

FORM **40** Alabama **2013**  
 Individual Income Tax Return  
 RESIDENTS & PART-YEAR RESIDENTS



For the year Jan. 1 - Dec. 31, 2013, or other tax year:

Beginning: Ending: ●  
 Your social security number ● Spouse's SSN if joint return ●

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 outside U.S.  Foreign Country

CHECK BOX IF AMENDED RETURN  ADOR

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

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

	A - Alabama tax withheld		B - Income	
5 Wages, salaries, tips, etc. (list each employer and address separately):	5a	●	5a	●
a _____	5b	●	5b	●
b _____	5c	●	5c	●
c _____	5d	●	5d	●
d _____				
6 Interest and dividend income (also attach Schedule B if over \$1,500) .....	6	●	6	●
7 Other income (from page 2, Part I, line 9) .....	7	●	7	●
8 <b>Total income.</b> Add amounts in the income column for line 5a through line 7 .....	8	●	8	●
9 Total adjustments to income (from page 2, Part II, line 12) .....	9	●	9	●
10 <b>Adjusted gross income.</b> Subtract line 9 from line 8 .....	10	●	10	●

**Deductions**

11 Box a or b **MUST** be checked.  
 Check box a, if you **itemize deductions**, and enter amount from Schedule A, line 27.  
 Check box b, if you **do not** itemize deductions, and enter **standard deduction** (see instructions)

● a <input type="checkbox"/> <b>Itemized Deductions</b> ● b <input type="checkbox"/> <b>Standard Deduction</b> .....	11	●		
12 Federal tax deduction (see instructions) <b>DO NOT ENTER THE FEDERAL TAX WITHHELD FROM YOUR FORM W-2(S)</b>	12	●		
13 Personal exemption (from line 1, 2, 3, or 4) .....	13	●		
14 Dependent exemption (from page 2, Part III, line 2) .....	14	●		
15 <b>Total deductions.</b> Add lines 11, 12, 13, and 14 .....	15	●		

**Tax**

16 **Taxable income.** Subtract line 15 from line 10 .....
 16 | ● |  |  |

17 **Income Tax due.** Enter amount from tax table or check if from ●  Form NOL-85A .....
 17 | ● |  |  |

18 **Net tax due Alabama.** Enter amount from Schedule NTC, line 7 .....
 18 | ● |  |  |

19 Consumer Use Tax (see instructions). If you certify that no use tax is due, check box  .....
 19 | ● |  |  |

20 **Alabama Election Campaign Fund.** You may make a voluntary contribution to the following:

a Alabama Democratic Party <input type="checkbox"/> \$1 <input type="checkbox"/> \$2 <input type="checkbox"/> none .....	20a	●		
b Alabama Republican Party <input type="checkbox"/> \$1 <input type="checkbox"/> \$2 <input type="checkbox"/> none .....	20b	●		

21 **Total tax liability and voluntary contribution.** Add lines 18, 19, 20a, and 20b .....
 21 | ● |  |  |

**Payments**

22 <b>Alabama income tax withheld</b> (from Forms W-2, W-2G, and/or 1099) .....	22	●		
23 2013 estimated tax payments/Automatic Extension Payment .....	23	●		
24 Amended Returns Only — Previous payments (see instructions) .....	24	●		
25 Refundable portion of Alabama Accountability Act of 2013 Credit .....	25	●		
26 <b>Total payments.</b> Add lines 22, 23, 24 and 25 .....	26	●		
27 Amended Returns Only — Previous refund (see instructions) .....	27	●		
28 <b>Adjusted Total Payments.</b> Subtract line 27 from line 26 .....	28	●		

**AMOUNT YOU OWE** 29 If line 21 is larger than line 28, subtract line 28 from line 21, 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. Also include on line 29 (see instructions page 11) .....
 30 | ● |  |  |

**OVERPAID** 31 If line 28 is larger than line 21, subtract line 21 from line 28, and enter amount **OVERPAID** .....
 31 | ● |  |  |

32 Amount of line 31 to be applied to your **2014 estimated tax** .....
 32 | ● |  |  |

**Donations** 33 **Total Donation Check-offs** from Schedule DC, line 2 .....
 33 | ● |  |  |

**REFUND** 34 **REFUNDED TO YOU. (CAUTION: You must sign this return on the reverse side.)**  
 Subtract lines 32 and 33 from line 31. ....

For Direct Deposit, check here ●  and complete Part V, Page 2. ●  Check this box to have your refund issued on a debit card.



**PART I**

1	Alimony received .....	1	●		
2	Business income or (loss) (attach Federal Schedule C or C-EZ) (see instructions) .....	2	●		
3	Gain or (loss) from sale of Real Estate, Stocks, Bonds, etc. (attach Schedule D) .....	3	●		
4a	Total IRA distributions <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>4a</td><td>●</td></tr></table> 4b Taxable amount (see instructions) .....	4a	●	4b	●
4a	●				
5a	Total pensions and annuities <table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>5a</td><td>●</td></tr></table> 5b Taxable amount (see instructions) .....	5a	●	5b	●
5a	●				
6	Rents, royalties, partnerships, estates, trusts, etc. (attach Schedule E) .....	6	●		
7	Farm income or (loss) (attach Federal Schedule F) .....	7	●		
8	Other income (state nature and source — see instructions) .....	8	●		
9	<b>Total other income.</b> Add lines 1 through 8. Enter here and also on page 1, line 7 .....	9	●		

**PART II**

1a	Your IRA deduction .....	1a	●
b	Spouse's IRA deduction .....	1b	●
2	Payments to a Keogh retirement plan and self-employment SEP deduction .....	2	●
3	Penalty on early withdrawal of savings .....	3	●
4	Alimony paid. Recipient's last name _____ SSN ● _____	4	●
5	Adoption expenses .....	5	●
6	Moving Expenses (Attach Federal Form 3903) to: City _____ State _____ ZIP _____	6	●
7	Self-employed health insurance deduction .....	7	●
8	Payments to Alabama PACT Program or Alabama College Education Savings Program .....	8	●
9	Health insurance deduction for small employer employee (see instructions) .....	9	●
10	Costs to retrofit or upgrade home to resist wind or flood damage .....	10	●
11	Deposits to a catastrophe savings account .....	11	●
12	<b>Total adjustments.</b> Add lines 1 through 11. Enter here and also on page 1, line 9 .....	12	●

**PART III**

<b>1a Dependents:</b> (1) First name _____ Last name _____	(2) Dependent's Social Security Number _____	(3) Dependent's Relationship to You _____	(4) Did you provide more than one-half dependent's support? ●
Dependents	●		
Do not include yourself or your spouse	●		
(See page 15)	●		
b Total number of dependents claimed above .....		1b	●
2 <b>Amount allowed.</b> (Multiply the total number of dependents claimed on line 1b by the amount from the dependent chart on page 10.) Enter amount here and on page 1, line 14 .....		2	●

**PART IV**

1 **Residency** Check only one box  Full Year  Part Year From \_\_\_\_\_ 2013 through \_\_\_\_\_ 2013.

2 Did you file an Alabama income tax return for the year 2012?  Yes  No If no, state reason \_\_\_\_\_

3 Give name and address of present employer(s). Yours \_\_\_\_\_  
Your Spouse's \_\_\_\_\_

4 Enter the Federal Adjusted Gross Income ● \$ \_\_\_\_\_ and Federal Taxable Income ● \$ \_\_\_\_\_ as reported on your 2013 Federal Individual Income Tax Return.

5 Do you have income which is reported on your Federal return, but not reported on your Alabama return (other than your state tax refund)?  Yes  No  
If yes, enter source(s) and amount(s) below: (other than state income tax refund)

Source _____	Amount	●
Source _____	Amount	●

**PART V** For Direct Deposit of your refund, complete 1, 2, 3, and 4 below. (See Page 16 of instructions to see if you qualify.)

1 Routing Number: \_\_\_\_\_ 2 Type:  Checking  Savings 3 Account Number: \_\_\_\_\_

4 Is this refund going to or through an account that is located outside of the United States?  Yes  No

●  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.

Your Signature _____	Date _____	Daytime Telephone Number _____	Your Occupation _____
Spouse's Signature (if joint return, BOTH must sign) _____	Date _____	Daytime Telephone Number _____	Spouse's Occupation _____
Preparer's Signature _____	Date _____	Check if Self-employed <input type="checkbox"/> Preparer's SSN or PTIN _____	E.I. Number _____
Firms's Name (or yours if self employed) _____	Daytime Telephone No. _____	ZIP Code _____	

**WHERE TO FILE FORM 40**

If you are **not** making a payment, mail your return to:  
**Alabama Department of Revenue, PO Box 154, Montgomery, AL 36135-0001**  
 Mail **only** your 2013 Form 40 to one of the above addresses. Prior year returns, amended returns, and all other correspondence should be mailed to Alabama Department of Revenue, PO Box 327464, Montgomery, AL 36132-7464.

If you are making a payment, mail your return, Form 40V, and payment to:  
**Alabama Department of Revenue, PO Box 2401, Montgomery, AL 36140-0001**

**ADOR**

**SCHEDULES  
A, B, & DC  
(FORM 40)**



(Schedules B, and DC are on back page)

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

Name(s) as shown on Form 40	Your social security number
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The itemized deductions you may claim for the year 2013 are similar to the itemized deductions claimed on your Federal return, however, the amounts may differ. Please see instructions before completing this schedule. **PART-YEAR RESIDENTS:** A resident of Alabama for only a part of the year should list below only those deductions actually paid while a resident of Alabama.

	<b>CAUTION: Do not include expenses reimbursed or paid by others.</b>				
<b>Medical and Dental Expenses</b> (See page 18)	1 Medical and dental expenses.....	1		00	
	2 Enter amount from Form 40, line 10. ....	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> (See page 18)	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> (See page 19)	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 Qualified mortgage insurance premiums.....	11		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 through 13. Enter the total here.....				14 ● 00	
<b>Gifts to Charity</b> (See page 18)	<b>CAUTION: If you made a charitable contribution and received a benefit in return, see page 18.</b>				
	15 Contributions by cash or check.....	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>Casualty and Theft Loss</b> (Attach Form 4684)	19a Enter the amount from Federal Form 4684, line 16 (See page 19).....	19a		00	
	b Enter 10% of your Adjusted Gross Income (Form 40, line 10).....	19b		00	
	c Subtract line 19b from line 19a. If zero or less, enter -0-.....				19c ● 00
<b>Job Expenses and Most Other Miscellaneous Deductions</b> (See page 20)	20 Unreimbursed employee expenses — job travel, union dues, job education, etc. (You <b>MUST</b> attach Federal Form 2106 if required. See instructions.) ►	20		00	
	21 Other expenses (investment, tax preparation, safe deposit box, etc.). List type and amount. ►	21		00	
	22 Add the amounts on lines 20 and 21. Enter the total.....	22		00	
	23 Multiply the amount on Form 40, line 10 by 2% (.02). Enter the result here.....	23		00	
	24 Subtract line 23 from line 22. Enter the result. If zero or less, enter -0-.....				24 ● 00
<b>Other Miscellaneous Deductions</b>	25 Other (from list on page 20 of instructions). List type and amount. ►				25 ● 00
<b>Qualified Long-Term Care Ins. Premiums</b>	<b>CAUTION: Do not include medical premiums.</b>				
26 Enter amount here.....	26			● 00	
<b>Total Itemized Deductions</b>	27 Add the amounts on lines 4, 9, 14, 18, 19c, 24, 25, and 26. Enter the total here. Then enter on Form 40, page 1, line 11.....	27			● 00



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

Your social security number

**SCHEDULE B – Interest And Dividend Income**

If you received more than \$1500 of interest and dividend income, you must complete Schedule B. See instructions on page 21.

List Payers and Amounts		A Exempt Interest	B Taxable Interest and Dividends
1 I N T E R E S T		00	00
		00	00
		00	00
		00	00
		00	00
		00	00
		00	00
		00	00
		00	00
		00	00
2 D I V I D E N D S			00
			00
			00
			00
			00
			00
			00
			00
			00
			00
<b>3</b>	<b>TOTAL TAXABLE INTEREST AND DIVIDENDS</b> Enter here and on Form 40, page 1, line 6	•	<b>3</b> 00

**SCHEDULE DC – Donation Check-Offs**

1 You may donate all or part of your overpayment. (Enter the amount in the appropriate boxes.)

a Senior Services Trust Fund	•	00	j Alabama Firefighters Annuity and Benefit Fund	•	00
b Alabama Arts Development Fund	•	00	k Alabama Breast & Cervical Cancer Program	•	00
c Alabama Nongame Wildlife Fund	•	00	l Victims of Violence Assistance	•	00
d Child Abuse Trust Fund	•	00	m Alabama Military Support Foundation	•	00
e Alabama Veterans Program	•	00	n Alabama Veterinary Medical Foundation Spay-Neuter Program	•	00
f Alabama State Historic Preservation Fund	•	00	o Cancer Research Institute	•	00
g Archives Services Fund	•	00	p Alabama Association of Rescue Squads	•	00
h Foster Care Trust Fund	•	00			
i Mental Health	•	00			

2 **Total Donations.** Add lines 1a, b, c, d, e, f, g, h, i, j, k, l, m, n, o, and p. Enter here and on Form 40, page 1, line 33

ADOR





(From Rental Real Estate, Royalties, Partnerships, S Corporations, Estates, Trusts, REMICs, etc.)

▶ ATTACH TO FORM 40. ▶ SEE INSTRUCTIONS FOR SCHEDULE E (FORM 40).

Name(s) shown on return

Your social security number

**PART I Income or Loss From Rental Real Estate and Royalties**

Note: Report income and expenses from your business of renting personal property on Schedule C or C-EZ.

1 Show the kind and location of each <b>Rental Real Estate Property</b> :	2 For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: • 14 days, or • 10% of the total days rented at fair rental value?	Yes	No
		A	
		B	
A .....			
B .....			
C .....			

Income:	Properties			Totals (Add Columns A, B, and C)	
	A	B	C		
3 Rents received	3	00	00	3	00
4 Royalties received	4	00	00	4	00
<b>Expenses:</b>					
5 Advertising	5	00	00		
6 Auto and travel	6	00	00		
7 Cleaning and maintenance	7	00	00		
8 Commissions	8	00	00		
9 Insurance	9	00	00		
10 Legal and other professional fees	10	00	00		
11 Management fees	11	00	00		
12 Mortgage interest	12	00	00	12	00
13 Other interest	13	00	00		
14 Repairs	14	00	00		
15 Supplies	15	00	00		
16 Taxes	16	00	00		
17 Utilities	17	00	00		
18 Other (list) ▶	18	00	00		
		00	00		
		00	00		
		00	00		
		00	00		
19 Add lines 5 through 18	19	00	00	19	00
20 Depreciation expense or depletion	20	00	00	20	00
21 Total expenses. Add lines 19 and 20	21	00	00		
22 Income or (loss). Subtract line 21 from line 3 (rents) or line 4 (royalties)	22	00	00		
23 Total Real Estate and Royalty income or (loss). Add columns A, B, and C from line 22 and enter the result here	23			23	00

**PART II Income from Partnerships, S Corporations, Estates and Trusts**

(g) Name and Address	(h) Check One Partnership Estate or Trust S Corporation	(i) Employer Identification Number	(j) Amount
.....			00
.....			00
.....			00
.....			00
<b>24 TOTAL INCOME FROM PARTNERSHIPS, S CORPORATIONS, ESTATES, AND TRUSTS.</b> Add the amounts in column (j). Enter the total here and include on line 25 below. ▶			24 00
<b>25 TOTAL INCOME OR (LOSS).</b> Combine lines 23 and 24. Enter the total here and on Form 40, page 2, Part I, line 6. ▶			25 00



Alabama Department of Revenue  
Net Tax Calculation

NAME

SOCIAL SECURITY NUMBER

• \_\_\_\_\_

1	Enter tax amount from Form 40, page 1, line 17 or Form 40NR, page 1, line 19.....	1	•	
2	Enter total credits amount from Schedule OC, Part N, line 1.....	2	•	
3	Subtract line 2 from line 1.....	3	•	
4	Enter School Transfer Credit amount from Schedule AATC Part 1, line 28.....	4	•	
5	Subtract line 4 from line 3.....	5	•	
6	Enter Contribution to Scholarship Granting Organization Credit amount from Schedule AATC, Part II, line 8 ...	6	•	
7	Net tax due Alabama. Subtract line 6 from line 5. <b>Enter amount here and on Form 40, page 1, line 18 or Form 40NR, page 1, line 20</b> .....	7	•	



Alabama Department of Revenue  
Credit For Taxes Paid To Other States

NAME(S) AS SHOWN ON THE TAX RETURN

SOCIAL SECURITY NUMBER

● \_\_\_\_\_

● \_\_\_\_\_

Complete one part for each state that you are claiming credit. If there is not enough space, additional forms may be completed as needed.

**PART 1**

1	2013 Taxable Income as shown on the (name of state) _____ state return . . . .	1	●	
2	Tax due the other state using Alabama tax rates. . . . .	2	●	
3	Tax due the other state as shown on that state's return or Form W-2G . . . . .	3	●	
4	Enter the smaller of lines 2 and 3 above . . . . .	4	●	

**PART 2**

5	2013 Taxable Income as shown on the (name of state) _____ state return . . . .	5	●	
6	Tax due the other state using Alabama tax rates. . . . .	6	●	
7	Tax due the other state as shown on that state's return or Form W-2G . . . . .	7	●	
8	Enter the smaller of lines 6 and 7 above . . . . .	8	●	

**PART 3**

9	2013 Taxable Income as shown on the (name of state) _____ state return . . . .	9	●	
10	Tax due the other state using Alabama tax rates. . . . .	10	●	
11	Tax due the other state as shown on that state's return or Form W-2G . . . . .	11	●	
12	Enter the smaller of lines 10 and 11 above . . . . .	12	●	

**PART 4**

13	2013 Taxable Income as shown on the (name of state) _____ state return . . . .	13	●	
14	Tax due the other state using Alabama tax rates. . . . .	14	●	
15	Tax due the other state as shown on that state's return or Form W-2G . . . . .	15	●	
16	Enter the smaller of lines 14 and 15 above . . . . .	16	●	

**PART 5**

17	2013 Taxable Income as shown on the (name of state) _____ state return . . . .	17	●	
18	Tax due the other state using Alabama tax rates. . . . .	18	●	
19	Tax due the other state as shown on that state's return or Form W-2G . . . . .	19	●	
20	Enter the smaller of lines 18 and 19 above . . . . .	20	●	

**PART 6 should not be completed until a schedule has been completed for each state that you are claiming a credit.**

**PART 6**

21	Non-Alabama Adjusted Gross Income. . . . .	21	●	
22	Alabama Adjusted Gross Income from Form 40, page 1, line 10. . . . .	22	●	
23	Divide line 21 by line 22 . . . . .	23	●	%
24	Alabama Tax Liability from Form 40, page 1, line 17. . . . .	24	●	
25	Multiply line 24 by line 23. . . . .	25	●	
26	Enter the Sum of lines 4, 8, 12, 16, and 20 from Parts 1, 2, 3, 4, and 5. . . . .	26	●	
27	<b>CREDIT ALLOWABLE</b> ...Enter amount from line 24, 25, or 26 whichever is smallest. Also enter amount on Schedule OC, Part A, line 1 . . . . .	27	●	



Alabama Department of Revenue  
Alabama Accountability Tax Credit

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 Non Public School

1 Name of student: \_\_\_\_\_

2 Social security number of student: \_\_\_\_\_

3 80% of the average annual cost of attendance for a Alabama public K-12 student .....

3	●	\$3,564	00
---	---	---------	----

4 Actual cost of attending nonfailing public school or nonpublic school .....

4	●		
---	---	--	--

5 Enter the lesser of line 3 or line 4 .....

5	●		
---	---	--	--

6 Name of student: \_\_\_\_\_

7 Social security number of student: \_\_\_\_\_

8 80% of the average annual cost of attendance for a Alabama public K-12 student .....

8	●	\$3,564	00
---	---	---------	----

9 Actual cost of attending nonfailing public school or nonpublic school .....

9	●		
---	---	--	--

10 Enter the lesser of line 8 or line 9 .....

10	●		
----	---	--	--

11 Name of student: \_\_\_\_\_

12 Social security number of student: \_\_\_\_\_

13 80% of the average annual cost of attendance for a Alabama public K-12 student .....

13	●	\$3,564	00
----	---	---------	----

14 Actual cost of attending nonfailing public school or nonpublic school .....

14	●		
----	---	--	--

15 Enter the lesser of line 13 or line 14 .....

15	●		
----	---	--	--

16 Name of student: \_\_\_\_\_

17 Social security number of student: \_\_\_\_\_

18 80% of the average annual cost of attendance for a Alabama public K-12 student .....

18	●	\$3,564	00
----	---	---------	----

19 Actual cost of attending nonfailing public school or nonpublic school .....

19	●		
----	---	--	--

20 Enter the lesser of line 18 or line 19 .....

20	●		
----	---	--	--

21 Name of student: \_\_\_\_\_

22 Social security number of student: \_\_\_\_\_

23 80% of the average annual cost of attendance for a Alabama public K-12 student .....

23	●	\$3,564	00
----	---	---------	----

24 Actual cost of attending nonfailing public school or nonpublic school .....

24	●		
----	---	--	--

25 Enter the lesser of line 23 or line 24 .....

25	●		
----	---	--	--

26 Enter amount from Schedule NTC, line 3 .....

26	●		
----	---	--	--

27 Add the amounts from line 5, line 10, line 15, line 20, and line 25 .....

27	●		
----	---	--	--

28 Enter the lesser of line 26 or line 27. Enter amount here and on Schedule NTC, line 4 .....

28	●		
----	---	--	--

29 **Refundable amount.** Subtract line 28 from line 27. Enter amount here and on Form 40, page 1, line 25 or Form 40NR, page 1, line 25 .....

29	●		
----	---	--	--



**PART II**

ALABAMA DEPARTMENT OF REVENUE  
Credit for Contributing to Scholarship Granting Organization

1 Name of Scholarship Granting Organization:

• \_\_\_\_\_

2 Address of Scholarship Granting Organization:

\_\_\_\_\_

3	Amount contributed for scholarship(s) .....	3	•			
4	Enter amount from Schedule NTC, line 5. ....				4	•
5	Multiply line 4 by 50% (.50) .....				5	•
6	Maximum credit allowable .....	6	•	\$7,500 00		
7	Credit allowable. Enter the lesser of line 3 or line 6. ....				7	•
8	Credit allowed for current tax year. Enter the lesser of line 5 or line 7 and enter amount on Schedule NTC, line 6. ....				8	•
9	Credit carryforward. Subtract line 8 from line 7 .....				9	•

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



Alabama Department of Revenue  
**Other Available Credits**  
ATTACH TO FORM 40 OR 40NR

**2013**  
ADOR

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

Your social security number

**PART A – Credit For Taxes Paid To Other States** (NOTE: CR Credits are NOT allowable for Nonresidents)

**1 CREDIT ALLOWABLE.** Enter the amount from Schedule CR, line 27 ..... **1** ●

**PART B – 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. Enter your assigned Department of Education Certification Number \_\_\_\_\_.

**1** Name of employer/firm sponsoring the education program \_\_\_\_\_  
**2** Name of approved provider \_\_\_\_\_ Location \_\_\_\_\_

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

**4** If the answer to line 3 is yes, did employee(s) work at least 24 hours each week?  Yes  No

**5** If the answer to lines 3 and 4 above is yes, enter the total expenses available for credit (see instructions).....

<b>5</b>		
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**6** Total maximum credit available. Multiply line 5 by 20% (.20).....

<b>6</b>		
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**7** Tax due Alabama from Form 40, page 1, line 17, or Form 40NR, page 1, line 19.....

<b>7</b>		
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**8 CREDIT ALLOWABLE.** Enter the amount from line 6 or 7, whichever is smaller ..... **8** ●

**PART C – Rural Physician Credit**

**1** Name of hospital and community where you live and provide medical services \_\_\_\_\_

**2** Tax due Alabama from Form 40, page 1, line 17, or Form 40NR, page 1, line 19.....

<b>2</b>		
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**3** Maximum Rural Physician Credit.....

<b>3</b>		\$5,000 00
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**4 CREDIT ALLOWABLE.** Enter the amount from line 2 or 3, whichever is smaller ..... **4** ●

**PART D – Coal Credit**

**1 CREDIT ALLOWABLE**..... **1** ●

**PART E – Alabama Enterprise Zone Act Credit**

**1** Enter amount from Schedule EZK1, Part II, page 2, line 13, or Schedule EZ, Part IV, page 2, line 13 ..... **1** ●

**PART F – Capital Credit**

**You must attach Form K-RCC to your Alabama return.**

**1** Enter your Project Number assigned by the Alabama Department of Revenue..... **1** ●

**2** Name of project entity entitled to the Capital Credit \_\_\_\_\_

**3** Enter tax due from Form 40, page 1, line 17, or Form 40NR, page 1, line 19..... **3**

**4** Less credits:

**a. CR Credit.** Enter amount from Schedule OC, Part A, line 1..... **4a**

**b. Basic Skills Education Credit.** Enter amount from Schedule OC, Part B, line 8..... **4b**

**c. Rural Physician Credit.** Enter amount from Schedule OC, Part C, line 4..... **4c**

**d. Coal Credit.** Enter amount from Schedule OC, Part D, line 1..... **4d**

**e. Enterprise Zone Act Credit.** Enter amount from Schedule OC, Part E, line 1..... **4e** ●

**f. Tariff Credit.** Enter amount from Schedule OC, Part G, line 1..... **4f**

**g. Full Employment Act of 2011 Credit.** Enter amount from Schedule OC, Part H, line 5..... **4g**

**h. Heroes for Hire Tax Credit Act.** Enter amount from Schedule OC, Part I, line 2..... **4h**

**i. Heroes for Hire Tax Credit Act.** Enter amount from Schedule OC, Part J, line 4..... **4i**

**j. Irrigation/Reservoir System Credit.** Enter amount from Schedule OC, Part K, line 11..... **4j**

**k. Credit for Taxes Paid to a Foreign Country.** Enter amount from Schedule OC, Part L, line 10..... **4k**

**l. Alabama New Markets Development Credit.** Enter amount from Schedule OC, Part M, line 1..... **4l**

**5** Total all credits other than Capital Credit. Add lines 4a, 4b, 4c, 4d, 4e, 4f, 4g, 4h, 4i, 4j, 4k and 4l..... **5**

**6** Tax due before Capital Credit. If line 3 is larger than line 5, subtract line 5 from line 3, and enter the difference on line 6. If line 3 is smaller than line 5, enter zero on line 6..... **6**

**7** Enter Capital Credit available from Schedule K-RCC, line 7..... **7**

**8 CAPITAL CREDIT ALLOWABLE.** Enter the lesser of line 6 or 7..... **8** ●

**PART G – Tariff Credit**

**1 CREDIT ALLOWABLE**..... **1** ●

**PART H – Full Employment Act of 2011 Credit**

**1** Number of full time employees on 12-31-2012..... **1**

**2** Number of full time employees on 12-31-2011..... **2**

**3** Subtract line 2 from line 1..... **3**

**4** Number of qualifying new employees from line 3 that completed their first 12 months service in 2013..... **4**

**5 Credit allowable.** Multiply line 4 by \$1,000.00..... **5** ●



Name(s) as shown on Form 40 or 40NR	Your social security number
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**PART I – Heroes for Hire Tax Credit Act**

**Employee Credit**

1 Number of recently deployed unemployed veterans included in line 4, Part H	1			
2 <b>Credit Allowable.</b> Multiply line 1 by \$1,000.00			2	●

**PART J – Heroes for Hire Tax Credit Act**

**Business Start-up Expenses Credit**

1 Name and business ID number				
2 Enter total amount of business start-up expenses	2			
3 Maximum credit	3	\$2,000	00	
4 <b>Credit Allowable.</b> Enter the lesser of line 2 or line 3			4	●

**PART K – Irrigation/Reservoir System Credit**

1 Purchase cost and installation costs of irrigation system	1			
2 Conversion costs to convert from fuel to electricity	2			
3 Add lines 1 and 2	3			
4 Multiply line 3 by 20% (.20)	4			
5 Cost of irrigation equipment	5			
6 Cost of constructing reservoir	6			
7 Add lines 5 and 6	7			
8 Multiply line 7 by 20% (.20)	8			
9 Enter the amount from line 4 or line 8	9			
10 Maximum credit	10	\$10,000	00	
11 <b>Credit Allowable.</b> Enter the lesser of line 9 or line 10			11	●

**PART L – Credit for Taxes paid to a Foreign Country**

*Note: All dollar figures must be in U.S. dollars.*

1 S Corporation/Partnership/Estate/Trust Name				
2 FEIN				
3 Name of country income earned in				
4 Your pro rata share in entity	4			
5 Pro rata share of income from foreign operations	5			
6 Alabama tax imposed on pro rata share of income from foreign operations (line 5)	6			
7 Pro rata share of tax due the foreign country as shown on that country's tax return	7			
8 Tax due Alabama from Form 40, page 1, line 17	8			
9 Multiply line 7 by 50% (.50)	9			
10 <b>Credit Allowable.</b> Enter the lesser of line 6, line 8 or line 9			10	●

**PART M – Alabama New Markets Development Credit**

1 Enter amount from Notice of Certification	1			●
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**PART N – Summary**

1 <b>TOTAL CREDITS ALLOWABLE.</b> Add Part A, line 1, Part B, line 8, Part C, line 4, Part D, line 1, Part E, line 1, Part F, line 8, Part G, line 1, Part H, line 5, Part I, line 2, Part J, line 4, Part K, line 11, Part L, line 10, Part M, line 1. Enter the total here and on Schedule NTC, line 2.	1			●
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**ATTACH TO YOUR TAX RETURN**

Name(s) as shown on your return	Identifying number
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Type of return  Individual  Estate  Trust

1 Interest expense on investment debts paid or accrued in 2013. <i>See instructions.</i>	1		
2 Disallowed investment interest expense from 2012 Form 4952A, line 5.	2		
3 Total investment interest expense. Add lines 1 and 2.	3		
4 <b>Net investment income.</b> <i>See instructions.</i>	4		
5 <b>Disallowed investment interest expense to be carried forward to 2014.</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. <i>See instructions.</i>	6		

**GENERAL INSTRUCTIONS**

**PURPOSE OF FORM**

Interest expense paid by an individual, estate, or a 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 a 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 2012.

**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 B, Column C, Line 10.

# Federal Income Tax Deduction Worksheet

<b>1</b> Enter the tax as shown on line 55, Form 1040, line 35 on Form 1040A, line 10 on Form 1040EZ or line 52 on Form 1040NR.....	<b>1</b>		
<b>2</b> Net Investment Income Tax. Enter amount from line 17, Form 8960 .....	<b>2</b>		
<b>3</b> Federal Tax. Add lines 1 and 2 .....	<b>3</b>		
<b>4 a Earned income credit (EIC).</b> Enter the amount from line 64a, Form 1040, line 38a on Form 1040A or line 8a on Form 1040EZ .....	<b>4a</b>		
<b>b Additional child tax credit.</b> Enter the amount from line 65, Form 1040, line 39 on Form 1040A, or line 63 on Form 1040NR .....	<b>4b</b>		
<b>c American Opportunity Credit.</b> Enter the amount from line 66, Form 1040 or line 40 on Form 1040A .....	<b>4c</b>		
<b>d Credits from Forms 2439 and 8885.</b> Enter the amount from line 71, Form 1040 or line 67 on Form 1040NR.....	<b>4d</b>		
<b>e Credits from Form 8801.</b> Enter the amount from line 53, Form 1040 or line 50 on Form 1040NR.....	<b>4e</b>		
<b>5</b> Add lines 4a, b, c, d and e.....	<b>5</b>		
<b>6</b> Subtract line 5 from line 3 and enter on line 12 on Form 40, line 9 Form 40A or line 4, Part IV, page 2 on Form 40NR. <b>If amount is negative enter zero.</b> .....	<b>6</b>		