

FORM
40NR Alabama **2011**
 Individual Income Tax Return
 NONRESIDENTS ONLY



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).

5 Wages, salaries, tips, etc. (list each employer and address separately): (Include spouse's income if married filing joint.)		A – Alabama Tax Withheld	B – All Sources	C – Alabama Income
a	5a ●	5a	5a	
b	5b ●	5b	5b	
c	5c ●	5c	5c	
6	Other income (from page 2, Part I, line 9)	6 ●	6	
7	Total income. Add amounts in col. B then add amounts in col. C, lines 5a-c and 6 ...	7 ●	7	
8	Adjustments to income (from page 2, Part II, line 6)	8 ●	8	
9	Adjusted total income. Subtract line 8 from line 7	9 ●	9	
10	Alabama percentage of adjusted total income. Divide line 9, col. C, by line 9, col. B (not over 100%)	10	10	%
11	Other Adjustments (from page 2, Part III, line 6)	11 ●	11	
12	Adjusted Gross Income. Subtract line 11 from line 9	12 ●	12	
13	Check appropriate box. If you itemize, enter amount from Schedule A, line 30. ● a <input type="checkbox"/> Itemized Deductions ● b <input type="checkbox"/> Standard Deduction	13 ●	Box a or b MUST be checked	
14	Federal Income Tax deduction (from page 2, Part IV, line 7)	14 ●		
15	Personal exemption (multiply line 1, 2, 3, or 4 by percentage on line 10)	15 ●		
16	Dependent exemption (from page 2, Part V, line 4)	16 ●		
17	Total deductions. Add lines 13, 14, 15, and 16	17 ●		
18	Taxable income. Subtract line 17 from line 12, column C	18 ●		
19a	Tax due. Enter amount from tax table or check if from <input type="checkbox"/> Form NOL-85A	19a ●		
19b	Less credits from Schedule OC	19b ●		
20	Net tax due Alabama. Subtract line 19b from line 19a	20 ●		
21	Alabama Income Tax withheld (from column A, lines 5a-c)	21 ●		
22	2011 estimated tax payments/Automatic Extension Payment	22 ●		
23	Composite tax payments (from page 2, Part VI, line 7)	23 ●		
24	Amended Returns Only — Previous payments (see instructions)	24 ●		
25	Total payments. Add lines 21 through 24	25 ●		
26	Amended Returns Only — Previous refund (see instructions)	26		
27	Adjusted total payments. Subtract line 26 from line 25	27		
28	If line 20 is larger than line 27, subtract line 27 from line 20, and enter AMOUNT YOU OWE. Place payment, along with Form 40V, loose in the mailing envelope. (FORM 40V MUST ACCOMPANY PAYMENT.)	28 ●		
29	Estimated tax penalty. Also include on line 28 (see instructions page 10)	29 ●		
30	If line 27 is larger than line 20, subtract line 20 from line 27 and enter amount OVERPAID	30 ●		
31	Amount of line 30 to be applied to your 2012 estimated tax.	31 ●		
32	REFUNDED TO YOU. Subtract line 31 from line 30. (You must sign this return before your refund can be processed.)	32 ●		

Sign Here In Black Ink

● 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.

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 _____

Paid Preparer's Use Only

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



		B – All Sources		C – Alabama Income			
PART I	1 Interest and dividend income (attach Schedule B if over \$1500.00)	1	●	1	●		
	2 Alimony received	2	●				
	3 Taxable portion of pensions and annuities (see instructions)	3	●				
	4 Business income or (loss) (attach Federal Schedule C) (see instructions)	4	●	4	●		
	Other	5 Gain or (loss) from sale of Real Estate, Stocks, Bonds, etc. (attach Schedule D)	5	●	5	●	
	Income	6 Rents, Royalties, Partnerships, Estates, Trusts, etc. (attach Schedule E)	6	●	6	●	
	(See page 11)	7 Farm income or (loss) (attach Federal Schedule F) (see instructions)	7	●	7	●	
		8 Other income (state nature and source)	8	●	8	●	
		9 Total other income. Add lines 1-8, column B, and lines 1, 4-8, column C. Enter here and also on page 1, line 6	9	●	9	●	
PART II	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)						
	Adjustments to Income (See page 12)	3 Place of new employment:	3	●	3	●	
		4 Self-employed health insurance deduction	4	●	4	●	
		5 Payments to Alabama PACT program or Alabama College Education Savings Program	5	●	5	●	
	6 Add lines 1-5. Enter here and also on page 1, line 8, columns B and C	6	●	6	●		
PART III	1 Alimony Paid	1	●				
	2 Adoption Expenses	2	●				
	Other	3 Health insurance deduction for small employer employee (see instructions)	3	●			
	Adjustments (See page 13)	4 Add lines 1 through 3, enter here and on page 1, line 11, column B	4	●			
		5 Enter 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	●			
PART IV	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 – Federal Adjusted Gross Income		C – Alabama Federal Tax Deduction Computation		
	Federal	1 Your joint federal adjusted gross income	1	●			
	Income Tax	2 Your federal adjusted gross income	2	●			
	Deduction (See page 13)	3 Divide line 2 by line 1. Enter percentage here			3	●	
		4 Enter Federal Income Tax Liability from worksheet (see instructions)			4	●	
		5 If you completed lines 1 through 3 above, multiply line 4 by the percentage from line 3			5	●	
		6 Enter 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	●	
PART V	See instructions for definition of a dependent. NOTE: If you checked filing status 3 (Married filing separate return), you may claim only the dependent(s) for whom you separately furnished over 50% of the total support.						
	Dependents	1a Dependents: (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?	
				●			
	Do not include yourself or your spouse			●			
				●			
		b Total number of dependents claimed above				1b	●
	(See page 13)	2 Multiply the total number of dependents claimed on line 1b by the amount from the dependent chart on page 9 of instructions.	2	●			
	3 Enter percentage from page 1, line 10	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	●				
PART VI	1 Name of state of which you were a legal resident in 2011 _____						
	2 Did you file a return with that state for 2011? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, state reason why: _____						
	3 If married, did your spouse receive a separate income for 2011? <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. _____						
	4 Did you file an Alabama return for 2010? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, state reason why: _____						
	General	5 Give name and address of your present employer(s). Yours: _____ Your Spouse's: _____					
	Information	6 Enter the Adjusted Gross Income reported on your 2011 Federal Individual Income Tax Return	6	●			
	All Taxpayers Must Complete This Section (See page 14)	7 If you are a shareholder or partner in an Alabama S Corporation or Partnership which filed the Alabama Form PTE-C, complete the following information: S Corporation's/Partnership's name _____ FEIN _____ Amount of payment made by the S Corporation or Partnership on your behalf on the PTE-C Composite Return	7	●			
	Enter here and on page 1, line 23. _____						



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

<p>1 Total Income from Interest and Dividends before any exclusions ▶</p> <p>2 List all interest received from obligations of the Federal Government, State of Alabama, and political subdivisions of Alabama.</p> <p style="margin-left: 20px;">a _____</p> <p style="margin-left: 20px;">b _____</p> <p style="margin-left: 20px;">c _____</p> <p style="margin-left: 20px;">d _____</p> <p>3 Total. Add amounts on lines 2a, b, c, and d. ▶</p> <p>4 TOTAL TAXABLE INCOME FROM INTEREST AND DIVIDENDS. Subtract line 3 from line 1. Enter here and also on Form 40NR, line 1, Part I, page 2, column B and C. ▶</p>	<p>1</p> <p>2a</p> <p>2b</p> <p>2c</p> <p>2d</p> <p>3</p> <p>4</p>	<p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p> <p>00</p>		<p>B Adjusted Gross Income from All Sources</p>	<p>C Adjusted Gross Income Earned in Alabama</p>
				00	00

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

<p>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.</p> <p>2 Itemize all other transactions which are taxable to Alabama in columns a through f below.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 25%;">a Kind of Property & Location</th> <th style="width: 10%;">b Date Acquired</th> <th style="width: 15%;">c Amount Received</th> <th style="width: 15%;">d Depreciation Allowable Since Acquisition</th> <th style="width: 10%;">e Cost or Other Basis</th> <th style="width: 25%;">f Subsequent Improvements</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table> <p>3 Totals.</p> <p>4 Net profit or (loss) (total of columns c and d less total of columns e and f).</p> <p>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, line 5, Part I, page 2, columns B and C. ▶</p>	a Kind of Property & Location	b Date Acquired	c Amount Received	d Depreciation Allowable Since Acquisition	e Cost or Other Basis	f Subsequent Improvements																									<p>1</p> <p>4</p> <p>5</p>	<p>00</p> <p>00</p> <p>00</p>		<p>B</p>	<p>C</p>
a Kind of Property & Location	b Date Acquired	c Amount Received	d Depreciation Allowable Since Acquisition	e Cost or Other Basis	f Subsequent Improvements																														
				00	00																														

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

PART I – Rent and Royalty Income or (Loss)

<p>1 Enter total income or (loss) from all rents and royalties which is not taxable to Alabama.</p> <p>2 Itemize below all rent and royalty income which is taxable to Alabama.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 35%;">a Kind of Property & Location</th> <th style="width: 10%;">b Amount of Rent or Royalty</th> <th style="width: 15%;">c Depreciation or Depletion (attach schedule)</th> <th style="width: 10%;">d Repairs (attach itemized list)</th> <th style="width: 30%;">e Other Expenses (attach itemized list)</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table> <p>3 Totals (columns 2b through 2e).</p> <p>4 Net profit or (loss) (column b less sum of columns 2c through 2e).</p> <p>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. ▶</p>	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)																					<p>1</p> <p>4</p> <p>5</p>	<p>00</p> <p>00</p> <p>00</p>		<p>B</p>	<p>C</p>
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)																										
				00	00																									

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

<p>6 List income received from partnerships, estates, trusts, and S corporations in 2011. 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.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 45%;">Name and Address</th> <th style="width: 10%;">Check One</th> <th style="width: 10%;">Partnership</th> <th style="width: 10%;">Estate or Trust</th> <th style="width: 15%;">S Corporation</th> <th style="width: 10%;">Employer Identification Number</th> </tr> </thead> <tbody> <tr> <td>.....</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td> </td> </tr> <tr> <td>.....</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td> </td> </tr> <tr> <td>.....</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td> </td> </tr> </tbody> </table> <p>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. ▶</p>	Name and Address	Check One	Partnership	Estate or Trust	S Corporation	Employer Identification Number	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<p>6a</p> <p>6b</p> <p>6c</p> <p>7</p>	<p>00</p> <p>00</p> <p>00</p> <p>00</p>		<p>B</p>	<p>C</p>
Name and Address	Check One	Partnership	Estate or Trust	S Corporation	Employer Identification Number																								
.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																									
.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																									
.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																									
				00	00																								

PART III – Summary

<p>8 TOTAL INCOME OR (LOSS). Combine the amounts on lines 5 and 7, columns B and C. Enter here and on Form 40NR, line 6, Part I, page 2, columns B and C. ▶</p>	<p>8</p>	<p>00</p>		<p>B</p>	<p>C</p>
		00			

**SCHEDULE
OC**

ALABAMA DEPARTMENT OF REVENUE
Other Available Credits
ATTACH TO FORM 40 OR 40NR

2011
ADOR

(FORM 40 OR 40NR)

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 10 **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)

5		
6		
7		

6 Total maximum credit available. Multiply line 5 by 20% (.20)

7 Tax due Alabama from Form 40, page 1, line 17, or Form 40NR, page 1, line 19a

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 19a

2		
3		\$5,000 00

3 Maximum Rural Physician Credit

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 19a **3**

4 Less credits:

- a. **CR Credit.** Enter amount from Schedule OC, Part A, line 1
- b. **Basic Skills Education Credit.** Enter amount from Schedule OC, Part B, line 8
- c. **Rural Physician Credit.** Enter amount from Schedule OC, Part C, line 4
- d. **Coal Credit.** Enter amount from Schedule OC, Part D, line 1
- e. **Enterprise Zone Act Credit.** Enter amount from Schedule OC, Part E, line 1

4a		
4b		
4c		
4d		
4e	●	
5		
6		
7		

5 Total all credits other than Capital Credit. Add 4a, 4b, 4c, 4d, and 4e

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

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

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

PART G – Tariff Credit

1 CREDIT ALLOWABLE **1** ●

PART H – Summary

1 TOTAL CREDITS ALLOWABLE. Add Part A, line 1, Part B, line 8, Part C, line 4, Part D, line 1, Part E, line 1 and Part F, line 8, and Part G, line 1. Enter the total here and on Form 40, page 1, line 18 for residents or Form 40NR, page 1, line 19b for nonresidents, and check the appropriate box(es) **1** ●



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 2011. <i>See instructions.</i>	1		
2 Disallowed investment interest expense from 2010 Form 4952A, line 5.	2		
3 Total investment interest expense. Add lines 1 and 2.	3		
4 Net investment income. <i>See instructions.</i>	4		
5 Disallowed investment interest expense to be carried forward to 2012. Subtract line 4 from line 3. If zero or less, enter -0-.	5		
6 Investment interest expense deduction. 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 2010.

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

<p>1 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.....</p>	1		
<p>2 a Earned income credit (EIC). Enter the amount from line 64a, Form 1040, line 38a on Form 1040A or line 8a on Form 1040EZ</p>	2a		
<p>b Additional child tax credit. Enter the amount from line 65, Form 1040, line 39 on Form 1040A, or line 63 on Form 1040NR</p>	2b		
<p>c American Opportunity Credit. Enter the amount from line 66, Form 1040 or line 40 on Form 1040A</p>	2c		
<p>d First-time homebuyer credit. Enter the amount from line 67, Form 1040</p>	2d		
<p>e Credits from Forms 2439, 8839, 8801, 8885. Enter the amount from line 71, Form 1040 or line 67 on Form 1040NR.....</p>	2e		
<p>3 Add lines 2a, b, c, d and e.....</p>	3		
<p>4 Subtract line 3 from line 1 and enter on line 12 on Form 40, line 9 Form 40A or line 4, Part IV, page 2 on Form 40NR. If amount is negative enter zero.</p>	4		