

FORM  
**40NR** Alabama **2025**  
 Individual Income Tax Return  
 NONRESIDENTS ONLY



• Your social security number \_\_\_\_\_ • Spouse's SSN if joint return \_\_\_\_\_

•  Check if primary is deceased  
 • Primary's deceased date (mm/dd/yyyy) \_\_\_\_\_

•  Check if spouse is deceased  
 • Spouse's deceased date (mm/dd/yyyy) \_\_\_\_\_

• Your first name \_\_\_\_\_ • Initial \_\_\_\_\_ • Last name \_\_\_\_\_

• Spouse's first name \_\_\_\_\_ • Initial \_\_\_\_\_ • Last name \_\_\_\_\_

• Present home address (number and street or P.O. Box number) \_\_\_\_\_

• City, town, or post office \_\_\_\_\_ • State \_\_\_\_\_ • ZIP code \_\_\_\_\_

•  Check if address is outside U.S. \_\_\_\_\_ Foreign Country \_\_\_\_\_

▶ **CHECK BOX IF AMENDED RETURN** •

**Filing Status/** •1  \$1,500 Single •3  \$1,500 Married filing separate. • Complete Spouse SSN \_\_\_\_\_  NRA

**Exemptions** •2  \$3,000 Married filing joint •4  \$3,000 Head of Family (with qualifying person). Complete Schedule HOF.

	A – Alabama Tax Withheld	B – All Sources	C – Alabama Income
5 Wages, salaries, tips, etc. (From Schedule W-2, line 18, columns G, H, and I.) (Include spouse's income if married filing joint.)	• 5	• 5	• 5
6 Other income (from page 2, Part I, line 9)	• 6	• 6	• 6
7 <b>Total income.</b> Add amounts in col. B then add amounts in col. C, lines 5 and 6	• 7	• 7	• 7
8 Adjustments to income (from page 2, Part II, line 8)	• 8	• 8	• 8
9 <b>Adjusted total income.</b> Subtract line 8 from line 7	• 9	• 9	• 9
10 Alabama percentage of adjusted total income. Divide line 9, col. C, by line 9, col. B (not over 100%)			•10 %
11 Other Adjustments (from page 2, Part III, line 4 and line 6)	•11	•11	•11
12 <b>Adjusted Gross Income.</b> Subtract line 11 from line 9	•12	•12	•12

**Deductions** 13 Check appropriate box. If you itemize, enter amount from Schedule A, line 30.

• a  **Itemized Deductions** • b  **Standard Deduction**

14 Federal Income Tax deduction (from page 2, Part IV, line 7)

15 Personal exemption (multiply line 1, 2, 3, or 4 by percentage on line 10)

16 Dependent exemption (from page 2, Part V, line 4)

17 **Total deductions.** Add lines 13, 14, 15, and 16

**Tax** 18 **Taxable income.** Subtract line 17 from line 12, column C

19 **Tax due.** Enter amount from tax table or check if from •  Form NOL-85A

20 **Net tax due Alabama.** Check box if computing tax using Schedule OC •  , otherwise enter amount from line 19

**Payments** 21 **Alabama Income Tax withheld** (from column A, line 5)

22 2025 estimated tax payments/Automatic Extension Payment

23 Composite tax payments/Electing PTE credit (from Schedule CP, Section B, line 1)

24 Amended Returns Only – Previous payments (see instructions)

25 **Refundable Credits.** Enter the amount from the Schedule OC, Section F, line F6

26 **Total payments.** Add lines 21 through 25

27 Amended Returns Only – Previous refund (see instructions)

28 **Adjusted total payments.** Subtract line 27 from line 26

**AMOUNT YOU OWE** 29 If line 20 is larger than line 28, subtract line 28 from line 20, and add line 30 and enter **AMOUNT YOU OWE.** Place payment, along with Form 40V, loose in the mailing envelope. (FORM 40V MUST ACCOMPANY PAYMENT.)

30 Estimated tax penalty (see instructions)

**OVERPAID** 31 If line 28 is larger than line 20, subtract line 20 from line 28 and enter **AMOUNT OVERPAID**

32 Amount of line 31 to be applied to your **2026 estimated tax**

**REFUND** 33 **REFUNDED TO YOU.** If line 31 is greater than zero, subtract lines 30 and 32 from line 31

•  I authorize a representative of the Department of Revenue to discuss my return and attachments with my preparer.

**Under penalties of perjury,** I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

**Sign Here In Black Ink** Keep a copy of this return for your records.

Preparer's Signature \_\_\_\_\_ Date \_\_\_\_\_ Check if Self-employed  Preparer's SSN or PTIN \_\_\_\_\_ E.I. Number \_\_\_\_\_

Firm's Name (or yours if self employed) \_\_\_\_\_ Daytime Telephone No. \_\_\_\_\_ ZIP Code \_\_\_\_\_

Address \_\_\_\_\_



		B – All Sources	C – Alabama Income	
<b>PART I</b>  <b>Other Income</b> <i>(See instructions)</i>	1 Interest and dividend income <i>(attach Schedule B if over \$1500.00)</i> .....	• 1	• 1	
	2 Alimony received .....	• 2		
	3 Taxable portion of pensions and annuities <i>(attach Schedule RS)</i> .....	• 3		
	4 Business income or (loss) <i>(attach Federal Schedule C) (see instructions)</i> .....	• 4	• 4	
	5 Gain or (loss) from sale of Real Estate, Stocks, Bonds, etc. <i>(attach Schedule D)</i> .....	• 5	• 5	
	6 Rents, Royalties, Partnerships, Estates, Trusts, etc. <i>(attach Schedule E)</i> .....	• 6	• 6	
	7 Farm income or (loss) <i>(attach Federal Schedule F) (see instructions)</i> .....	• 7	• 7	
	8 Other income <i>(state nature and source)</i> .....	• 8	• 8	
	9 <b>Total other income.</b> Add lines 1 through 8, column B, and lines 1, 4 through 8, column C. Enter here and also on page 1, line 6 .....	• 9	• 9	
<b>PART II</b>  <b>Adjustments to Income</b> <i>(See instructions)</i>	1 IRA deduction, Keogh retirement plan, and self-employed SEP deduction .....	• 1	• 1	
	2 Penalty on early withdrawal of savings .....	• 2		
	3 Moving Expenses (Attach Federal Form 3903) .....			
	Place of new employment: .....	• 3	• 3	
	4 Self-employed health insurance deduction .....	• 4	• 4	
	5 Payments to Alabama College Counts 529 Fund or Alabama PACT program .....	• 5	• 5	
	6 Firefighter's Insurance Premiums .....	• 6	• 6	
	7 Contributions to an Achieving a Better Life Experience (ABLE) savings account .....	• 7	• 7	
8 <b>Adjustments to income.</b> Add lines 1 through 7, Column B, and lines 1, 3 through 7, Column C. Enter here and also on page 1, line 8, columns B and C .....	• 8	• 8		
<b>PART III</b>  <b>Other Adjustments</b> <i>(See instructions)</i>	1 Alimony Paid .....	• 1		
	2 Adoption Expenses .....	• 2		
	3 Health insurance deduction for small employer employee .....	• 3		
	4 Add lines 1 through 3, enter here and on page 1, line 11, column B .....	• 4		
	5 Enter the percentage from page 1, line 10 .....	• 5	%	
	6 Multiply line 4 by line 5. Enter here and also page 1, line 11, column C .....	• 6		
<b>PART IV</b>  <b>Federal Income Tax Deduction</b> <i>(See instructions)</i>	If you are filing separately on your Alabama return and jointly on your Federal return, complete all lines below. Otherwise, omit lines 1 through 3.	<b>B – Federal Adjusted Gross Income</b>		
	1 Your joint federal adjusted gross income .....	• 1		
	2 Your federal adjusted gross income .....	• 2		
	3 Divide line 2 by line 1. Enter percentage here .....		• 3	%
	4 Enter the Federal Income Tax Liability from worksheet <i>(see instructions)</i> .....		• 4	
	5 If you completed lines 1 through 3 above, multiply line 4 by the percentage from line 3 .....		• 5	
	6 Enter the percentage from page 1, line 10 .....		• 6	%
7 If you completed lines 1-3 above, multiply line 5 by percentage on line 6. Otherwise, multiply line 4 by percentage on line 6 .....		• 7		
<b>PART V</b>  <b>Dependents</b>	1 Total number of dependents from Schedule DS, line 1b .....		• 1	
	2 Multiply total number of dependents claimed on line 1 by the amount on the dependent chart in the instructions .....		• 2	
	3 Enter the percentage from page 1, line 10 of your return .....		• 3	%
	4 Dependent exemption allowable. Multiply the amount on line 2 by the percentage on line 3. Enter here and on page 1, line 16 .....		• 4	
<b>PART VI</b> <b>General Information</b>	1 Name of state of which you were a legal resident in 2025 _____			
	2 Did you file a return with that state for 2025? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, state reason why: _____			
	3 If married, did your spouse receive a separate income for 2025? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, is your spouse filing a separate Alabama return? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, enter name here. _____			
<b>All Taxpayers Must Complete This Section</b> <i>(See instructions)</i>	4 Did you file an Alabama return for 2024? • <input type="checkbox"/> Yes • <input type="checkbox"/> No If no, state reason why: _____			
	5 Give name and address of your present employer(s). Yours: _____ Your Spouse's: _____			
	6 Enter the Adjusted Gross Income reported on your 2025 Federal Individual Income Tax Return .....		• 6	

Drivers License Info	DOB (mm/dd/yyyy) • _____	Your state • _____	Spouse state • _____	DL# • _____	DL# • _____	Iss date (mm/dd/yyyy) • _____	Iss date (mm/dd/yyyy) • _____	Exp date (mm/dd/yyyy) • _____	Exp date (mm/dd/yyyy) • _____
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**SCHEDULES**  
**A, B, D, & E**  
**(FORM 40NR)**



**(Schedules B, D, and E are on back)**  
**ATTACH TO FORM 40NR — SEE INSTRUCTIONS FOR SCHEDULE A**

Name(s) as shown on Form 40NR	Your social security number
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The itemized deductions you may claim for the year 2025 are similar to the itemized deductions claimed on your Federal return; however, the amounts may differ. Please see instructions before completing this schedule.

<i>CAUTION: Do not include expenses reimbursed or paid by others.</i>							
<b>Medical and Dental Expenses</b>	1 Medical and dental expenses.....	1		00			
	2 Enter amount from Form 40NR, line 12, col. B . . . .	2		00			
	3 Multiply the amount on line 2 by 4% (.04). Enter the result. . . . .	3		00			
	4 Subtract line 3 from line 1. Enter the result. If zero or less, enter -0-.....				• 4		00
<b>Taxes You Paid</b>	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		00
<b>Interest You Paid</b>	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			
	11 Vehicle loan interest (see instructions). If more than 2 VINs, see instructions.						
	a • Date new vehicle purchased: _____ Vehicle VIN: _____	•11a		00			
	b • Date new vehicle purchased: _____ Vehicle VIN: _____	•11b		00			
	c Qualified vehicle loan interest. Enter the amount from line 8 of the Qualified loan interest worksheet in Form 40NR instruction booklet . . . . .	•11c		00			
	12 Points not reported to you on Form 1098. . . . .	12		00			
13 Investment interest. (Attach Form 4952A). . . . .	13		00				
14 Add the amounts on lines 10a, 10b, 11c, 12 and 13. Enter the total here. . . . .				• 14		00	
<i>CAUTION: If you made a charitable contribution and received a benefit in return, see instructions.</i>							
<b>Gifts to Charity</b>	15 Contributions by cash or check (If more than \$250, see instructions). . . . .	15		00			
	16 Other than cash or check. (You <b>MUST</b> 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		00
<b>Qualified Long-Term Care</b>	19 Enter Amount . . . . .				• 19		00
<b>Miscellaneous Deductions</b>	20 Other (from list in the instructions). List type and amount. ► _____				• 20		00
<b>Proration of Above Amounts</b>	21 Total itemized deductions to be prorated. (Add lines 4, 9, 14, 18, 19, and 20.) . . . . .				• 21		00
	22 Enter percentage (%) from Form 40NR, page 1, line 10. . . . .				• 22		%
	23 Multiply line 21 by the percentage on line 22. . . . .				• 23		00
<b>Alabama Casualty and Theft Losses</b>	24a Enter the loss from Federal Form 4684, either <b>A</b> <input type="checkbox"/> line 15, or <b>B</b> <input type="checkbox"/> 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		00			
	c Subtract line 24b from line 24a. If zero or less, enter -0-.....				• 24c		00
<b>Alabama Job Related Expenses</b>	25 Unreimbursed employee expenses — job travel, union dues, job education, etc. (You <b>MUST</b> 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			
	27 Add the amounts on lines 25 and 26. Enter the total here. . . . .	27		00			
	28 Multiply the amount on Form 40NR, line 12, column C by 2% (.02). Enter the result here. . . . .	28		00			
	29 Subtract line 28 from line 27. Enter the result. If zero or less, enter -0-.....				• 29		00
<b>Total Itemized Deductions</b>	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. . . . .				• 30		00

*NOTE: Personal interest is not deductible.*

*You may ONLY deduct expenses associated with your Alabama income.*



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

**SCHEDULE B – Interest and Dividend Income**

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

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

<b>1</b> Enter total gain or (loss), before any Federal exclusion, from the sale of all assets which is <b>not</b> taxable to the State of Alabama.	<b>1</b>		00	<b>B</b>	<b>C</b>	
<b>2</b> Itemize all other transactions which are taxable to Alabama in columns a through f below.						
<b>a</b> Kind of Property & Location	<b>b</b> Date Acquired	<b>c</b> Amount Received	<b>d</b> Depreciation Allowable Since Acquisition	<b>e</b> Cost or Other Basis	<b>f</b> Subsequent Improvements	
<b>3</b> Totals. . . . .						
<b>4</b> Net profit or (loss) (total of columns c and d less total of columns e and f). . . . .	<b>4</b>		00		00	
<b>5 TOTAL GAIN OR (LOSS) FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC.</b> Add the amounts on lines 1 and 4. Enter here and on Form 40NR, page 2, Part I, line 5, columns B and C. . . . .				<b>5</b>	00	00

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

**PART I – Rent and Royalty Income or (Loss)**

<b>1</b> Enter total income or (loss) from all rents and royalties which is not taxable to Alabama. . . . .	<b>1</b>		00	<b>B</b>	<b>C</b>	
<b>2</b> Itemize below all rent and royalty income which is taxable to Alabama.						
<b>a</b> Kind of Property & Location	<b>b</b> Amount of Rent or Royalty	<b>c</b> Depreciation or Depletion (attach schedule)	<b>d</b> Repairs (attach itemized list)	<b>e</b> Other Expenses (attach itemized list)		
<b>3</b> Totals (columns 2b through 2e). . . . .						
<b>4</b> Net profit or (loss) (column b less sum of columns 2c through 2e). . . . .	<b>4</b>		00		00	
<b>5 TOTAL INCOME FROM RENTS AND ROYALTIES.</b> Add the amounts on lines 1 and 4. Enter the totals here and include in line 8 below. . . . .				<b>5</b>	00	00

**PART II – Income or (Loss) from Partnerships, S Corporations, Estates, or Trusts**

<b>6</b> List income received from partnerships, estates, trusts, and S corporations in 2025. 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.				<b>B</b>	<b>C</b>
Name and Address	Check One	Employer Identification Number			
	<input type="checkbox"/> Partnership <input type="checkbox"/> Estate or Trust <input type="checkbox"/> S Corporation				
<b>7 TOTAL INCOME OR (LOSS) FROM PARTNERSHIPS, S CORPORATIONS, ESTATES, AND TRUSTS.</b> Add the amounts on lines 6a, b, and c. Enter the totals here and include in line 8 below. . . . .	<b>7</b>		00		00

**PART III – Summary**

<b>8 TOTAL INCOME OR (LOSS).</b> 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. . . . .	<b>8</b>		00		00
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**SCHEDULE  
DS & HOF 2025**  
( Form 40 or 40NR )



**PAGE 2**

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? .....  Yes  No



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



**2025**

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.*

NAME(S) AS SHOWN ON TAX RETURN

PRIMARY'S SOCIAL SECURITY NO. SPOUSE'S SOCIAL SECURITY NO.

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

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





**SCHEDULE**  
**RS**  
**(FORM 40 OR**  
**FORM 40NR)**



**2025**

Alabama Department of Revenue  
**Retirement Schedule**  
ATTACH TO FORM 40 OR FORM 40NR

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.*

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



<b>PART III</b> Spouse's Fully or Partially Taxable Retirement Distributions									
	A	B	C	D	E	F	G	H	I
	FEIN	IRA	Distribution Code(s)	Account Number	Gross Distribution	State Code	State ID	Alabama Withheld	Taxable to Alabama
• 1		<input type="checkbox"/>							
• 2		<input type="checkbox"/>							
• 3		<input type="checkbox"/>							
• 4		<input type="checkbox"/>							
• 5		<input type="checkbox"/>							
• 6		<input type="checkbox"/>							
• 7		<input type="checkbox"/>							
• 8	<b>ALABAMA TAX WITHHELD from Spouse's Fully or Partially Taxable Retirement Distributions.</b> Total lines 1-7, Column H and enter the amount here and Part 5, line 3. . .								
• 9	<b>RETIREMENT INCOME TAXABLE TO ALABAMA.</b> Total lines 1-7, Column I and enter the amount here . . . . .								
• 10	<b>RETIREMENT EXCLUSION.</b> Is the spouse 65 or older and receives taxable retirement? • <input type="checkbox"/> Yes • <input type="checkbox"/> No If "Yes", each taxpayer is eligible up to \$6,000 not to exceed the Retirement Income Taxable to Alabama on line 9. If "No", you do not qualify for this exclusion. Stop and go to line 11. (See instructions for more information)								
• 11	<b>Spouse's Alabama Taxable Retirement Distribution.</b> Subtract line 10 from line 9. Enter the amount here and on Part 4, line 2 . . . . .								
<b>PART IV</b> Total Alabama Taxable Retirement Distribution									
• 1	Primary's Alabama Taxable Retirement Distribution. Enter the amount from Part 2, line 11 . . . . .								
• 2	Spouse's Alabama Taxable Retirement Distribution. Enter the amount from Part 3, line 11 . . . . .								
• 3	<b>Total Alabama Taxable Retirement Distribution.</b> 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 . . . . .								
<b>PART V</b> Alabama Tax Withheld									
• 1	Alabama tax withheld from Retirement Distribution(s) Exempt from Alabama Income. Enter the amount from Part 1, line 8 . . . . .								
• 2	Primary's Alabama tax withheld from a taxable retirement distribution. Enter the amount from Part 2, line 8 . . . . .								
• 3	Spouse's Alabama tax withheld from a taxable retirement distribution. Enter the amount from Part 3, line 8 . . . . .								
• 4	<b>Total Alabama Tax Withheld from a 1099-R.</b> Add lines 1, 2, and 3. Enter the amount here and include in the amount on Schedule W-2, line 17 . . . . .								



**SCHEDULE**  
**RS**  
**(FORM 40 OR**  
**FORM 40NR)**



**2025**

Alabama Department of Revenue  
**Retirement Schedule**  
ATTACH TO FORM 40 OR FORM 40NR

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.*

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



<b>PART III</b> Spouse's Fully or Partially Taxable Retirement Distributions									
	A	B	C	D	E	F	G	H	I
	FEIN	IRA	Distribution Code(s)	Account Number	Gross Distribution	State Code	State ID	Alabama Withheld	Taxable to Alabama
• 1		<input type="checkbox"/>							
• 2		<input type="checkbox"/>							
• 3		<input type="checkbox"/>							
• 4		<input type="checkbox"/>							
• 5		<input type="checkbox"/>							
• 6		<input type="checkbox"/>							
• 7		<input type="checkbox"/>							
• 8	<b>ALABAMA TAX WITHHELD from Spouse's Fully or Partially Taxable Retirement Distributions.</b> Total lines 1-7, Column H and enter the amount here and Part 5, line 3. . .								
• 9	<b>RETIREMENT INCOME TAXABLE TO ALABAMA.</b> Total lines 1-7, Column I and enter the amount here . . . . .								
• 10	<b>RETIREMENT EXCLUSION.</b> Is the spouse 65 or older and receives taxable retirement? • <input type="checkbox"/> Yes • <input type="checkbox"/> No If "Yes", each taxpayer is eligible up to \$6,000 not to exceed the Retirement Income Taxable to Alabama on line 9. If "No", you do not qualify for this exclusion. Stop and go to line 11. (See instructions for more information)								
• 11	<b>Spouse's Alabama Taxable Retirement Distribution.</b> Subtract line 10 from line 9. Enter the amount here and on Part 4, line 2 . . . . .								
<b>PART IV</b> Total Alabama Taxable Retirement Distribution									
• 1	Primary's Alabama Taxable Retirement Distribution. Enter the amount from Part 2, line 11 . . . . .								
• 2	Spouse's Alabama Taxable Retirement Distribution. Enter the amount from Part 3, line 11 . . . . .								
• 3	<b>Total Alabama Taxable Retirement Distribution.</b> 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 . . . . .								
<b>PART V</b> Alabama Tax Withheld									
• 1	Alabama tax withheld from Retirement Distribution(s) Exempt from Alabama Income. Enter the amount from Part 1, line 8 . . . . .								
• 2	Primary's Alabama tax withheld from a taxable retirement distribution. Enter the amount from Part 2, line 8 . . . . .								
• 3	Spouse's Alabama tax withheld from a taxable retirement distribution. Enter the amount from Part 3, line 8 . . . . .								
• 4	<b>Total Alabama Tax Withheld from a 1099-R.</b> Add lines 1, 2, and 3. Enter the amount here and include in the amount on Schedule W-2, line 17 . . . . .								



**ATTACH TO YOUR TAX RETURN**

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

Type of return  Individual  Estate  Trust

1 Interest expense on investment debts paid or accrued in 2025 (see instructions).	1		
2 Disallowed investment interest expense from 2024 Form 4952A, line 5.	2		
3 Total investment interest expense. Add lines 1 and 2.	3		
4 <b>Net investment income</b> (see instructions).	4		
5 <b>Disallowed investment interest expense to be carried forward to 2026.</b> Subtract line 4 from line 3. If zero or less, enter -0-.	5		
6 <b>Investment interest expense deduction.</b> Enter the smaller of line 3 or line 4 (see instructions).	6		

**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 2024.

**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.

# Vehicle Loan Interest Spreadsheet

(Form 40 and 40NR)

Complete for Forms 40 and 40NR, Schedule A, line 11, if you have more than 2 qualifying vehicles. See Form 40 and 40NR instructions for more information.

	a. Date new vehicle purchased (mm/dd/yyyy)	b. Vehicle VIN	c. Vehicle Loan Interest
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21	<b>Total Vehicle Loan Interest.</b> Total Column c, lines 1 through 20. Enter here and line 1 of the Qualified Vehicle Loan Interest Worksheet. . . . .		

# Qualified Vehicle Loan Interest Worksheet

<b>1</b> Enter the sum of Schedule A, Lines 11a and 11b or total from vehicle loan spreadsheet. ....	<b>1</b>		00
<b>2</b> Enter the smaller of the amount on line 1 or \$10,000. ....	<b>2</b>		00
<b>3</b> Enter the amount from Form 40NR, line 12, Col. B. ....	<b>3</b>		00
<b>4</b> Enter \$100,000 (\$200,000 if married filing jointly). ....	<b>4</b>		00
<b>5</b> Subtract line 4 from line 3. If zero or less, enter the amount from line 2 on line 8. ....	<b>5</b>		00
<b>6</b> Divide line 5 by \$1,000. If the resulting number isn't a whole number, increase the result to the next higher whole number. (For example, increase 1.5 to 2, and increase 0.05 to 1.) ....	<b>6</b>		00
<b>7</b> Multiply line 6 by \$200. ....	<b>7</b>		00
<b>8</b> <b>Qualified vehicle loan interest deduction.</b> Subtract line 7 from line 2. If zero or less, enter -0-. Enter this amount on Form 40NR, Schedule A, line 11c. ....	<b>8</b>		00

## Federal Income Tax Deduction Worksheet

1 Enter the tax as shown on line 22 on 2025 Form 1040/Form 1040-SR/Form 1040NR. ....	<b>1</b>		00
2 Net Investment Income Tax. Enter amount from line 17, 2025 Form 8960. ....	<b>2</b>		00
3 Federal Tax. Add Lines 1 and 2. ....	<b>3</b>		00
<b>4a Earned Income Credit (EIC).</b> Enter the amount from line 27a of 2025 Form 1040/Form 1040-SR.	<b>4a</b>		00
<b>4b Additional Child Tax Credit.</b> Enter the amount from Line 28 of 2025 Form 1040/Form 1040-SR/1040-NR. ....	<b>4b</b>		00
<b>4c American Opportunity Credit.</b> Enter the amount from line 29 of 2025 Form 1040/Form 1040-SR.	<b>4c</b>		00
<b>4d Refundable Adoption Credit.</b> Enter the amount from line 30 of 2025 Form 1040/Form 1040-SR/1040-NR. ....	<b>4d</b>		00
<b>4e Credits from Forms 2439.</b> Enter the amount from Schedule 3, Part II, line 13a of 2025 Form 1040/Form 1040-SR/Form 1040NR. ....	<b>4e</b>		00
5 Add lines 4a, b, c, d and e. ....	<b>5</b>		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. ....	<b>6</b>		00