

FORM **40** Alabama **2016**  
**Individual Income Tax Return**  
 RESIDENTS & PART-YEAR RESIDENTS



For the year Jan. 1 - Dec. 31, 2016, or other tax year:

Beginning: Ending: ●

Your social security number

Spouse's SSN if joint return

●  Check if primary is deceased  
 Primary's deceased date (mm/dd/yy) ●

●  Check if spouse is deceased  
 Spouse's deceased date (mm/dd/yy) ●

Your first name Initial Last name

Spouse's first name Initial Last name

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

▶ CHECK BOX IF AMENDED RETURN ●

City, town or post office

State ZIP code

●  Check if address is outside U.S. Foreign Country

**Filing Status/Exemptions** 1 ●  \$1,500 Single 3 ●  \$1,500 Married filing separate. Complete Spouse SSN  
 2 ●  \$3,000 Married filing joint 4 ●  \$3,000 Head of Family (with qualifying person).

Income and Adjustments	A – Alabama tax withheld		B – Income	
	5a	●	5b	●
5a Alabama Income Tax Withheld (from Schedule W-2, line 18, column G) .....				
5b Wages, salaries, tips, etc. (from Schedule W-2, line 18, column I plus J): .....				
6 Interest and dividend income (also attach Schedule B if over \$1,500) .....			6	●
7 Other income (from page 2, Part I, line 9) .....			7	●
8 <b>Total income.</b> Add amounts in the income column for line 5 through line 7 .....			8	●
9 Total adjustments to income (from page 2, Part II, line 12) .....			9	●
10 <b>Adjusted gross income.</b> Subtract line 9 from line 8 .....			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  **Itemized Deductions** ● b  **Standard Deduction** .....

11	●
----	---

12 Federal tax deduction (see instructions)  
**DO NOT ENTER THE FEDERAL TAX WITHHELD FROM YOUR FORM W-2(S)**

12	●
----	---

13 Personal exemption (from line 1, 2, 3, or 4) .....

13	●
----	---

14 Dependent exemption (from page 2, Part III, line 2) .....

14	●
----	---

15 **Total deductions.** Add lines 11, 12, 13, and 14 .....

15	●
----	---

You Must Attach page 2 of Federal Form 1040, Federal Form 1040A, Federal Form 1040NR, or page 1 of 1040EZ, if claiming a deduction on line 12.

**Tax**

Staple Form(s) W-2, W-2G, and/or 1099 here.

16 <b>Taxable income.</b> Subtract line 15 from line 10 .....	16	●
17 <b>Income Tax due.</b> Enter amount from tax table or check if from ● <input type="checkbox"/> Form NOL-85A .....	17	●
18 <b>Net tax due Alabama.</b> Check box if computing tax using Schedule NTC ● <input type="checkbox"/> , otherwise enter amount from line 17 ..	18	●
19 Consumer Use Tax (see instructions). If you certify that no use tax is due, check box <input type="checkbox"/> .....	19	●
20 <b>Alabama Election Campaign Fund.</b> 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 <b>Total tax liability and voluntary contribution.</b> Add lines 18, 19, 20a, and 20b .....	21	●

**Payments**

22 <b>Alabama income tax withheld</b> (from column A, line 5) .....	22	●
23 2016 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 Refundable portion of Adoption Credit .....	26	●
27 <b>Total payments.</b> Add lines 22, 23, 24, 25, and 26 .....	27	●
28 Amended Returns Only – Previous refund (see instructions) .....	28	●
29 <b>Adjusted Total Payments.</b> Subtract line 28 from line 27 .....	29	●

**AMOUNT YOU OWE**

30 If line 21 is larger than line 29, subtract line 29 from line 21, and enter <b>AMOUNT YOU OWE.</b> Place payment, along with Form 40V, loose in the mailing envelope. (FORM 40V MUST ACCOMPANY PAYMENT.)	30	●
31 Estimated tax penalty. Also include on line 30 (see instructions page 12) .....	31	●

**OVERPAID**

32 If line 29 is larger than line 21, subtract line 21 from line 29, and enter amount <b>OVERPAID</b> .....	32	●
33 Amount of line 32 to be applied to your <b>2017 estimated tax</b> .....	33	●

**Donations**

34 <b>Total Donation Check-offs</b> from Schedule DC, line 2 .....	34	●
--	----	---

**REFUND**

35 <b>REFUNDED TO YOU. (CAUTION: You must sign this return on the reverse side.)</b> Subtract lines 33 and 34 from line 32. ....	35	●
---	----	---

For Direct Deposit, check here ●  and complete Part V, Page 2.



ADOR

**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	4a	●
4b	Taxable amount (see instructions)	4b	●
5a	Total pensions and annuities	5a	●
5b	Taxable amount (see instructions)	5b	●
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 College Counts 529 Fund or Alabama PACT 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 17)	●		●		
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 \_\_\_\_\_ 2016 through \_\_\_\_\_ 2016.

2 Did you file an Alabama income tax return for the year 2015?  Yes  No If no, state reason \_\_\_\_\_

**General Information**

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

**All Taxpayers Must Complete This Section.**

4 Enter the Federal Adjusted Gross Income ● \$ \_\_\_\_\_ and Federal Taxable Income ● \$ \_\_\_\_\_ as reported on your 2016 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 17 of instructions to see if you qualify.)

**Direct Deposit**

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

**Drivers License Info**

DOB (mm/dd/yyyy) ● _____	Your state ● _____	DL# ● _____	Iss date (mm/dd/yyyy) ● _____	Exp date (mm/dd/yyyy) ● _____
DOB (mm/dd/yyyy) ● _____	Spouse state ● _____	DL# ● _____	Iss date (mm/dd/yyyy) ● _____	Exp date (mm/dd/yyyy) ● _____

●  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 _____

**Paid Preparer's Use Only**

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

**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
-----------------------------	-----------------------------

The itemized deductions you may claim for the year 2016 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:</b> Do not include expenses reimbursed or paid by others.				
<b>Medical and Dental Expenses</b> (See page 19)	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 19)	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 19)	<b>CAUTION:</b> If you made a charitable contribution and received a benefit in return, see page 19.				
	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 20).....	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 21 of instructions). List type and amount. ▶				
					25 ● 00
<b>Qualified Long-Term Care Ins. Premiums</b>	<b>CAUTION:</b> Do not include medical premiums.				
	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 TOTAL TAXABLE INTEREST AND DIVIDENDS</b>	Enter here and on Form 40, page 1, line 6. ....	• 3	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	<input type="checkbox"/>	00	k Alabama Breast & Cervical Cancer Program	<input type="checkbox"/>	00
b Alabama Arts Development Fund	<input type="checkbox"/>	00	l Victims of Violence Assistance	<input type="checkbox"/>	00
c Alabama Nongame Wildlife Fund	<input type="checkbox"/>	00	m Alabama Military Support Foundation	<input type="checkbox"/>	00
d Child Abuse Trust Fund	<input type="checkbox"/>	00	n Alabama Veterinary Medical Foundation		
e Alabama Veterans Program	<input type="checkbox"/>	00	Spay-Neuter Program	<input type="checkbox"/>	00
f Alabama State Historic Preservation Fund	<input type="checkbox"/>	00	o Cancer Research Institute	<input type="checkbox"/>	00
g Archives Services Fund	<input type="checkbox"/>	00	p Alabama Association of Rescue Squads	<input type="checkbox"/>	00
h Foster Care Trust Fund	<input type="checkbox"/>	00	q USS Alabama Battleship Commission	<input type="checkbox"/>	00
i Mental Health	<input type="checkbox"/>	00	r Children First Trust Fund	<input type="checkbox"/>	00
j Alabama Firefighters Annuity and Benefit Fund	<input type="checkbox"/>	00			
				<input type="checkbox"/>	00

2 Total Donations. Add lines 1a, b, c, d, e, f, g, h, i, j, k, l, m, n, o, p, q, and r. Enter here and on Form 40, page 1, line 34. ....

ADOR



Alabama Department of Revenue  
**Net Tax Calculation**

**USE ONLY IF CLAIMING TAX CREDIT(S)**

NAME

SOCIAL SECURITY NUMBER

1	Enter tax amount from Form 40, page 1, line 17 or Form 40NR, page 1, line 19		
2	Enter amount from Schedule CR, line 27. <b>Enter zero if claiming credits from Schedule OC.</b>		
3	Subtract line 2 from line 1	●	
4	Enter credit from Schedule OC, Part L, line 1		
5	Subtract line 4 from line 3	●	
6	Enter School Transfer Credit amount from Schedule AATC, Part I, line 39		
7	Subtract line 6 from line 5	●	
8	Enter Contribution to Scholarship Granting Organization Credit amount from Schedule AATC, Part III, line 20		
9	Subtract line 8 from line 7	●	
10	Enter Adoption Credit amount from Schedule AAC, Part II, line 5		
11	Subtract line 10 from line 9	●	
12	Enter Alabama New Markets Development Credit from Schedule ANM, line 3		
13	Subtract line 12 from line 11	●	
14	Enter Historic Tax Rehabilitation Credit from Schedule HTC, line 6		
15	Subtract line 14 from line 13	●	
16	Enter Career Technical Dual Enrollment Credit from Schedule DEC, line 9		
17	Subtract line 16 from line 15	●	
18	Enter Alabama Jobs Act Investment Credit from Schedule AJA, line 7		
19	Subtract line 18 from line 17	●	
20	Enter Alabama Renewal Act – Port Credit from Schedule ARA, Part I, line 3		
21	Subtract line 20 from line 19	●	
22	Enter Alabama Renewal Act – Growing Alabama Credit from Schedule ARA, Part III, line 4		
23	Subtract line 22 from line 21	●	

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

**24a** Enter your Project Number assigned by the Alabama Department of Revenue ● \_\_\_\_\_ .

**24b** Name of project entity entitled to the Capital Credit \_\_\_\_\_

<b>24c</b> Enter Capital Credit available from Schedule K-RCC, line 7 or pro rata share of credit from Schedule K-1. FEIN of Entity _____	●	
---	---	--

<b>25</b> Net tax due Alabama. Subtract line 24c from line 23. If amount less than zero, enter zero. Enter amount on Form 40, Page 1, line 18 or Form 40NR, Page 1, line 20	●	
---	---	--



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	2016 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	2016 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	2016 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	2016 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	2016 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 NTC, line 2 if not claiming any credits on Schedule OC. If claiming credits on Schedule OC 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 Nonpublic School

- 1 Name of student: ● \_\_\_\_\_
- 2 Social security number of student: ● \_\_\_\_\_
- 3 Name of failing school attended or zoned for: ● \_\_\_\_\_
- 4 Name of school transferred to: ● \_\_\_\_\_
- 5 Grade level at time of transfer: ● \_\_\_\_\_
- 6 Date of enrollment at nonfailing public school or nonpublic school: ● \_\_\_\_\_
- 7 80% of the average annual cost of attendance for an Alabama public K-12 student .....
- 8 Actual cost of attending nonfailing public school or nonpublic school .....
- 9 Enter the lesser of line 7 or line 8 .....

7	●	3,794	00
8	●		
9	●		

- 10 Name of student: ● \_\_\_\_\_
- 11 Social security number of student: ● \_\_\_\_\_
- 12 Name of failing school attended or zoned for: ● \_\_\_\_\_
- 13 Name of school transferred to: ● \_\_\_\_\_
- 14 Grade level at time of transfer: ● \_\_\_\_\_
- 15 Date of enrollment at nonfailing public school or nonpublic school: ● \_\_\_\_\_
- 16 80% of the average annual cost of attendance for an Alabama public K-12 student .....
- 17 Actual cost of attending nonfailing public school or nonpublic school .....
- 18 Enter the lesser of line 16 or line 17 .....

16	●	3,794	00
17	●		
18	●		

- 19 Name of student: ● \_\_\_\_\_
- 20 Social security number of student: ● \_\_\_\_\_
- 21 Name of failing school attended or zoned for: ● \_\_\_\_\_
- 22 Name of school transferred to: ● \_\_\_\_\_
- 23 Grade level at time of transfer: ● \_\_\_\_\_
- 24 Date of enrollment at nonfailing public school or nonpublic school: ● \_\_\_\_\_
- 25 80% of the average annual cost of attendance for an Alabama public K-12 student .....
- 26 Actual cost of attending nonfailing public school or nonpublic school .....
- 27 Enter the lesser of line 25 or line 26 .....

25	●	3,794	00
26	●		
27	●		

- 28 Name of student: ● \_\_\_\_\_
- 29 Social security number of student: ● \_\_\_\_\_
- 30 Name of failing school attended or zoned for: ● \_\_\_\_\_
- 31 Name of school transferred to: ● \_\_\_\_\_
- 32 Grade level at time of transfer: ● \_\_\_\_\_
- 33 Date of enrollment at nonfailing public school or nonpublic school: ● \_\_\_\_\_
- 34 80% of the average annual cost of attendance for an Alabama public K-12 student .....
- 35 Actual cost of attending nonfailing public school or nonpublic school .....
- 36 Enter the lesser of line 34 or line 35 .....

34	●	3,794	00
35	●		
36	●		

- 37 Enter amount from Schedule NTC, line 5 .....
- 38 Add the amounts from line 9, line 18, line 27, and line 36 .....
- 39 Enter the lesser of line 37 or line 38. Enter amount here and on Schedule NTC, line 6 .....
- 40 **Refundable amount.** Subtract line 39 from line 38. Enter amount here and on Form 40, page 1, line 25 or Form 40NR, page 1, line 25 .....

37	●		
38	●		
39	●		
40	●		



**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 7 .....			4	
5 Multiply line 4 by 50% (.50) .....			5 ●	
6 Maximum credit allowable for current year contribution .....	6 ●	\$50,000	00	
7 Credit allowable. Enter the lesser of line 3 or line 6 .....			7 ●	

**PART III**

ALABAMA DEPARTMENT OF REVENUE  
Scholarship Contribution Credit Application

Do you have a Scholarship Contribution Credit carryforward from a prior year? ●  Yes ●  No

If "Yes", complete the section below as needed.

If "No", skip lines 1 through 15 and complete lines 16 through 20.

1 Enter carryforward amount from prior tax year (.....)	1 ●			
2 Enter amount from Part II, line 5 .....			2	
3 Amount of credit applied. Enter lesser of line 1 or line 2 .....	3 ●			
4 Unused tax liability limitation. Subtract line 3 from line 2 .....			4 ●	
5 Carryforward amount. Subtract line 3 from line 1 .....			5 ●	
6 Enter carryforward amount from prior tax year (.....)	6 ●			
7 Enter amount from line 4 .....			7	
8 Amount of credit applied. Enter the lesser of line 6 or line 7 .....	8 ●			
9 Unused tax liability limitation. Subtract line 8 from line 7 .....			9 ●	
10 Carryforward amount. Subtract line 8 from line 6 .....			10 ●	
11 Enter carryforward amount from prior tax year (.....)	11 ●			
12 Enter amount from line 9 .....			12	
13 Amount of credit applied. Enter the lesser of line 11 or line 12 .....	13 ●			
14 Unused tax liability limitation. Subtract line 13 from line 12 .....			14 ●	
15 Carryforward amount. Subtract line 13 from line 11 .....			15 ●	
16 Enter amount from Part II, line 7 .....			16	
17 Enter amount from line 14. If no carryforward credits enter amount from Part II, line 5 .....			17 ●	
18 Amount of credit applied. Enter lesser of line 16 or line 17 .....	18 ●			
19 Carryforward amount. Subtract line 18 from line 16 .....			19 ●	
20 Total credit(s) applied. Add line 3, line 8, line 13, and line 18. Enter here and on Schedule NTC, line 8 .....			20 ●	





Alabama Department of Revenue
Alabama Adoption Tax Credit

NAME(S) AS SHOWN ON TAX RETURN

PRIMARY SOCIAL SECURITY NO.

SPOUSE SOCIAL SECURITY NO.

PART I - Information about your eligible child

- 1 Name of Child
2 Social Security Number of Child
3 Address of Child
4 Name of Birth Mother
5 Address of Birth Mother
6 Name of Adoption Agency
7 Address of Adoption Agency

- 8 Name of Child
9 Social Security Number of Child
10 Address of Child
11 Name of Birth Mother
12 Address of Birth Mother
13 Name of Adoption Agency
14 Address of Adoption Agency

- 15 Name of Child
16 Social Security Number of Child
17 Address of Child
18 Name of Birth Mother
19 Address of Birth Mother
20 Name of Adoption Agency
21 Address of Adoption Agency

- 22 Name of Child
23 Social Security Number of Child
24 Address of Child
25 Name of Birth Mother
26 Address of Birth Mother
27 Name of Adoption Agency
28 Address of Adoption Agency

PART II - Adoption Credit

- 1 Enter total number of children adopted from Part 1
2 Allowable credit per child
3 Multiply line 1 by line 2
4 Enter amount from Schedule NTC, line 9
5 Enter the lesser of line 3 or line 4. Enter amount here and on Schedule NTC, line 10
6 Refundable Amount. Subtract line 5 from line 3. Enter amount here and on Form 40 or Form 40NR, page 1, line 26.

Table with 6 rows and 2 columns. Row 2 contains the value \$1,000 00.



Alabama Department of Revenue  
**Historic Tax Rehabilitation Credit**

NAME OF CERTIFICATE HOLDER

FEIN OR SOCIAL SECURITY NUMBER OF CERTIFICATE HOLDER

**A copy of the Tax Credit Certificate, Transfer Tax Credit Certificate or Recipient Tax Credit Certificate must be attached to the return. Subchapter K and S members or partners must attach the Recipient Tax Credit Certificate received from the pass-through entity. If this information is not attached, no credit will be given.**

1. Amount of tax credit certificate issued by the Historic Tax Commission for any project placed in service this year.

Project Number	Date Placed In Service	Credit Amount
<b>a</b>		<b>1a</b> ●
<b>b</b>		<b>1b</b> ●
<b>c</b>		<b>1c</b> ●

2. Total Credit – Add lines 1a, 1b and 1c .....	<b>2</b> ●	
3. Enter Tax Due from Schedule NTC, line 13.....	<b>3</b> ●	
4. Pro rata share of credit from Schedule K-1, if applicable .....	<b>4</b> ●	
FEIN of entity _____		
5. Current Credit Available. Line 2 or pro rata share of credit line 4, if applicable. ....	<b>5</b> ●	
6. Current Credit Allowable. Enter the lessor of line 3 and line 5 – enter this amount on Schedule NTC, line 14 .....	<b>6</b>	
7. Historic Tax Rehabilitation Credit carryforward. Subtract line 6 from line 5. If equal to zero, no credit carryforward is available .....	<b>7</b> ●	



Alabama Department of Revenue  
**Career Technical Dual Enrollment Credit**

NAME(S) AS SHOWN ON TAX RETURN

PRIMARY SOCIAL SECURITY NO.

SPOUSE SOCIAL SECURITY NO.

**A copy of the Department of Post-Secondary Education Tax Credit must be attached to this return. If the certification is not attached, no credit will be allowed.**

1. Amount Contributed this year (Department of Post-Secondary Education Tax Credit Certificate) . . . . .	1 ●		
2. Amount of Current Credit — Multiply line 1 by .50 . . . . .	2 ●		
3. Enter Tax Due from Schedule NTC, line 15 . . . . .	3		
4. Multiply line 3 by .50 . . . . .	4 ●		
5. Maximum Credit Allowable . . . . .	5	500,000	00
6. Enter the lesser of line 2 or line 5 . . . . .	6 ●		
7. Amount of Current Credit – Pro rata share of credit from Schedule K-1 . . . . . FEIN of entity _____ .	7 ●		
8. <b>Current Credit Available.</b> Line 6 or pro rata share of credit line 7, if applicable . . . . .	8 ●		
9. <b>Current Credit Allowable.</b> Enter the lesser of line 4 or line 8. Enter this amount on Schedule NTC, line 16 . . . . .	9 ●		
10. Amount of Credit Carryforward*. Subtract line 9 from line 8 . . . . .	10 ●		

*\*Unused Career Technical Dual Enrollment credit may be carried forward for a maximum of three years.*



SCHEDULE  
**AJA**



**2016**

Alabama Department of Revenue  
**Alabama Jobs Act – Investment Credit**

NAME(S) AS SHOWN ON TAX RETURN \_\_\_\_\_

PRIMARY SOCIAL SECURITY NO. \_\_\_\_\_

SPOUSE SOCIAL SECURITY NO. \_\_\_\_\_

**A copy of the Department of Commerce Certification must be attached to this return. If the certification is not attached, no credit will be allowed.**

Qualifying Project Name \_\_\_\_\_

Department of Commerce Qualifying Project Number \_\_\_\_\_

FEIN or SSN of Qualifying Project \_\_\_\_\_

Date Project Placed in Service \_\_\_\_\_

1. Initial Investment Credit amount from Department of Commerce Certification. ....	1 ●		
2. Investment Credit used to offset Utility Taxes .....	2 ●		
3. Amount of Investment Credit Available. Subtract line 2 from line 1 .....	3 ●		
4. Pro rata share of credit from Schedule-K-1 .....	4 ●		
FEIN of entity _____			
5. <b>Maximum credit allowable.</b> Line 3 or pro rata share of credit from line 4, if applicable .....	5 ●		
6. Enter Tax Due from Schedule NTC, line 17 .....	6		
7. Enter the lessor of line 5 or line 6. Enter this amount on Schedule NTC, line 18 .....	7 ●		
8. Amount of Investment Credit Carryforward. Subtract line 7 from line 5 .....	8		
If less than zero, you have no credit carryforward.			



SCHEDULE  
**ANM**



**2016**

Alabama Department of Revenue  
**Alabama New Markets Development Act Credit**

NAME OF CERTIFICATE HOLDER

FEIN OR SOCIAL SECURITY NUMBER OF CERTIFICATE HOLDER

**A copy of the Department of Commerce Certification must be attached to this return. If the certification is not attached, no credit will be allowed.**

Name of Qualifying Community Development Entity (CDE) \_\_\_\_\_

Address of Qualifying Community Development Entity \_\_\_\_\_

FEIN or SSN of Qualifying Community Development Entity \_\_\_\_\_

Qualified Equity Investment Date \_\_\_\_\_

1. Alabama Department of Commerce Credit Certification Amount or Pro Rata share from Schedule K-1 .....	1 ●	
2. Enter Tax Due from Schedule NTC, line 11 .....	2	
3. Credit Allowable. Enter lessor of line 1 and 2. Enter this amount on Schedule NTC, line 12 .....	3 ●	



Alabama Department of Revenue  
**Alabama Renewal Act Credit**

NAME(S) AS SHOWN ON TAX RETURN \_\_\_\_\_

PRIMARY SOCIAL SECURITY NO. \_\_\_\_\_

SPOUSE SOCIAL SECURITY NO. \_\_\_\_\_

**Part I – Alabama Renewal Act – Port Credit**

Company Name \_\_\_\_\_

Company Address \_\_\_\_\_

Department of Commerce Qualifying Project Number \_\_\_\_\_

FEIN or SSN of Qualifying Project \_\_\_\_\_

- 1. Port Credit amount certified or Pro Rata share from Schedule K-1.....
- 2. Enter Tax Due from Schedule NTC, line 19.....
- 3. Enter the lessor of line 1 or line 2. Enter this amount on Schedule NTC, line 20.....
- 4. Amount of Port Credit carryforward. Subtract line 3 from line 1.....  
If equal to zero, you have no remaining credit carryforward.

1	●	
2		
3	●	
4		

**Part II – Reserved for Future Use**

**Part III – Alabama Renewal Act – Growing Alabama Credit**

Name of Local Economic Development Organization (LEDO) \_\_\_\_\_

Address of Local Economic Development Organization \_\_\_\_\_

- 1. Amount(s) contributed to above organization this year.....
- 2. Enter amount from Schedule NTC, line 21.....
- 3. Multiply line 2 by 50% (.50) and enter amount here.....
- 4. CREDIT ALLOWABLE: Enter the lessor of line 1 or line 3.  
Enter here and on Schedule NTC, line 22.....
- 5. Amount of Growing Alabama Credit carryforward. Subtract line 4 from line 1.....  
If equal to zero, you have no remaining credit carryforward.

1	●	
2		
3		
4	●	
5		

**Part IV – Reserved for Future Use**

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



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

**2016**  
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>		
----------	--	--

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

<b>6</b>		
----------	--	--

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

<b>7</b>		
----------	--	--

**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>		
----------	--	--

**3** Maximum Rural Physician Credit.....

<b>3</b>	\$5,000	00
----------	---------	----

**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 – Full Employment Act of 2011 Credit.** *Owners of qualified employers that are entities taxed under subchapters S or K of the Internal Revenue Code will report their pro rata share of credit on line 6 below.*

**1** Number of full time employees on 12-31-2015.....

<b>1</b>		
----------	--	--

**2** Number of full time employees on 12-31-2014.....

<b>2</b>		
----------	--	--

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

<b>3</b>		
----------	--	--

**4** Number of qualifying new employees from line 3 that completed their first 12 months service in 2016.....

<b>4</b>		
----------	--	--

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

**6** Pro rata share of credit from Schedule K-1..... **6**

FEIN of entity \_\_\_\_\_ (If credit from more than one entity, attach schedule.)

**7 CREDIT ALLOWABLE.** Enter line 5 or pro rata share of credit from line 6, if applicable ..... **7** ●

**PART G – Heroes for Hire Tax Credit Act.** *For owners of qualified employers that are entities taxed under subchapters S or K of the Internal Revenue Code, skip Lines 1 and 2 and report your pro rata share of credit on line 3 below.*

**Employee Credit**

**1** Number of recently deployed unemployed veterans included in line 4, Part F.....

<b>1</b>		
----------	--	--

**2** Multiply line 1 by \$1,000.00..... **2**

**3** Pro rata share of credit from Schedule K-1..... **3**

FEIN of entity \_\_\_\_\_ (If credit from more than one entity, attach schedule.)

**4 CREDIT ALLOWABLE.** Enter line 2 or pro rata share of credit from line 3, if applicable ..... **4** ●

**PART H – Heroes for Hire Tax Credit Act.** *For owners of qualified employers that are entities taxed under subchapters S or K of the Internal Revenue Code skip Lines 1 through 4 and report your pro rata share of credit on line 5 below.*

**Business Start-up Expenses Credit**

**1** Name and business ID number.....

**2** Enter total amount of business start-up expenses.....

<b>2</b>		
----------	--	--

**3** Maximum credit.....

<b>3</b>	\$2,000	00
----------	---------	----

**4** Enter the lesser of line 2 or line 3..... **4**

**5** Pro rata share of credit from Schedule K-1..... **5**

FEIN of entity \_\_\_\_\_ (If credit from more than one entity, attach schedule.)

**6 CREDIT ALLOWABLE.** Enter line 4 or pro rata share of credit from line 5, if applicable ..... **6** ●



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

Your social security number

**PART I – Irrigation/Reservoir System Credit — This is a one-time, one purchase credit taken the year the system is placed in service. Any remaining credit not utilized in the year placed in service may be carried forward for up to 5 years. In order to receive the Irrigation/Reservoir System credit, please attach supporting documentation to verify the purchase, installation and/or conversion costs. If the certification is not attached, no credit will be allowed.**

1	Purchase cost and installation costs of irrigation system		
2	Conversion costs to convert from fuel to electricity		
3	Add lines 1 and 2		
4	Multiply line 3 by 20% (.20)		
5	Cost of constructing reservoir		
6	Multiply line 5 by 20% (.20)		
7	Enter the amount from line 4 or line 6, but not both		
8	Credit Limit	\$10,000	00
9	Enter the lesser of line 7 or line 8		
10	Pro rata share of credit from Schedule-K-1 FEIN of entity _____		

11 **MAXIMUM CREDIT ALLOWABLE:** Line 9 or pro rata share of credit from line 10, if applicable

11 ●

**PART J – 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 **CREDIT ALLOWABLE.** Enter the lesser of line 6, line 8 or line 9

10 ●

**PART K – Neighborhood Infrastructure Incentive Plan Credit**

**Note:** Do not include condominium, homeowner's or neighborhood homeowner association fees paid.

1	Local Neighborhood Infrastructure Authority District Name and Address	_____	
2	FEIN	_____	
3	Local Neighborhood Infrastructure Authority District Charter Number	_____	
4	Date of original assessment	_____	
5	Were you assessed by the Neighborhood Infrastructure Authority District between January 1, 2012 and December 31, 2015? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes" is selected, please complete lines 6 through 9 below. If "No" is selected, no credit is allowable.		
6	Enter amount of voluntary assessment paid	6	
7	Multiply line 6 by 10% (.10)	7	
8	Maximum Allowable Credit	8	\$1,000 00

9 **CREDIT ALLOWABLE.** Enter the lesser of line 7 or line 8

9 ●

**PART L – 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, Part F, line 7, Part G, line 4, Part H, line 6, Part I, line 11, Part J, line 10 and Part K, line 9. Enter the total here and on Schedule NTC, line 4.

1 ●







(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:** If you are operating under a Federal Employer Identification Number, 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:		Yes	No
	A	B	A	B
A .....				
B .....				
C .....				

• 14 days, or  
• 10% of the total days rented at fair rental value?

Income:	Properties			Totals	
	A	B	C	(Add Columns A, B, and 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				00

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

(g) Name and Address	(h) Check One			(i) Employer Identification Number	(j) Amount
	Partnership	Estate or Trust	S Corporation		
.....					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..... ▶				<b>24</b>	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..... ▶				<b>25</b>	00



**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 2016 <i>See instructions.</i>	1		
2 Disallowed investment interest expense from 2015 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 2017.</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 2015.

**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

<b>1</b> Enter the tax as shown on line 56, Form 1040, line 37 on Form 1040A, line 10 on Form 1040EZ or line 53 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 66a, Form 1040, line 42a on Form 1040A or line 8a on Form 1040EZ. ....	<b>4a</b>		
<b>b Additional child tax credit.</b> Enter the amount from line 67, Form 1040, line 43 on Form 1040A, or line 64 on Form 1040NR .....	<b>4b</b>		
<b>c American Opportunity Credit.</b> Enter the amount from line 68, Form 1040 or line 44 on Form 1040A. ....	<b>4c</b>		
<b>d Credits from Forms 2439.</b> Enter the amount from line 73, Form 1040 or line 69 on Form 1040NR .....	<b>4d</b>		
<b>5</b> Add lines 4a, b, c and d .....	<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>		



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



**2016**  
ADOR

Alabama Department of Revenue  
**Wages, Salaries, Tips, etc.**

*Form must be completed fully 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 SOCIAL SECURITY NO. \_\_\_\_\_

SPOUSE SOCIAL SECURITY NO. \_\_\_\_\_

A	B	C	D	E	F	G	H	I	J	
Employee's Social Security Number on W-2	Employer's Identification Number (EIN)	Statutory Employee	Schedule C/C-EZ Filed?	State Code	Alabama Employer's State ID Number	Alabama State Income Tax Withheld	Federal Wages (Box 1 of Form W-2)	Alabama State Wages (Box 16 of Form W-2)	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 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. . . . .					●	●	●	●	