLEASE DO NOT HANDWRITE ANY OTHER DATA ON THE FORM OTHER THAN YOUR SIGNATURE. Also, do not attach your pre-printed label to this form. It will cause problems with processing. This information will be contained in the 2-D barcode when you print the form.

-It has also been enhanced to print a two dimensional (2D) barcode. The PRINT FORM button MUST be used to generate the (2D) barcode which contains data entered on the form. The use of a 2D barcode vastly improves processing of your return and reduces the costs associated with processing your return.



Name(s) as shown on Form 40 or 40NR | Your social security number

## PART Q – Port Credit – Alabama Renewal Act Credit (Unused Port Credit may be carried forward for a maximum of 5 years.)

**In order to receive credit, please attach a copy of your Certification of Port Credit from the Alabama Department of Commerce.**

Company Name _____

FEIN or SSN of Qualified Project _____

| | | | |
|---|---|---|---|
| Q1 Port Credit amount certified | Q1 | | |
| Q2 Pro rata share of credit from Schedule K-1 | Q2 | | |
| FEIN of entity ● _____ *(If credit from more than one entity, attach schedule.)* | | | |
| **Q3 CREDIT ALLOWABLE.** Add line Q1 and line Q2. Enter here and on Section C, Part Q, Column 3 | | Q3 | 0 |

## PART R – Alabama Renewal Act – Growing Alabama Credit (Any unused Growing Alabama Credit may be carried forward for a maximum of 5 years.)

Name of Economic Development Organization ● _____

| | | | |
|---|---|---|---|
| R1 Amount(s) approved for contribution | R1 | | |
| R2 Pro rata share of credit from Schedule K-1 | R2 | | |
| FEIN of entity ● _____ (if credit from more than one entity attach schedule.) | | | |
| R3 Current Year Credit Available. Add line R1 and line R2. Enter here and on Section C, Part R, Column 2 | R3 | 0 | |
| R4 Multiply the current tax liability (Section A) by 50% | | R4 | |
| R5 Current Year Credit Allowable. Enter the lesser of line R3 and line R4. Enter here and on Section C, Part R, Column 3 | | R5 | 0 |
| R6 **MAXIMUM CREDIT ALLOWABLE FOR PRIOR YEAR CREDIT CARRYFORWARD**. Subtract line R5 from line R4. Enter here and on line R7a, Column 3 | | R6 | 0 |

R7 Calculation of Allowable Prior Year Credit Carryforward - enter here and on Section D. If Part R, line R6 is equal to zero, do not complete this section.

| | Column 1<br>Credit Year (YYYY) | Column 2<br>Credit Carryforward Available | Column 3<br>Credit Limitation (Line R7a, Col. 3 equals line R6. Lines R7b - R7e, Col.3 equal Co. 5, prior row) | Column 4<br>Maximum Credit Carryforward Available This Year (Lesser of Col. 2 or Col. 3) | Column 5<br>Unused Credit Limitation (Col. 3 minus Col. 4) |
|---|---|---|---|---|---|
| R7a | | | | 0 | 0 |
| R7b | | | 0 | 0 | 0 |
| R7c | | | 0 | 0 | 0 |
| R7d | | | 0 | 0 | 0 |
| R7e | Maximum Credit Carryforward Available. Sum of Column 4, line R7a, R7b, R7c and R7d. | | | 0 | |

## PART S – Apprenticeship Tax Credit*

If business entity is a sole proprietor, a copy of the Alabama Apprenticeship Tax Credit Certificate must be attached to this return, otherwise, no credit will be allowed. If business is a Subchapter S or K, skip Part I and indicate your pro-rata share of credit on Part II, line S2.

**Part I**

Apprenticeship Employer Name ● _____

Apprenticeship Employer FEIN or SSN ● _____

**Part II**

| | | | |
|---|---|---|---|
| S1 Credit from Alabama Apprenticeship Tax Credit Certificate | S1 | | |
| S2 Pro rata share of credit from Schedule K-1 if applicable | S2 | | |
| FEIN of entity ● _____ *(If credit from more than one entity, attach schedule.)* | | | |
| **S3 CREDIT ALLOWABLE.** Add line S1 and line S2. Enter here and on Section C, Part S, Column 3 | | S3 | 0 |

| Name(s) as shown on Form 40 or 40NR | Your social security number |
|---|---|
| | |

**PART T – 2017 Alabama Historic Rehabilitation Tax Credit*** – For project numbers beginning with 2018 and forward.

**T1** Amount of tax credit certificate issued by the Historic Tax Commission or Transfer Credit Certificate issued by the Department of Revenue for any project placed in service this year

| | Project Number | Date Placed In Service | Credit Amount |
|---|---|---|---|
| T1a | ● | ● | ● |
| T1b | ● | ● | ● |
| T1c | ● | ● | ● |

**T2 CREDIT ALLOWABLE.** Add line T1a, T1b and line T1c. Enter here and on Section C, Part T, Column 3 ..... **T2** ● 0

**PART U – Railroad Modernization Act of 2019***

**U1** Enter the amount of credit as reported on your Transfer Credit Certificate issued by the Department of Revenue. Enter here and on Section C, Part U, Column 3 ..... **U1** ●

**PART V – Storm Shelter Credit**

**V1** Credit from Alabama Emergency Management Agency Tax Credit Certificate. Enter here and on Section C, Part V, Column 3 ..... **V1** ●

**PART W – Volunteer Emergency Responders Tax Credit ***

**W1** Enter amount from Emergency Responders Credit certificate. Enter here and on Section C, Part W, Column 3. ..... **W1** ●

**PART X – Innovate Alabama. (Any unused Innovate Alabama Credit may be carried forward for a maximum of 5 years.)**

Name of Economic Development Organization ● _____

**X1** Enter the amount approved by Innovate Alabama ..... **X1** ●

**X2** Pro rata share of credit from Schedule K-1 ..... **X2** ●

FEIN of entity ● _____ (if credit from more than one entity attach schedule.)

**X3** Current Year Credit Available. Add line X1 and line X2. Enter here and on Section C, Part X, Column 2 ..... **X3** ●

**X4** Multiply the current tax liability (Section A) by 50% ..... **X4** ●

**X5** Current Year Credit Allowable. Enter the lesser of line X3 and line X4. Enter here and on Section C, Part X, Column 3. ..... **X5** ●

**PART Y – Income Tax Capital Credit -** You must attach Form KRCC and Schedule KRCC-I to your Alabama return. **Go To KRCC-I**

**Y1** Enter Capital Credit allowable from Schedule KRCC-I, Part III, line 5. Enter here and on Section C, Part Y, Column 3 ..... **Y1** ● 0

Name(s) as shown on Form 40 or 40NR

Your social security number

## SECTION C Current Credit Summary

See Schedule OC Instructions.

| Column 1 | Column 2 | Column 3 | Column 4 | Column 5 | Column 6 | Column 7 |
|---|---|---|---|---|---|---|
| **Type of Credit** | **Current Credit Available** | **Current Credit Allowable** | **Tax Due to be Offset** | **Current Credit Applied** | **Balance of Tax Due (Col. 4 - Col. 5)** | **Credit Carryforward** |
| **Part A** • Credit for Taxes Paid to Other State | | | | | | |
| **Part B** • Alabama Enterprise Zone | | | | | | |
| **Part C** • Basic Skills Education Credit | | | | | | |
| **Part D** • Rural Physician Credit | | | | | | |
| **Part E** • Coal Credit | | | | | | |
| **Part F** • Full Employment Act of 2011 | | | | | | |
| **Part G** • Veterans Employment Act – Employer Credit | | | | | | |
| **Part H** • Veterans Employment Act – Business Start-up Expense Credit | | | | | | |
| **Part I** • Credit for Taxes paid to Foreign Country | | | | | | |
| **Part J** • Qualified Irrigation System/Reservoir System Tax Credit | | | | | | |
| **Part K** • Alabama Accountability Tax Credit – School Transfer Credit | | | | | | |
| **Part L** • Alabama Accountability Tax Credit – Scholarship Granting Organization (SGO) portion | | | | | | |
| **Part M** • Alabama Adoption Tax Credit | | | | | | |
| **Part N** • 2013 Alabama Historic Rehabilitation Tax Credit | | | | | | |
| **Part O** • Career - Technical Dual Enrollment Credit | 0 | | | | | |
| **Part P** • Investment Credit – Alabama Jobs Act | | | | | | |
| **Part Q** • Port Credit – Alabama Renewal Act | | | | | | |
| **Part R** • Growing Alabama Credit | 0 | | | | | |
| **Part S** • Apprenticeship Tax Credit | | | | | | |
| **Part T** • 2017 Alabama Historic Rehabilitation Tax Credit | | | | | | |
| **Part U** • Railroad Modernization Act of 2019 Credit | | | | | | |
| **Part V** • Storm Shelter Credit | | | | | | |
| **Part W** • Volunteer Emergency Responders Tax Credit | | | | | | |
| **Part X** • Innovate Alabama | | 0 | | | | |
| **Part Y** • Income Tax Capital Credit | | 0 | | | | |

1. **Total Current Credits.** Total Section C, Column 5, Part A through Y . . . . . .

## SECTION D Credit Carryforward Prior Years

In Column C list any prior year credit carryforwards for application. In Column E enter the Balance of Tax Due from Section C, Column 6. If no Credits were taken in Section C, enter the tax liability from Section A of this form into the first row of Column E. Repeat the steps that follow for each carryforward: Subtract Column E from Column D. If the Column E is less than or equal to Column D, enter Column E in Column F and compute Column G (Column C – Column F). If the Column E is greater than Column D, enter Column D in Column F. For the remaining rows, use the preceding Column E minus Column F as the Balance of Tax Due in Column E. (See instructions for more details)

*For the Career - Technical Dual Enrollment Credit and Growing Alabama Credit carryforward computation, the Allowable Carryforward Credit in Column D is limited to the Maximum Credit Carryforward Available This Year in Column 4 of Section B, Part O, Line O9 and Section B, Part R, Line R7. All others Column D equals Column C.

| | Column A<br>Type of Credit Carryforward | Column B<br>Year Carryforward Generated (YYYY) | Column C<br>Available Carryforward Credit | Column D<br>Allowable Carryforward Credit | Column E<br>Balance of Tax Due | Column F<br>Amount Used this Period | Column G<br>Remaining Unused Carryforward (Col. C - Col. F) |
|---|---|---|---|---|---|---|---|
| 1. | | | | | | 0 | 0 |
| 2. | | | | | 0 | 0 | 0 |
| 3. | | | | | 0 | 0 | 0 |
| 4. | | | | | 0 | 0 | 0 |
| 5. | | | | | 0 | 0 | 0 |
| 6. | | | | | 0 | 0 | 0 |
| 7. | | | | | 0 | 0 | 0 |
| 8. | | | | | 0 | 0 | 0 |
| 9. | | | | | 0 | 0 | 0 |
| 10. | | | | | 0 | 0 | 0 |
| 11. | | | | | 0 | 0 | 0 |
| 12. | | | | | 0 | 0 | 0 |
| 13. | | | | | 0 | 0 | 0 |
| 14. | | | | | 0 | 0 | 0 |
| 15. | | | | | 0 | 0 | 0 |
| 16. | | | | | 0 | 0 | 0 |
| 17. | | | | | 0 | 0 | 0 |
| 18. | | | | | 0 | 0 | 0 |
| 19. | | | | | 0 | 0 | 0 |
| 20. | | | | | 0 | | |
| 21. | **Total Prior Year Credit Carryforward.** Total Section D, Column F, lines 1 through 20 | | | | | 0 | |

## SECTION E Net Tax Due Computation

| | | | | | |
|---|---|---|---|---|---|
| E1 | **Current Year Tax Liability.** Enter amount from Section A of this form | | | E1 | |
| E2 | **Total Current Year Credits Applied.** Enter amount from Section C, line 1 | E2 | | | |
| E3 | **Prior Year Credit Carryforwards applied.** Enter amount from Section D, line 21 | E3 | 0 | | |
| E4 | **Total Credits Utilized This Year.** Add lines E2 and E3 | | | E4 | 0 |
| E5 | **Net Tax Due.** Subtract E4 from E1. Enter the results here and on Form 40, Page 1, line 18 or Form 40NR, Page 1, line 20 | | | E5 | 0 |

Return to Page 1

## SECTION F Total Refundable Credits

| | | | | | |
|---|---|---|---|---|---|
| F1 | **Alabama Accountability Tax Credit – School Transfer Credit.** Subtract Section C, Part K, Column 5 from Section C, Part K, Column 3 | F1 | 0 | | |
| F2 | **Alabama Adoption Tax Credit.** Subtract Section C, Part M, Column 5 from Section C, Part M, Column 3 | F2 | 0 | | |
| F3 | **2017 Alabama Historic Rehabilitation Tax Credit.** Subtract Section C, Part T, Column 5 from Section, C, Part T, Column 3 | F3 | 0 | | |
| F4 | **Total Refundable Credits.** Add lines F1, F2 and F3. Enter the results here and on Page 1, line 25 of your return (Form 40 or Form 40NR) | | | F4 | 0 |

Return to Page 1

Reset Schedule AATC

SCHEDULE
# AATC 2023

Alabama Department of Revenue
## Alabama Accountability Tax Credit

-This form has been enhanced to complete all calculations and to compute the amount of tax due. Just key in your data prior to printing the form. If you choose to use the fill-in option, PLEASE DO NOT HANDWRITE ANY OTHER DATA ON THE FORM OTHER THAN YOUR SIGNATURE. Also, do not attach your pre-printed label to this form. It will cause problems with processing. This information will be contained in the 2-D barcode when you print the form.

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NAME(S) AS SHOWN ON TAX RETURN

PRIMARY SOCIAL SECURITY NO. SPOUSE SOCIAL SECURITY NO.

**PART I**

ALABAMA DEPARTMENT OF REVENUE

## Credit for Transferring from Failing Public School to Nonfailing Public School or Nonpublic School

| | | | | |
|---|---|---|---|---|
| 1 | Name of student: | | | |
| 2 | Social security number of student: | | | |
| 3 | Name of failing school attended or zoned for: | | | |
| 4 | Name of school transferred to: | | | |
| 5 | Grade level at time of transfer: | | | |
| 6 | Date of enrollment at nonfailing public school or nonpublic school: | | | |
| 7 | 80% of the average annual cost of attendance for an Alabama public K-12 student | 7 | 4,795 | 00 |
| 8 | Actual cost of attending nonfailing public school or nonpublic school | 8 | | |
| 9 | Enter the lesser of line 7 or line 8 | 9 | 0 | |
| 10 | Name of student: | | | |
| 11 | Social security number of student: | | | |
| 12 | Name of failing school attended or zoned for: | | | |
| 13 | Name of school transferred to: | | | |
| 14 | Grade level at time of transfer: | | | |
| 15 | Date of enrollment at nonfailing public school or nonpublic school: | | | |
| 16 | 80% of the average annual cost of attendance for an Alabama public K-12 student | 16 | 4,795 | 00 |
| 17 | Actual cost of attending nonfailing public school or nonpublic school | 17 | | |
| 18 | Enter the lesser of line 16 or line 17 | 18 | 0 | |
| 19 | Name of student: | | | |
| 20 | Social security number of student: | | | |
| 21 | Name of failing school attended or zoned for: | | | |
| 22 | Name of school transferred to: | | | |
| 23 | Grade level at time of transfer: | | | |
| 24 | Date of enrollment at nonfailing public school or nonpublic school: | | | |
| 25 | 80% of the average annual cost of attendance for an Alabama public K-12 student | 25 | 4,795 | 00 |
| 26 | Actual cost of attending nonfailing public school or nonpublic school | 26 | | |
| 27 | Enter the lesser of line 25 or line 26 | 27 | 0 | |
| 28 | Name of student: | | | |
| 29 | Social security number of student: | | | |
| 30 | Name of failing school attended or zoned for: | | | |
| 31 | Name of school transferred to: | | | |
| 32 | Grade level at time of transfer: | | | |
| 33 | Date of enrollment at nonfailing public school or nonpublic school: | | | |
| 34 | 80% of the average annual cost of attendance for an Alabama public K-12 student | 34 | 4,795 | 00 |
| 35 | Actual cost of attending nonfailing public school or nonpublic school | 35 | | |
| 36 | Enter the lesser of line 34 or line 35 | 36 | 0 | |
| 37 | Add the amounts from line 9, line 18, line 27, and line 36. Enter the amount here and on Schedule OC, Section B, Part K, line K1. Go To Schedule OC | 37 | 0 | |

ADOR

SCHEDULE
# AAC

Reset Schedule AAC

2023

Alabama Department of Revenue

# Alabama Adoption Tax Credit

-This form has been enhanced to complete all calculations and to compute the amount of tax due. Just key in your data prior to printing the form. If you choose to use the fill-in option, PLEASE DO NOT HANDWRITE ANY OTHER DATA ON THE FORM OTHER THAN YOUR SIGNATURE. Also, do not attach your pre-printed label to this form. It will cause problems with processing. This information will be contained in the 2-D barcode when you print the form.

-It has also been enhanced to print a two dimensional (2D) barcode. The PRINT FORM button MUST be used to generate the (2D) barcode which contains data entered on the form. The use of a 2D barcode vastly improves processing of your return and reduces the costs associated with processing your return.

| NAME(S) AS SHOWN ON TAX RETURN | PRIMARY'S SOCIAL SECURITY NO. | SPOUSE'S SOCIAL SECURITY NO. |
|---|---|---|
| | | |

**Part I** – (Adoptee was an Alabama resident): Information about your eligible child who was either a qualified foster child or was adopted through a private adoption and the adoptive parent/parents reside in Alabama. ***Adopting children of either parent will not qualify for the adoption credit.***

| | A<br>Name of Child | B<br>Effective Date of Adoption | C<br>Social Security Number of Child | D<br>Name of Birth Mother | E<br>Name of Adoption Agency | F<br>Address of Adoption Agency |
|---|---|---|---|---|---|---|
| 1 | ● | ● | ● | ● | ● | ● |
| 2 | ● | ● | ● | ● | ● | ● |
| 3 | ● | ● | ● | ● | ● | ● |
| 4 | ● | ● | ● | ● | ● | ● |
| 5 | ● | ● | ● | ● | ● | ● |

**Part II** – (Adoptee was not an Alabama resident): Information about your eligible child who was adopted through an out-of-state adoption or is otherwise not a resident of Alabama and the adoptive parent/parents reside in Alabama. ***Adopting children of either parent will not qualify for the adoption credit.***

| | A<br>Name of Child | B<br>Effective Date of Adoption | C<br>Social Security Number of Child | D<br>Name of Birth Mother | E<br>Name of Adoption Agency | F<br>Address of Adoption Agency |
|---|---|---|---|---|---|---|
| 1 | ● | ● | ● | ● | ● | ● |
| 2 | ● | ● | ● | ● | ● | ● |
| 3 | ● | ● | ● | ● | ● | ● |
| 4 | ● | ● | ● | ● | ● | ● |
| 5 | ● | ● | ● | ● | ● | ● |

**Part III** – Adoption Credit

| | | |
|---|---|---|
| **1.** Multiply the total number of qualifying adoptees from Part 1 by $2,000 and enter amount here. | 1 | ● |
| **2.** Multiply the total number of qualifying adoptees from Part 2 by $1,000 and enter amount here | 2 | ● |
| **3.** Add lines 1 and 2 and enter total here and on Schedule OC, Section B, Part M, line M1 | 3 | ● |

Go To Schedule OC

# THIS SCHEDULE CAN ONLY BE SUBMITTED AND/OR PRINTED VIA LANDSCAPE

ADOR

SCHEDULE
# KRCC-I

Alabama Department of Revenue

## Recipient's Share Of Capital Credit For Individual Taxpayers

-This form has been enhanced to complete all calculations and to compute the amount of tax due. Just key in your data prior to printing the form. If you choose to use the fill-in option, PLEASE DO NOT HANDWRITE ANY OTHER DATA ON THE FORM OTHER THAN YOUR SIGNATURE. Also, do not attach your pre-printed label to this form. It will cause problems with processing. This information will be contained in the 2-D barcode when you print the form.

-It has also been enhanced to print a two dimensional (2D) barcode. The PRINT FORM button MUST be used to generate the (2D) barcode which contains data entered on the form. The use of a 2D barcode vastly improves processing of your return and reduces the costs associated with processing your return.

For tax year beginning ● _____, 20_____, and ending ●_____, 20_____.

### PART I - RECIPIENT INFORMATION

Recipient's Name: ●_____ Social Security Number: ●_____

### PART II - PROJECT INFORMATION

| | Project 1 | Project 2 | Project 3 |
|---|---|---|---|
| Project Number | ● | ● | ● |
| Project's Placed in Service Date | ● | ● | ● |
| Project Entity Name | ● | ● | ● |
| Distributing Entity Name | ● | ● | ● |
| Distributing Entity FEIN | ● | ● | ● |

### PART III - CAPITAL CREDIT CALCULATION

| | | Project 1 | Project 2 | Project 3 |
|---|---|---|---|---|
| 1. | Recipient's share of project income in Alabama (Form K-RCC, Part III, line 3) | 1 ● | ● | ● |
| 2. | Recipient's Alabama tax liability generated by project income (see Part IV below for allocation method). | 2 ● | ● | ● |
| 3. | Recipient's share of capital credit available for this tax year (Form K-RCC, Part III, line 5) | 3 ● | ● | ● |
| 4. | Capital credit eligible to be applied to recipient's tax liability (enter lesser of line 2 and line 3) | 4 ● 0 | ● 0 | ● 0 |
| 5. | Total Capital credit eligible to be applied to recipient's tax liability. Total line 4 for all projects. Enter this amount here and on Schedule OC, Section B, Part Y, line Y1 | | | 5 ● 0 |

### PART IV - ALLOCATION METHOD SCHEDULE - COMPLETE ONLY IF ALLOCATION METHOD IS USED

| | | Project 1 | Project 2 | Project 3 |
|---|---|---|---|---|
| 1. | Recipient's share of project income in Alabama (from Part III, line 1 above) | 1 0 | 0 | 0 |
| 2. | Recipient's adjusted gross income (from recipient's Alabama income tax return) | 2 ● | ● | ● |
| 3. | Allocation percentage (divide line 1 by line 2) If line 1 is greater than line 2, enter 100% | 3 ● % | ● % | ● % |
| 4. | Recipient's tax liability (from recipient's Alabama income tax return) | 4 ● | ● | ● |
| 5. | Tax liability generated by project income (multiply line 4 by line 3) Enter this amount on Part III, line 2 above | Return to OC 5 ● 0 | ● 0 | ● 0 |

### INSTRUCTIONS

This schedule is used to calculate the recipient's tax liability generated from the qualifying project. Schedule KRCC-I and a copy of Form K-RCC (as received from the distributing entity) for each project must be attached to the income tax return. If recipient is using the allocation method to determine the Alabama tax liability generated by project income, complete Part IV. If using the with/without method, see instructions below.

**Step 1** – If the with/without method is chosen, you must complete two federal income tax returns through the tax liability line. The return to be filed with the Internal Revenue Service should include the income from the project operations. A second return must be completed through the tax liability line but should not include the project income in Alabama. Any deductions limited by the amount of adjusted gross income must also be adjusted in the second return before computing the tax liability. The federal income tax deduction related to the project income in Alabama is the difference in the amount shown on the return to be filed and the second return.

**Step 2** – Once you have completed the federal returns, you must complete two Alabama income tax returns through the tax liability line. The return to be filed with the Alabama Department of Revenue should include the income from the project operations. A second return must be completed through the tax liability line but should not include the project income in Alabama. Any deductions limited by the amount of adjusted gross income must also be adjusted in the second return before computing the tax liability. The applicable federal income tax deduction should be indicated from the federal returns completed in Step 1. The Alabama tax liability generated by the project income in Alabama is the difference in the amount shown on the return to be filed and the second return. The second returns should be maintained for audit purposes and are not to be filed with the first return.

SCHEDULE
# KRCC-I

Alabama Department of Revenue

## Recipient's Share Of Capital Credit For Individual Taxpayers

For tax year beginning ● _____, 20_____, and ending ●_____, 20_____.

### PART I - RECIPIENT INFORMATION

Recipient's Name: ● _____ Social Security Number: ● _____

### PART II - PROJECT INFORMATION

| | Project 1 | Project 2 | Project 3 |
|---|---|---|---|
| Project Number | ● | ● | ● |
| Project's Placed in Service Date | ● | ● | ● |
| Project Entity Name | ● | ● | ● |
| Distributing Entity Name | ● | ● | ● |
| Distributing Entity FEIN | ● | ● | ● |

### PART III - CAPITAL CREDIT CALCULATION

| | | Project 1 | Project 2 | Project 3 |
|---|---|---|---|---|
| 1. | Recipient's share of project income in Alabama (Form K-RCC, Part III, line 3) | 1 ● | ● | ● |
| 2. | Recipient's Alabama tax liability generated by project income (see Part IV below for allocation method). | 2 ● | ● | ● |
| 3. | Recipient's share of capital credit available for this tax year (Form K-RCC, Part III, line 5) | 3 ● | ● | ● |
| 4. | Capital credit eligible to be applied to recipient's tax liability (enter lesser of line 2 and line 3) | 4 ● 0 | ● 0 | ● 0 |
| 5. | Total Capital credit eligible to be applied to recipient's tax liability. Total line 4 for all projects. Enter this amount here and on Schedule OC, Section B, Part Y, line Y1 | | | 5 ● 0 |

### PART IV - ALLOCATION METHOD SCHEDULE - COMPLETE ONLY IF ALLOCATION METHOD IS USED

| | | Project 1 | Project 2 | Project 3 |
|---|---|---|---|---|
| 1. | Recipient's share of project income in Alabama (from Part III, line 1 above) | 1 0 | 0 | 0 |
| 2. | Recipient's adjusted gross income (from recipient's Alabama income tax return) | 2 ● | ● | ● |
| 3. | Allocation percentage (divide line 1 by line 2) If line 1 is greater than line 2, enter 100% | 3 ● % | ● % | ● % |
| 4. | Recipient's tax liability (from recipient's Alabama income tax return) | 4 ● | ● | ● |
| 5. | Tax liability generated by project income (multiply line 4 by line 3) Enter this amount on Part III, line 2 above | 5 ● 0 | ● 0 | ● 0 |

### INSTRUCTIONS

Return to OC

This schedule is used to calculate the recipient's tax liability generated from the qualifying project. Schedule KRCC-I and a copy of Form K-RCC (as received from the distributing entity) for each project must be attached to the income tax return. If recipient is using the allocation method to determine the Alabama tax liability generated by project income, complete Part IV. If using the with/without method, see instructions below.

**Step 1** – If the with/without method is chosen, you must complete two federal income tax returns through the tax liability line. The return to be filed with the Internal Revenue Service should include the income from the project operations. A second return must be completed through the tax liability line but should not include the project income in Alabama. Any deductions limited by the amount of adjusted gross income must also be adjusted in the second return before computing the tax liability. The federal income tax deduction related to the project income in Alabama is the difference in the amount shown on the return to be filed and the second return.

**Step 2** – Once you have completed the federal returns, you must complete two Alabama income tax returns through the tax liability line. The return to be filed with the Alabama Department of Revenue should include the income from the project operations. A second return must be completed through the tax liability line but should not include the project income in Alabama. Any deductions limited by the amount of adjusted gross income must also be adjusted in the second return before computing the tax liability. The applicable federal income tax deduction should be indicated from the federal returns completed in Step 1. The Alabama tax liability generated by the project income in Alabama is the difference in the amount shown on the return to be filed and the second return. The second returns should be maintained for audit purposes and are not to be filed with the first return.

FORM
# NOL-85
Rev. 2/23

Loss Year Ending

Alabama Department of Revenue • _____ (mm/dd/yyyy)

# Computation of Net Operating Loss

-This form has been enhanced to complete all calculations and to compute the amount of tax due. Just key in your data prior to printing the form. If you choose to use the fill-in option, PLEASE DO NOT HANDWRITE ANY OTHER DATA ON THE FORM OTHER THAN YOUR SIGNATURE. Also, do not attach your pre-printed label to this form. It will cause problems with processing. This information will be contained in the 2-D barcode when you print the form.

-It has also been enhanced to print a two dimensional (2D) barcode. The PRINT FORM button MUST be used to generate the (2D) barcode which contains data entered on the form. The use of a 2D barcode vastly improves processing of your return and reduces the costs associated with processing your return.

Name(s) as shown on Form 40, or 40NR

Reset Form

Your Social Security Number

**PURPOSE OF SCHEDULE. Form NOL-85** is designed to determine the actual **net operating loss** sustained in the loss year that may be carried back or carried forward. Before preparing this form, the loss year return **must** first be completed through the taxable income line. See instructions on the reverse side for further information.

## PART I – Excess of Nonbusiness Deductions Over Nonbusiness Income

**NONBUSINESS DEDUCTIONS:**

| | | | | | | |
|---|---|---|---|---|---|---|
| 1(a) | Federal income tax claimed as a deduction on the loss year return | | | | 1a | • |
| (b) | Loss on sale of nonbusiness assets | | | | 1b | • |
| (c) | Payments to Individual Retirement Arrangement (IRA), Keogh retirement plan, or SEP plan | | | | 1c | • |
| (d) | Penalty on early withdrawal of savings (Form 40 only) | | | | 1d | • |
| (e) | Alimony paid | | | | 1e | • |
| (f) | Adoption expenses | | | | 1f | • |
| (g) | Self employed health insurance deduction from Page 2, Part II of Form 40 or 40NR | | | | 1g | • |
| (h) | Other (explain) _____ | | | | 1h | • |
| 2(a) | Enter the **Standard Deduction** claimed on return. Skip lines 2b, 3a-b, 4, and 5 | | | | 2a | • |
| (b) | Enter the **Total Itemized Deductions** claimed on Schedule A | 2b | • | | | |
| | **LESS BUSINESS DEDUCTIONS:** | | | | | |
| 3(a) | Casualty or theft loss claimed on Schedule A | 3a | • | | | |
| (b) | Other miscellaneous business deductions | 3b | • | | | |
| 4 | Total Adjustments to Schedule A. Add lines 3a and 3b | 4 | 0 | | | |
| 5 | **TOTAL NONBUSINESS ITEMIZED DEDUCTIONS.** Subtract line 4 from line 2b | | | | 5 | 0 |
| 6 | **TOTAL NONBUSINESS DEDUCTIONS.** Add lines 1a through 2a and 5 ▶ | | | | 6 | 0 |

**NONBUSINESS INCOME:**

| | | | | | | |
|---|---|---|---|---|---|---|
| 7(a) | Interest and Dividend Income (Form 40 only) | 7a | • | | | |
| (b) | Gain on sale of nonbusiness assets | 7b | • | | | |
| (c) | Federal income tax refunds reported on loss year return (Form 40 only) | 7c | • | | | |
| (d) | Taxable distributions from pensions, annuities, IRAs or other retirement plans (Form 40 only) | 7d | • | | | |
| (e) | Alimony received (Form 40 only) | 7e | • | | | |
| (f) | Trust and/or Estate income from Schedule E | 7f | • | | | |
| (g) | Other (explain) _____ On line 7(g) include items such as director's fees, royalty income, gambling income, prizes, awards, etc. | 7g | • | | | |
| 8 | **TOTAL NONBUSINESS INCOME.** Add lines 7a through 7g ▶ | | | | 8 | 0 |
| 9 | **EXCESS NONBUSINESS DEDUCTIONS OVER NONBUSINESS INCOME.** If line 6 exceeds line 8, subtract line 8 from line 6. Enter the result here and on line 5, Part II below. If line 8 exceeds line 6, enter –0– here and also on line 5, Part II below. ▶ | | | | 9 | 0 |

## PART II – Computation of Net Operating Loss

| | | | | |
|---|---|---|---|---|
| 1 | Enter the **Taxable Income** from Form 40 or Form 40NR (must be a negative amount) ▶ | | 1 | ● 0 |
| **Modifications –** (enter all amounts on lines 2 through 6 below as positive amounts) | | | | |
| 2 | Net Operating Loss claimed on the loss year return (if any) | 2 | | |
| 3 | Personal exemption claimed on the loss year return | 3 | ● | |
| 4 | Dependent exemption claimed on the loss year return | 4 | ● | |
| 5 | Enter the Excess Nonbusiness Deductions Over Nonbusiness Income from line 9, Part I above | 5 | 0 | |
| 6 | **TOTAL MODIFICATIONS.** Add lines 2, 3, 4, and 5 | | 6 | 0 |
| 7 | **NET-OPERATING LOSS ALLOWABLE.** Combine lines 1 and 6. If the result is a negative figure, enter here. If zero or a positive figure **– STOP – DO NOT FILE THIS FORM.** You **DO NOT** have a net operating loss ▶ | | 7 | ● 0 |

## PART III – Election to Forfeit Carryback Provision (CAUTION – Do Not Complete Part III If You Are Carrying Loss Back)

If the amount on line 7, Part II above is a negative figure, you may elect to carry this loss forward or it must be carried back 2 years (3 years prior to January 1, 1998) and any unused portion may then be carried forward to succeeding years (see instructions). See Part III instructions for election to forfeit carryback provision.

**By checking the box, I hereby elect to forfeit the carryback provision and instead elect to carryforward any allowable net operating loss for this taxable year.** ● ☐

FORM
# NOL-85A
Rev. 2/23

Alabama Department of Revenue

**For Year Ending**

● _____
(Enter year (mm/dd/yyyy) to which loss is being carried)

APPLICATION OF
## Net Operating Loss Carryback or Carryforward

-This form has been enhanced to complete all calculations and to compute the amount of tax due. Just key in your data prior to printing the form. If you choose to use the fill-in option, PLEASE DO NOT HANDWRITE ANY OTHER DATA ON THE FORM OTHER THAN YOUR SIGNATURE. Also, do not attach your pre-printed label to this form. It will cause problems with processing. This information will be contained in the 2-D barcode when you print the form.

-It has also been enhanced to print a two dimensional (2D) barcode. The PRINT FORM button MUST be used to generate the (2D) barcode which contains data entered on the form. The use of a 2D barcode vastly improves processing of your return and reduces the costs associated with processing your return.

Name(s) as shown on Form 40, 40NR, or 40X

Reset Form

Your Social Security Number

**PURPOSE OF SCHEDULE. Form NOL-85A** is designed to apply a net operating loss to the tax year to which the loss is being carried. Before Form NOL-85A can be completed, you **must** first complete **Form NOL-85** to determine the amount of net operating loss that may be carried back or forward. See instructions on the reverse side for further information.

**1(a)** Enter the tax year during which the net operating loss was incurred. Beginning ● _____, _____ Ending ● _____, _____

**(b)** Did you elect on Form NOL-85 to forfeit the election to carry this loss back? ☐ Yes ☐ No

**(c)** Did you timely file the subsequent year's return and claim the net operating loss thereon? ☐ Yes ☐ No

## PART I – Computation

| | | | |
|---|---|---|---|
| **2** | Enter the net operating loss as shown on line 7, Part II, Form NOL-85, or as shown on line 7, Form NOL-85A (see instructions) ▶ | 2 | ● |
| **3** | Enter the taxable income as shown on Form 40, Form 40NR, or Form 40X for the tax year to which the loss is being carried | 3 | ● |
| **MODIFICATIONS** | | | |
| **4(a)** | **Personal Exemption.** Enter the amount of personal exemption claimed on the return to which the loss is being carried. 4a ● | | |
| **(b)** | **Dependent Exemption.** Enter the amount of dependent exemption claimed on the return to which the loss is being carried. 4b ● | | |
| **5** | **TOTAL MODIFICATIONS.** Add lines 4(a) and 4(b) | 5 | 0 |
| **6** | **MODIFIED TAXABLE INCOME.** Add lines 3 and 5. If negative enter zero. | 6 | 0 |
| **7** | **UNUSED NET OPERATING LOSS.** If line 2 exceeds line 6, subtract line 6 from line 2. Enter difference here and enter zero (0) on the tax due line of Form 40 or Form 40NR. **DO NOT** complete Part II below. The amount on line 7 may be carried forward to the next applicable year (Form NOL-85A, line 2). If line 6 exceeds line 2, enter zero here and complete Part II below. ▶ | 7 | ● 0 |

**If the Net Operating Loss Deduction on line 2 above is:**

**a. Less** than the taxable income reported on line 3 above, complete lines 8 through 14 below.

**b. Equal to or greater** than the taxable income reported on line 3 above, check here ▶ ☐ and **SKIP** lines 8 through 13, and enter zero on line 14.

## PART II – Application

| | | | |
|---|---|---|---|
| 8 | Enter the Adjusted Gross Income as shown on the return (or prior adjustment or prior NOL-85A) for the year to which the loss is being carried | 8 | |
| 9 | **Net Operating Loss to be Applied.** Enter the amount from line 2, Part I above | 9 | |
| 10 | **MODIFIED ADJUSTED GROSS INCOME.** Subtract line 9 from line 8 and enter the result here. (If you filed Form 40NR, complete Part III before completing lines 11 through 14.) ▶ | 10 | 0 |

**DEDUCTIONS**

| | | | |
|---|---|---|---|
| 11(a) | **Standard Deduction.** If you claimed the Standard Deduction on the return to which the loss is being carried, recompute the Standard Deduction based on the Modified Adjusted Gross Income shown on line 10 | 11a | |
| (b) | **Itemized Deductions.** If you claimed Itemized Deductions on the return to which the loss is being carried, recompute the itemized deductions based on the Modified Adjusted Gross Income shown on line 10 | 11b | |
| (c) | **Federal Income Tax.** Enter the federal income tax as last determined and claimed as a deduction on the return to which the loss is being carried | 11c | |
| (d) | **Personal Exemption.** Enter the personal exemption as claimed on the return to which the loss is being carried | 11d | |
| (e) | **Dependent Exemption.** Enter the dependent exemption as last determined and claimed on the return, recompute the dependent exemption based on the Modified Adjusted Gross Income shown on line 10, to which the loss is being carried | 11e | |
| 12 | **TOTAL DEDUCTIONS.** Add lines 11a through 11e | 12 | 0 |
| 13 | **TAXABLE INCOME AS ADJUSTED.** Subtract line 12 from line 10 and enter result here ▶ | 13 | 0 |
| 14 | **TAX DUE AFTER APPLICATION OF NET OPERATING LOSS.** Compute the tax due using the tax tables for the year to which the loss is being carried. Enter the result here and also on the TAX DUE line of Form 40X, Form 40, or Form 40NR ▶ | 14 | |

## PART III – Modified Adjusted Gross Income Percentage (This section to be completed by nonresidents only)

| | | | |
|---|---|---|---|
| 15 | **Adjusted Gross Income From All Sources.** Enter the adjusted gross income from all sources as shown on the return to which the loss is being applied | 15 | |
| 16 | **Net Operating Loss to be Applied.** Enter the amount shown on line 9, Part II | 16 | |
| 17 | **Modified Adjusted Gross Income From All Sources.** Subtract line 16 from line 15 ▶ | 17 | 0 |
| 18 | **Modified Adjusted Gross Income From Alabama Sources.** Enter the amount from line 10, Part II | 18 | 0 |
| 19 | **Percentage of Alabama Adjusted Gross Income to Total Adjusted Gross Income From All Sources After Modifications.** Divide the amount on line 18 by the amount on line 17 and enter percentage here (but not over 100%) ▶ | 19 | 000.00 |

The percentage on line 19 should be used to recompute the Standard Deduction or Itemized Deductions, Federal Income Tax Deduction, Personal Exemption, and Dependent Exemption on lines 11a through 11e, Part II. **NOTE:** If you are married and filed separate Alabama returns and a joint Federal return, **DO NOT** use the percentage on line 19 to recompute the federal income tax deduction. See Special Instructions for Nonresidents.

FORM
# NOL-85A
Rev. 2/23

Alabama Department of Revenue

**For Year Ending**

APPLICATION OF
## Net Operating Loss Carryback or Carryforward

● _____
(Enter year (mm/dd/yyyy) to which loss is being carried)

Name(s) as shown on Form 40, 40NR, or 40X

Reset Form

Your Social Security Number

**PURPOSE OF SCHEDULE. Form NOL-85A** is designed to apply a net operating loss to the tax year to which the loss is being carried. Before Form NOL-85A can be completed, you **must** first complete **Form NOL-85** to determine the amount of net operating loss that may be carried back or forward. See instructions on the reverse side for further information.

**1(a)** Enter the tax year during which the net operating loss was incurred. Beginning ● _____, _____ Ending ● _____, _____

**(b)** Did you elect on Form NOL-85 to forfeit the election to carry this loss back? ☐ Yes ☐ No

**(c)** Did you timely file the subsequent year's return and claim the net operating loss thereon? ☐ Yes ☐ No

## PART I – Computation

| | | | | |
|---|---|---|---|---|
| **2** | Enter the net operating loss as shown on line 7, Part II, Form NOL-85, or as shown on line 7, Form NOL-85A (see instructions) ▶ | | **2** | ● |
| **3** | Enter the taxable income as shown on Form 40, Form 40NR, or Form 40X for the tax year to which the loss is being carried | | **3** | ● |
| **MODIFICATIONS** | | | | |
| **4(a)** | **Personal Exemption.** Enter the amount of personal exemption claimed on the return to which the loss is being carried | **4a** ● | | |
| **(b)** | **Dependent Exemption.** Enter the amount of dependent exemption claimed on the return to which the loss is being carried | **4b** ● | | |
| **5** | **TOTAL MODIFICATIONS.** Add lines 4(a) and 4(b) | | **5** | 0 |
| **6** | **MODIFIED TAXABLE INCOME.** Add lines 3 and 5. If negative enter zero. | | **6** | 0 |
| **7** | **UNUSED NET OPERATING LOSS.** If line 2 exceeds line 6, subtract line 6 from line 2. Enter difference here and enter zero (0) on the tax due line of Form 40 or Form 40NR. **DO NOT** complete Part II below. The amount on line 7 may be carried forward to the next applicable year (Form NOL-85A, line 2). If line 6 exceeds line 2, enter zero here and complete Part II below. ▶ | | **7** | ● 0 |

**If the Net Operating Loss Deduction on line 2 above is:**

**a. Less** than the taxable income reported on line 3 above, complete lines 8 through 14 below.

**b. Equal to or greater** than the taxable income reported on line 3 above, check here ▶ ☐ and **SKIP** lines 8 through 13, and enter zero on line 14.

## PART II – Application

| | | | |
|---|---|---|---|
| 8 | Enter the Adjusted Gross Income as shown on the return (or prior adjustment or prior NOL-85A) for the year to which the loss is being carried | 8 | |
| 9 | **Net Operating Loss to be Applied.** Enter the amount from line 2, Part I above | 9 | |
| 10 | **MODIFIED ADJUSTED GROSS INCOME.** Subtract line 9 from line 8 and enter the result here. (If you filed Form 40NR, complete Part III before completing lines 11 through 14.) ▶ | 10 | 0 |

**DEDUCTIONS**

| | | | |
|---|---|---|---|
| 11(a) | **Standard Deduction.** If you claimed the Standard Deduction on the return to which the loss is being carried, recompute the Standard Deduction based on the Modified Adjusted Gross Income shown on line 10 | 11a | |
| (b) | **Itemized Deductions.** If you claimed Itemized Deductions on the return to which the loss is being carried, recompute the itemized deductions based on the Modified Adjusted Gross Income shown on line 10 | 11b | |
| (c) | **Federal Income Tax.** Enter the federal income tax as last determined and claimed as a deduction on the return to which the loss is being carried | 11c | |
| (d) | **Personal Exemption.** Enter the personal exemption as claimed on the return to which the loss is being carried | 11d | |
| (e) | **Dependent Exemption.** Enter the dependent exemption as last determined and claimed on the return, recompute the dependent exemption based on the Modified Adjusted Gross Income shown on line 10, to which the loss is being carried | 11e | |
| 12 | **TOTAL DEDUCTIONS.** Add lines 11a through 11e | 12 | 0 |
| 13 | **TAXABLE INCOME AS ADJUSTED.** Subtract line 12 from line 10 and enter result here ▶ | 13 | |
| 14 | **TAX DUE AFTER APPLICATION OF NET OPERATING LOSS.** Compute the tax due using the tax tables for the year to which the loss is being carried. Enter the result here and also on the TAX DUE line of Form 40X, Form 40, or Form 40NR ▶ | 14 | |

## PART III – Modified Adjusted Gross Income Percentage (This section to be completed by nonresidents only)

| | | | |
|---|---|---|---|
| 15 | **Adjusted Gross Income From All Sources.** Enter the adjusted gross income from all sources as shown on the return to which the loss is being applied | 15 | |
| 16 | **Net Operating Loss to be Applied.** Enter the amount shown on line 9, Part II | 16 | |
| 17 | **Modified Adjusted Gross Income From All Sources.** Subtract line 16 from line 15 ▶ | 17 | 0 |
| 18 | **Modified Adjusted Gross Income From Alabama Sources.** Enter the amount from line 10, Part II | 18 | 0 |
| 19 | **Percentage of Alabama Adjusted Gross Income to Total Adjusted Gross Income From All Sources After Modifications.** Divide the amount on line 18 by the amount on line 17 and enter percentage here (but not over 100%) ▶ | 19 | 000.00 |

The percentage on line 19 should be used to recompute the Standard Deduction or Itemized Deductions, Federal Income Tax Deduction, Personal Exemption, and Dependent Exemption on lines 11a through 11e, Part II. **NOTE:** If you are married and filed separate Alabama returns and a joint Federal return, **DO NOT** use the percentage on line 19 to recompute the federal income tax deduction. See Special Instructions for Nonresidents.

FORM
# NOL-85A
Rev. 2/23

Alabama Department of Revenue

**For Year Ending**

APPLICATION OF
## Net Operating Loss Carryback or Carryforward

● _____
(Enter year (mm/dd/yyyy) to which loss is being carried)

Name(s) as shown on Form 40, 40NR, or 40X

Reset Form

Your Social Security Number

**PURPOSE OF SCHEDULE. Form NOL-85A** is designed to apply a net operating loss to the tax year to which the loss is being carried. Before Form NOL-85A can be completed, you **must** first complete **Form NOL-85** to determine the amount of net operating loss that may be carried back or forward. See instructions on the reverse side for further information.

**1(a)** Enter the tax year during which the net operating loss was incurred. Beginning ● _____, _____ Ending ● _____, _____

**(b)** Did you elect on Form NOL-85 to forfeit the election to carry this loss back? ☐ Yes ☐ No

**(c)** Did you timely file the subsequent year's return and claim the net operating loss thereon? ☐ Yes ☐ No

## PART I – Computation

| | | | | |
|---|---|---|---|---|
| **2** | Enter the net operating loss as shown on line 7, Part II, Form NOL-85, or as shown on line 7, Form NOL-85A (see instructions) ▶ | | **2** | ● |
| **3** | Enter the taxable income as shown on Form 40, Form 40NR, or Form 40X for the tax year to which the loss is being carried | | **3** | ● |
| **MODIFICATIONS** | | | | |
| **4(a)** | **Personal Exemption.** Enter the amount of personal exemption claimed on the return to which the loss is being carried | **4a** ● | | |
| **(b)** | **Dependent Exemption.** Enter the amount of dependent exemption claimed on the return to which the loss is being carried | **4b** ● | | |
| **5** | **TOTAL MODIFICATIONS.** Add lines 4(a) and 4(b) | | **5** | 0 |
| **6** | **MODIFIED TAXABLE INCOME.** Add lines 3 and 5. If negative enter zero. | | **6** | 0 |
| **7** | **UNUSED NET OPERATING LOSS.** If line 2 exceeds line 6, subtract line 6 from line 2. Enter difference here and enter zero (0) on the tax due line of Form 40 or Form 40NR. **DO NOT** complete Part II below. The amount on line 7 may be carried forward to the next applicable year (Form NOL-85A, line 2). If line 6 exceeds line 2, enter zero here and complete Part II below. ▶ | | **7** | ● 0 |

**If the Net Operating Loss Deduction on line 2 above is:**

**a. Less** than the taxable income reported on line 3 above, complete lines 8 through 14 below.

**b. Equal to or greater** than the taxable income reported on line 3 above, check here ▶ ☐ and **SKIP** lines 8 through 13, and enter zero on line 14.

## PART II – Application

| | | | |
|---|---|---|---|
| 8 | Enter the Adjusted Gross Income as shown on the return (or prior adjustment or prior NOL-85A) for the year to which the loss is being carried | 8 | |
| 9 | **Net Operating Loss to be Applied.** Enter the amount from line 2, Part I above | 9 | |
| 10 | **MODIFIED ADJUSTED GROSS INCOME.** Subtract line 9 from line 8 and enter the result here. (If you filed Form 40NR, complete Part III before completing lines 11 through 14.) ▶ | 10 | 0 |

**DEDUCTIONS**

| | | | |
|---|---|---|---|
| 11(a) | **Standard Deduction.** If you claimed the Standard Deduction on the return to which the loss is being carried, recompute the Standard Deduction based on the Modified Adjusted Gross Income shown on line 10 | 11a | |
| (b) | **Itemized Deductions.** If you claimed Itemized Deductions on the return to which the loss is being carried, recompute the itemized deductions based on the Modified Adjusted Gross Income shown on line 10 | 11b | |
| (c) | **Federal Income Tax.** Enter the federal income tax as last determined and claimed as a deduction on the return to which the loss is being carried | 11c | |
| (d) | **Personal Exemption.** Enter the personal exemption as claimed on the return to which the loss is being carried | 11d | |
| (e) | **Dependent Exemption.** Enter the dependent exemption as last determined and claimed on the return, recompute the dependent exemption based on the Modified Adjusted Gross Income shown on line 10, to which the loss is being carried | 11e | |
| 12 | **TOTAL DEDUCTIONS.** Add lines 11a through 11e | 12 | 0 |
| 13 | **TAXABLE INCOME AS ADJUSTED.** Subtract line 12 from line 10 and enter result here ▶ | 13 | |
| 14 | **TAX DUE AFTER APPLICATION OF NET OPERATING LOSS.** Compute the tax due using the tax tables for the year to which the loss is being carried. Enter the result here and also on the TAX DUE line of Form 40X, Form 40, or Form 40NR ▶ | 14 | |

## PART III – Modified Adjusted Gross Income Percentage (This section to be completed by nonresidents only)

| | | | |
|---|---|---|---|
| 15 | **Adjusted Gross Income From All Sources.** Enter the adjusted gross income from all sources as shown on the return to which the loss is being applied | 15 | |
| 16 | **Net Operating Loss to be Applied.** Enter the amount shown on line 9, Part II | 16 | |
| 17 | **Modified Adjusted Gross Income From All Sources.** Subtract line 16 from line 15 ▶ | 17 | 0 |
| 18 | **Modified Adjusted Gross Income From Alabama Sources.** Enter the amount from line 10, Part II | 18 | 0 |
| 19 | **Percentage of Alabama Adjusted Gross Income to Total Adjusted Gross Income From All Sources After Modifications.** Divide the amount on line 18 by the amount on line 17 and enter percentage here (but not over 100%) ▶ | 19 | 000.00 |

The percentage on line 19 should be used to recompute the Standard Deduction or Itemized Deductions, Federal Income Tax Deduction, Personal Exemption, and Dependent Exemption on lines 11a through 11e, Part II. **NOTE:** If you are married and filed separate Alabama returns and a joint Federal return, **DO NOT** use the percentage on line 19 to recompute the federal income tax deduction. See Special Instructions for Nonresidents.

FORM
# NOL-85A
Rev. 2/23

Alabama Department of Revenue

**For Year Ending**

APPLICATION OF
## Net Operating Loss Carryback or Carryforward

● _____
(Enter year (mm/dd/yyyy) to which loss is being carried)

Name(s) as shown on Form 40, 40NR, or 40X

Reset Form

Your Social Security Number

**PURPOSE OF SCHEDULE. Form NOL-85A** is designed to apply a net operating loss to the tax year to which the loss is being carried. Before Form NOL-85A can be completed, you **must** first complete **Form NOL-85** to determine the amount of net operating loss that may be carried back or forward. See instructions on the reverse side for further information.

**1(a)** Enter the tax year during which the net operating loss was incurred. Beginning ● _____, _____ Ending ● _____, _____

**(b)** Did you elect on Form NOL-85 to forfeit the election to carry this loss back? ☐ Yes ☐ No

**(c)** Did you timely file the subsequent year's return and claim the net operating loss thereon? ☐ Yes ☐ No

## PART I – Computation

| | | | |
|---|---|---|---|
| **2** | Enter the net operating loss as shown on line 7, Part II, Form NOL-85, or as shown on line 7, Form NOL-85A (see instructions) ▶ | | 2 ● |
| **3** | Enter the taxable income as shown on Form 40, Form 40NR, or Form 40X for the tax year to which the loss is being carried | | 3 ● |
| **MODIFICATIONS** | | | |
| **4(a)** | **Personal Exemption.** Enter the amount of personal exemption claimed on the return to which the loss is being carried | 4a ● | |
| **(b)** | **Dependent Exemption.** Enter the amount of dependent exemption claimed on the return to which the loss is being carried | 4b ● | |
| **5** | **TOTAL MODIFICATIONS.** Add lines 4(a) and 4(b) | | 5 0 |
| **6** | **MODIFIED TAXABLE INCOME.** Add lines 3 and 5. If negative enter zero. | | 6 0 |
| **7** | **UNUSED NET OPERATING LOSS.** If line 2 exceeds line 6, subtract line 6 from line 2. Enter difference here and enter zero (0) on the tax due line of Form 40 or Form 40NR. **DO NOT** complete Part II below. The amount on line 7 may be carried forward to the next applicable year (Form NOL-85A, line 2). If line 6 exceeds line 2, enter zero here and complete Part II below. ▶ | | 7 ● 0 |

**If the Net Operating Loss Deduction on line 2 above is:**

**a. Less** than the taxable income reported on line 3 above, complete lines 8 through 14 below.

**b. Equal to or greater** than the taxable income reported on line 3 above, check here ▶ ☐ and **SKIP** lines 8 through 13, and enter zero on line 14.

## PART II – Application

| | | | |
|---|---|---|---|
| 8 | Enter the Adjusted Gross Income as shown on the return (or prior adjustment or prior NOL-85A) for the year to which the loss is being carried | 8 | |
| 9 | **Net Operating Loss to be Applied.** Enter the amount from line 2, Part I above | 9 | |
| 10 | **MODIFIED ADJUSTED GROSS INCOME.** Subtract line 9 from line 8 and enter the result here. (If you filed Form 40NR, complete Part III before completing lines 11 through 14.) ▶ | 10 | 0 |

**DEDUCTIONS**

| | | | |
|---|---|---|---|
| 11(a) | **Standard Deduction.** If you claimed the Standard Deduction on the return to which the loss is being carried, recompute the Standard Deduction based on the Modified Adjusted Gross Income shown on line 10 | 11a | |
| (b) | **Itemized Deductions.** If you claimed Itemized Deductions on the return to which the loss is being carried, recompute the itemized deductions based on the Modified Adjusted Gross Income shown on line 10 | 11b | |
| (c) | **Federal Income Tax.** Enter the federal income tax as last determined and claimed as a deduction on the return to which the loss is being carried | 11c | |
| (d) | **Personal Exemption.** Enter the personal exemption as claimed on the return to which the loss is being carried | 11d | |
| (e) | **Dependent Exemption.** Enter the dependent exemption as last determined and claimed on the return, recompute the dependent exemption based on the Modified Adjusted Gross Income shown on line 10, to which the loss is being carried | 11e | |
| 12 | **TOTAL DEDUCTIONS.** Add lines 11a through 11e | 12 | 0 |
| 13 | **TAXABLE INCOME AS ADJUSTED.** Subtract line 12 from line 10 and enter result here ▶ | 13 | |
| 14 | **TAX DUE AFTER APPLICATION OF NET OPERATING LOSS.** Compute the tax due using the tax tables for the year to which the loss is being carried. Enter the result here and also on the TAX DUE line of Form 40X, Form 40, or Form 40NR ▶ | 14 | |

## PART III – Modified Adjusted Gross Income Percentage (This section to be completed by nonresidents only)

| | | | |
|---|---|---|---|
| 15 | **Adjusted Gross Income From All Sources.** Enter the adjusted gross income from all sources as shown on the return to which the loss is being applied | 15 | |
| 16 | **Net Operating Loss to be Applied.** Enter the amount shown on line 9, Part II | 16 | |
| 17 | **Modified Adjusted Gross Income From All Sources.** Subtract line 16 from line 15 ▶ | 17 | 0 |
| 18 | **Modified Adjusted Gross Income From Alabama Sources.** Enter the amount from line 10, Part II | 18 | 0 |
| 19 | **Percentage of Alabama Adjusted Gross Income to Total Adjusted Gross Income From All Sources After Modifications.** Divide the amount on line 18 by the amount on line 17 and enter percentage here (but not over 100%) ▶ | 19 | 000.00 |

The percentage on line 19 should be used to recompute the Standard Deduction or Itemized Deductions, Federal Income Tax Deduction, Personal Exemption, and Dependent Exemption on lines 11a through 11e, Part II. **NOTE:** If you are married and filed separate Alabama returns and a joint Federal return, **DO NOT** use the percentage on line 19 to recompute the federal income tax deduction. See Special Instructions for Nonresidents.

FORM
# NOL-85A
Rev. 2/23

Alabama Department of Revenue

**For Year Ending**

APPLICATION OF
## Net Operating Loss Carryback or Carryforward

● _____
(Enter year (mm/dd/yyyy) to which loss is being carried)

Name(s) as shown on Form 40, 40NR, or 40X

Reset Form

Your Social Security Number

**PURPOSE OF SCHEDULE. Form NOL-85A** is designed to apply a net operating loss to the tax year to which the loss is being carried. Before Form NOL-85A can be completed, you **must** first complete **Form NOL-85** to determine the amount of net operating loss that may be carried back or forward. See instructions on the reverse side for further information.

**1(a)** Enter the tax year during which the net operating loss was incurred. Beginning ● _____, _____ Ending ● _____, _____

**(b)** Did you elect on Form NOL-85 to forfeit the election to carry this loss back? ☐ Yes ☐ No

**(c)** Did you timely file the subsequent year's return and claim the net operating loss thereon? ☐ Yes ☐ No

## PART I – Computation

| | | | | |
|---|---|---|---|---|
| **2** | Enter the net operating loss as shown on line 7, Part II, Form NOL-85, or as shown on line 7, Form NOL-85A (see instructions) ▶ | | **2** | ● |
| **3** | Enter the taxable income as shown on Form 40, Form 40NR, or Form 40X for the tax year to which the loss is being carried | | **3** | ● |
| **MODIFICATIONS** | | | | |
| **4(a)** | **Personal Exemption.** Enter the amount of personal exemption claimed on the return to which the loss is being carried | **4a** ● | | |
| **(b)** | **Dependent Exemption.** Enter the amount of dependent exemption claimed on the return to which the loss is being carried | **4b** ● | | |
| **5** | **TOTAL MODIFICATIONS.** Add lines 4(a) and 4(b) | | **5** | 0 |
| **6** | **MODIFIED TAXABLE INCOME.** Add lines 3 and 5. If negative enter zero. | | **6** | 0 |
| **7** | **UNUSED NET OPERATING LOSS.** If line 2 exceeds line 6, subtract line 6 from line 2. Enter difference here and enter zero (0) on the tax due line of Form 40 or Form 40NR. **DO NOT** complete Part II below. The amount on line 7 may be carried forward to the next applicable year (Form NOL-85A, line 2). If line 6 exceeds line 2, enter zero here and complete Part II below. ▶ | | **7** | ● 0 |

**If the Net Operating Loss Deduction on line 2 above is:**

**a. Less** than the taxable income reported on line 3 above, complete lines 8 through 14 below.

**b. Equal to or greater** than the taxable income reported on line 3 above, check here ▶ ☐ and **SKIP** lines 8 through 13, and enter zero on line 14.

## PART II – Application

| | | | |
|---|---|---|---|
| 8 | Enter the Adjusted Gross Income as shown on the return (or prior adjustment or prior NOL-85A) for the year to which the loss is being carried | 8 | |
| 9 | **Net Operating Loss to be Applied.** Enter the amount from line 2, Part I above | 9 | |
| 10 | **MODIFIED ADJUSTED GROSS INCOME.** Subtract line 9 from line 8 and enter the result here. (If you filed Form 40NR, complete Part III before completing lines 11 through 14.) ▶ | 10 | 0 |

**DEDUCTIONS**

| | | | |
|---|---|---|---|
| 11(a) | **Standard Deduction.** If you claimed the Standard Deduction on the return to which the loss is being carried, recompute the Standard Deduction based on the Modified Adjusted Gross Income shown on line 10 | 11a | |
| (b) | **Itemized Deductions.** If you claimed Itemized Deductions on the return to which the loss is being carried, recompute the itemized deductions based on the Modified Adjusted Gross Income shown on line 10 | 11b | |
| (c) | **Federal Income Tax.** Enter the federal income tax as last determined and claimed as a deduction on the return to which the loss is being carried | 11c | |
| (d) | **Personal Exemption.** Enter the personal exemption as claimed on the return to which the loss is being carried | 11d | |
| (e) | **Dependent Exemption.** Enter the dependent exemption as last determined and claimed on the return, recompute the dependent exemption based on the Modified Adjusted Gross Income shown on line 10, to which the loss is being carried | 11e | |
| 12 | **TOTAL DEDUCTIONS.** Add lines 11a through 11e | 12 | 0 |
| 13 | **TAXABLE INCOME AS ADJUSTED.** Subtract line 12 from line 10 and enter result here ▶ | 13 | |
| 14 | **TAX DUE AFTER APPLICATION OF NET OPERATING LOSS.** Compute the tax due using the tax tables for the year to which the loss is being carried. Enter the result here and also on the TAX DUE line of Form 40X, Form 40, or Form 40NR ▶ | 14 | |

## PART III – Modified Adjusted Gross Income Percentage (This section to be completed by nonresidents only)

| | | | |
|---|---|---|---|
| 15 | **Adjusted Gross Income From All Sources.** Enter the adjusted gross income from all sources as shown on the return to which the loss is being applied | 15 | |
| 16 | **Net Operating Loss to be Applied.** Enter the amount shown on line 9, Part II | 16 | |
| 17 | **Modified Adjusted Gross Income From All Sources.** Subtract line 16 from line 15 ▶ | 17 | 0 |
| 18 | **Modified Adjusted Gross Income From Alabama Sources.** Enter the amount from line 10, Part II | 18 | 0 |
| 19 | **Percentage of Alabama Adjusted Gross Income to Total Adjusted Gross Income From All Sources After Modifications.** Divide the amount on line 18 by the amount on line 17 and enter percentage here (but not over 100%) ▶ | 19 | 000.00 |

The percentage on line 19 should be used to recompute the Standard Deduction or Itemized Deductions, Federal Income Tax Deduction, Personal Exemption, and Dependent Exemption on lines 11a through 11e, Part II. **NOTE:** If you are married and filed separate Alabama returns and a joint Federal return, **DO NOT** use the percentage on line 19 to recompute the federal income tax deduction. See Special Instructions for Nonresidents.

Reset Schedule W2

SCHEDULE
# W-2
(FORM 40, 40A, or 40NR)

2023

Alabama Department of Revenue

## Wages, Salaries, Tips, etc.

***Schedule W-2 must be completed fully and included with your return in order to receive proper credit for your Alabama income tax withheld. Attach a copy of all withholding statements to your return.***

-This form has been enhanced to complete all calculations and to compute the amount of tax due. Just key in your data prior to printing the form. If you choose to use the fill-in option, PLEASE DO NOT HANDWRITE ANY OTHER DATA ON THE FORM OTHER THAN YOUR SIGNATURE. Also, do not attach your pre-printed label to this form. It will cause problems with processing. This information will be contained in the 2-D barcode when you print the form.

-It has also been enhanced to print a two dimensional (2D) barcode. The PRINT FORM button MUST be used to generate the (2D) barcode which contains data entered on the form. The use of a 2D barcode vastly improves processing of your return and reduces the costs associated with processing your return.

NAME(S) AS SHOWN ON TAX RETURN | PRIMARY'S SOCIAL SECURITY NO. | SPOUSE'S SOCIAL SECURITY NO.

| | A<br>Employee's Social Security Number | B<br>Employer's Identification Number (EIN) | C<br>Statutory Employee | D<br>Schedule C/C-EZ Filed? | E<br>State Code | F<br>Alabama Employer's State ID Number | G<br>Alabama State Income Tax Withheld | H<br>Federal Wages (Box 1 of Form W-2) | I<br>Alabama State Wages (Box 16 of Form W-2) | J<br>Additional Taxable Wages – Other States |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | | ☐ | ☐ | | | | | | |
| 2 | | | ☐ | ☐ | | | | | | |
| 3 | | | ☐ | ☐ | | | | | | |
| 4 | | | ☐ | ☐ | | | | | | |
| 5 | | | ☐ | ☐ | | | | | | |
| 6 | | | ☐ | ☐ | | | | | | |
| 7 | | | ☐ | ☐ | | | | | | |
| 8 | | | ☐ | ☐ | | | | | | |
| 9 | | | ☐ | ☐ | | | | | | |
| 10 | | | ☐ | ☐ | | | | | | |
| 11 | | | ☐ | ☐ | | | | | | |
| 12 | | | ☐ | ☐ | | | | | | |
| 13 | | | ☐ | ☐ | | | | | | |
| 14 | | | ☐ | ☐ | | | | | | |
| 15 | | | ☐ | ☐ | | | | | | |
| 16 | **TOTAL ALABAMA TAX WITHHELD FROM W-2s.** Total lines 1-15, Column G and enter the amount here . . | | | | | | 0 | | | |
| 17 | **ALABAMA TAX WITHHELD FROM 1099s AND W-2Gs.** Enter the total Alabama Income Tax Withheld from all Form 1099s and Form W-2Gs received. See instructions on where to report the income from these statements. . . . . GO TO SCHEDULE RS | | | | | | | | | |
| 18 | **TOTAL WAGES AND TOTAL ALABAMA TAX WITHHELD FROM W-2s, 1099s, AND W-2Gs.** See instructions. . . . . Return to Page 1 | | | | | | 0 | 0 | 0 | 0 |

# THIS SCHEDULE CAN ONLY BE SUBMITTED AND/OR PRINTED VIA LANDSCAPE

SCHEDULE
# CP
(FORM 40 or 40NR)

2023

Alabama Department of Revenue

## Composite Payments/Electing PTE Credits

| NAME(S) AS SHOWN ON TAX RETURN | YOUR SOCIAL SECURITY NUMBER |
|---|---|
| | |

**If you are claiming composite payment(s)/Electing PTE credits, complete the following information.**

**SECTION A**

| A<br>Taxpayer's Social Security Number on Schedule K-1 | B<br>Check if this Taxpayer is a Disregarded Entity | C<br>Disregarded Entity's Name | D<br>Disregarded Entity's FEIN | E<br>S-Corporation's, Partnership's, Estate's or Trust's Name | F<br>S-Corporation's, Partnership's, Estate's or Trust's FEIN | G<br>Amount of payment made by the S Corporation, Partnership, Estate or Trust on your behalf |
|---|---|---|---|---|---|---|
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |
| ● | ☐ | | | | | ● |

**SECTION B** **1. Total Composite Payment/Electing PTE Credits.** Total of Column G enter here and on Form 40, page 1, line 26 or Form 40NR, page 1 **Return to Page 1** **1.** ● 0

**ADOR**

SCHEDULE
# RS
(FORM 40 OR FORM 40NR)

Alabama Department of Revenue

# Retirement Schedule

**ATTACH TO FORM 40 OR FORM 40NR**

**2023**

-This form has been enhanced to complete all calculations and to compute the amount of tax due. Just key in your data prior to printing the form. If you choose to use the fill-in option, PLEASE DO NOT HANDWRITE ANY OTHER DATA ON THE FORM OTHER THAN YOUR SIGNATURE. This information will be contained in the 2-D barcode when you print the form.

-It has also been enhanced to print a two dimensional (2D) barcode. The PRINT FORM button MUST be used to generate the (2D) barcode which contains data entered on the form. The use of a 2D barcode vastly improves processing of your return and reduces the costs associated with processing your return.

NAME(S) AS SHOWN ON TAX RETURN | PRIMARY'S SOCIAL SECURITY NO. | SPOUSE'S SOCIAL SECURITY NO.

***Schedule RS must be completed fully and included with your return in order to receive proper credit for your Alabama income tax withheld. Attach a copy of all withholding statements (Form 1099-R) to your return.***

**PART I** Retirement Distribution(s) Exempt from Alabama Income

| | A FEIN | B IRA | C Distribution Code(s) | D Account Number | E Gross Distribution | F State Code | G State ID | H Alabama Withheld | I Reason Exempt |
|---|---|---|---|---|---|---|---|---|---|
| 1 | | ☐ | | | | | | | |
| 2 | | ☐ | | | | | | | |
| 3 | | ☐ | | | | | | | |
| 4 | | ☐ | | | | | | | |
| 5 | | ☐ | | | | | | | |
| 6 | | ☐ | | | | | | | |
| 7 | | ☐ | | | | | | | |
| 8 | **ALABAMA TAX WITHHELD from Retirement Distribution(s) Exempt from Alabama Income.** Total lines 1-7, Column H and enter the amount here and Part 5, line 1 | | | | | | | 0 | |

**PART II** Primary's Fully or Partially Taxable Retirement Distributions

| | A FEIN | B IRA | C Distribution Code(s) | D Account Number | E Gross Distribution | F State Code | G State ID | H Alabama Withheld | I Taxable to Alabama |
|---|---|---|---|---|---|---|---|---|---|
| 1 | | ☐ | | | | | | | |
| 2 | | ☐ | | | | | | | |
| 3 | | ☐ | | | | | | | |
| 4 | | ☐ | | | | | | | |
| 5 | | ☐ | | | | | | | |
| 6 | | ☐ | | | | | | | |
| 7 | | ☐ | | | | | | | |
| 8 | **ALABAMA TAX WITHHELD from Retirement Distribution(s) Exempt from Alabama Income.** Total lines 1-7, Column H and enter the amount here and Part 5, line 2 | | | | | | | 0 | |
| 9 | **RETIREMENT INCOME TAXABLE TO ALABAMA.** Total lines 1-7, Column I and enter the amount here | | | | | | | | 0 |
| 10 | **RETIREMENT EXCLUSION.** Is the primary taxpayer 65 or older and receive taxable retirement? ☐ Yes ☐ No<br>**If "Yes"**, each taxpayer is eligible up to $6,000 not to exceed the Retirement Income Taxable to Alabama on line 9.<br>**If "No"**, you do not qualify for this exclusion. Stop and go to line 11. (See instructions for more information) | | | | | | | | |
| 11 | **Primary's Alabama Taxable Retirement Distribution.** Subtract line 10 from line 9. Enter the amount here and on Part 4, line 1. | | | | | | | | 0 |

ADOR

Alabama Department of Revenue

# Retirement Schedule

**ATTACH TO FORM 40 OR FORM 40NR**



## PART III Spouse's Fully or Partially Taxable Retirement Distributions

| | A FEIN | B IRA | C Distribution Code(s) | D Account Number | E Gross Distribution | F State Code | G State ID | H Alabama Withheld | I Taxable to Alabama |
|---|---|---|---|---|---|---|---|---|---|
| 1 | | ☐ | | | | | | | |
| 2 | | ☐ | | | | | | | |
| 3 | | ☐ | | | | | | | |
| 4 | | ☐ | | | | | | | |
| 5 | | ☐ | | | | | | | |
| 6 | | ☐ | | | | | | | |
| 7 | | ☐ | | | | | | | |

| | | | |
|---|---|---|---|
| 8 | **ALABAMA TAX WITHHELD from Retirement Distribution(s) Exempt from Alabama Income.** Total lines 1-7, Column H and enter the amount here and Part 5, line 3 | 0 | |
| 9 | **RETIREMENT INCOME TAXABLE TO ALABAMA.** Total lines 1-7, Column I and enter the amount here | | 0 |
| 10 | **RETIREMENT EXCLUSION.** Is the spouse 65 or older and receive taxable retirement? ☐ Yes ☐ No<br>**If "Yes"**, each taxpayer is eligible up to $6,000 not to exceed the Retirement Income Taxable to Alabama on line 9.<br>**If "No"**, you do not qualify for this exclusion. Stop and go to line 11. (See instructions for more information) | | |
| 11 | **Spouse's Alabama Taxable Retirement Distribution.** Subtract line 10 from line 9. Enter the amount here and on Part 4, line 2 | | 0 |

## PART IV Total Alabama Taxable Retirement Distribution

| | | | |
|---|---|---|---|
| 1 | Primary's Alabama Taxable Retirement Distribution. Enter the amount from Part 2, line 11 | 0 | |
| 2 | Spouse's Alabama Taxable Retirement Distribution. Enter the amount from Part 3, line 11 | 0 | |
| 3 | **Total Alabama Taxable Retirement Distribution.** Add lines 1 and 2. Enter the amount here and on Form 40, Page 2, Part 1, Line 4 or Form 40NR, page 2, Part 1, Line 3, Column B Return to Page 2 | | 0 |

## PART V Alabama Tax Withheld

| | | | |
|---|---|---|---|
| 1 | Alabama tax withheld from Retirement Distribution(s) Exempt from Alabama Income. Enter the amount from Part 1, line 8 | 0 | |
| 2 | Primary's Alabama tax withheld from a taxable retirement distribution. Enter the amount from Part 2, line 8 | 0 | |
| 3 | Spouse's Alabama tax withheld from a taxable retirement distribution. Enter the amount from Part 3, line 8 | 0 | |
| 4 | **Total Alabama Tax Withheld from a 1099-R.** Add lines 1, 2, and 3. Enter the amount here and include in the amount on Schedule W-2, line 17 Go To W2 | | 0 |

**ADOR**

FORM
# 4952A

Alabama Department of Revenue
## Investment Interest Expense Deduction 2023

**ATTACH TO YOUR TAX RETURN**

| Name(s) as shown on your return | Identifying number |
|---|---|
| | |

Type of return . . . . . ☐ Individual . . . . . ☐ Estate . . . . . ☐ Trust

Reset Form 4592A

| | | | |
|---|---|---|---|
| 1 | Interest expense on investment debts paid or accrued in 2023 (*see instructions*). . . . . | 1 | |
| 2 | Disallowed investment interest expense from 2022 Form 4952A, line 5. . . . . | 2 | |
| 3 | Total investment interest expense. Add lines 1 and 2. . . . . | 3 | 0 |
| 4 | **Net investment income** (*see instructions*). . . . . | 4 | |
| 5 | **Disallowed investment interest expense to be carried forward to 2024.** Subtract line 4 from line 3. If zero or less, enter –0–. . . . . | 5 | 0 |
| 6 | **Investment interest expense deduction.** Enter the smaller of line 3 or line 4 (*see instructions*). . . . . Go To Schedule ABDE ▶ | 6 | 0 |

## GENERAL INSTRUCTIONS

PURPOSE OF FORM

Interest expense paid by an individual, estate, or trust on a loan that is allocable to property held for investment (defined below), may not be fully deductible in the current year. Form 4952A is used to figure the amount of investment interest expense deductible for the current year and the amount, if any, to carry forward to future years.

For more details, refer to Federal Publication 550, Investment Income and Expenses.

***CAUTION: The investment interest deduction for Alabama is computed as if the federal passive income limitation did not exist. Net capital gain from the disposition of investment property is included in investment income for Alabama purposes.***

WHO MUST FILE

If you are an individual, estate, or trust, and you claim a deduction for investment interest expense, you must complete and attach Form 4952A to your tax return unless all of the following apply:

- Your only investment income was from interest or dividends,
- You have no other deductible expenses connected with the production of interest or dividends,
- Your investment interest expense is not more than your investment income,
- And you have no carryovers of investment interest expense from 2022.

ALLOCATION OF INTEREST EXPENSE UNDER TEMPORARY FEDERAL REGULATIONS SECTION 1.163-8T

If you paid or accrued interest on a loan and you used the proceeds of the loan for more than one purpose, you may have to allocate the interest paid. This is necessary because of the different rules that apply to investment interest, personal interest, trade or business interest, and home mortgage interest. See Federal Publication 550, Investment Income and Expenses.

## SPECIFIC INSTRUCTIONS

LINE 1 – INVESTMENT INTEREST EXPENSE

Enter the investment interest paid or accrued during the tax year, regardless of when the indebtedness was incurred. Include interest paid or accrued on a loan (or part of a loan) that is allocable to property held for investment.

Be sure to include investment interest expense reported to you on Schedule K-1 from a partnership or an S corporation. Include amortization of bond premium on taxable bonds purchased after October 22, 1986, but before January 1, 1988, unless you elected to offset amortizable bond premium against the interest payments on the bond. A taxable bond is a bond on which the interest is includible in gross income.

Investment interest expense does not include the following:

- Home mortgage interest,
- Any interest expense that is capitalized, such as construction interest subject to Federal Section 263A.

LINE 4 – NET INVESTMENT INCOME

Net investment income is the excess, if any, of investment income over investment expenses. Include investment income and expenses reported to you on Schedule K-1 from a partnership or an S corporation. Also, include net investment income from an estate or a trust.

INVESTMENT INCOME

Investment income includes income (not derived in the ordinary course of a trade or business) from interest, dividends (reduced by qualified dividends per federal instructions), annuities, royalties, and net gain from the disposition of property held for investment (including capital gain distributions from mutual funds).

PROPERTY HELD FOR INVESTMENT

Property held for investment includes property that produces investment income. Property held for investment also includes an interest in an activity of conducting a trade or business in which you did not materially participate.

INVESTMENT EXPENSES

Investment expenses are your allowed deductions, other than interest expense, directly connected with the production of investment income. For example, depreciation or depletion allowed on assets that produce investment income is an investment expense.

If you have investment expenses that are included as a miscellaneous itemized deduction on line 21 of Schedule A (Form 40), or line 26 of Schedule A (Form 40NR), you may not have to use all of the amount for purposes of line 4 of Form 4952A. The 2% adjusted gross income limitation on Schedule A may reduce the amount.

To figure the amount to use, compare the amount of the investment expenses included on line 21 of Schedule A (Form 40) with the total miscellaneous expenses on line 24 of Schedule A. If you filed Schedule A (Form 40NR), compare the amount on line 26 with the amount on line 29. The smaller of the investment expenses included on line 21 (or line 26) or the total of line 24 (or line 29) is the amount to use to figure the investment expenses from Schedule A for line 4.

Example: Assume line 21 of Schedule A (Form 40) includes investment expenses of $3,000, and line 24 is $1,300 after the 2% adjusted gross income limitation. Investment expenses of $1,300 are used to figure the amount of investment expense for line 4. If investment expenses of $800 were included on line 21 and line 24 was $1,300, investment expenses of $800 would be used.

If you have investment expenses reported on a form or schedule other than Schedule A, include those expenses when figuring investment expenses for line 4.

LINE 6 – INVESTMENT INTEREST EXPENSE DEDUCTION

This is the amount you may deduct as investment interest expense.

INDIVIDUALS

Enter the amount from line 6 on line 13 of Schedule A (Form 40 or 40NR), even if all or part of it is attributable to a partnership or an S corporation. However, if any portion of this amount is attributable to royalties, enter that portion of the interest expense on Schedule E (Form 40 or 40NR).

ESTATES AND TRUSTS

Enter on Form 41, Page 3, Schedule C, Column C, Line 10.

# Federal Income Tax Deduction Worksheet

Reset FIT Ded Worksheet

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | Enter the tax as shown on line 22 on 2023 Form 1040/Form 1040-SR/Form 1040NR. | | | | 1 | 00 |
| 2 | Net Investment Income Tax. Enter amount from line 17, 2023 Form 8960. | | | | 2 | 00 |
| 3 | Federal Tax. Add Lines 1 and 2. | | | | 3 | 0 00 |
| 4a | **Earned Income Credit (EIC).** Enter the amount from line 27 of 2023 Form 1040/Form 1040-SR. | 4a | | 00 | | |
| 4b | **Additional Child Tax Credit.** Enter the amount from Line 28 of 2023 Form 1040/Form 1040-SR/1040-NR. | 4b | | 00 | | |
| 4c | **American Opportunity Credit.** Enter the amount from line 29 of 2023 Form 1040/Form 1040-SR. | 4c | | 00 | | |
| 4d | **Credits from Forms 2439.** Enter the amount from Schedule 3, Part II, line 13a of 2023 Form 1040/Form 1040-SR/Form1040NR. | 4d | | 00 | | |
| 5 | Add lines 4a,b, c and d. | | | | 5 | 0 00 |
| 6 | Subtract line 5 from line 3. If amount is negative enter zero also enter on line 12 of Form 40, line 9 of Form 40A or page 2 Part IV, line 4 of Form 40NR. | | | | 6 | 0 00 |

Go To Page 1