FORM **40** Alabama **2009**

Individual Income Tax Return

RESIDENTS & PART-YEAR RESIDENTS

Reset | Print | Calculate

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

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

-In order to receive your refund via Direct Deposit, you must print the form with the 2-D barcode. Any returns submitted without the 2-D Barcode will be processed manually and a paper check will be sent.

For the year Jan. 1 - Dec. 31, 2009, 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 is outside U.S. Foreign Country

▶ **CHECK BOX IF AMENDED RETURN** ● ☐

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
5	Wages, salaries, tips, etc. *(list each employer and address separately)*:				
a		5a	● 00	5a	00
b		5b	● 00	5b	00
c		5c	● 00	5c	00
d		5d	● 00	5d	00
6	Interest and dividend income *(also attach Schedule B if over $1,500)*	Go To Schedule B		6	● 00
7	Other income *(from page 2, Part I, line 9)*	Go to Page 2, Part I		7	● 00
8	**Total income.** Add amounts in the income column for line 5a through line 7			8	● 00
9	Total adjustments to income *(from page 2, Part II, line 10)*	Go To Page 2, Part II		9	● 00
10	**Adjusted gross income.** Subtract line 9 from line 8			10	● 00

Deductions

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.

11	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** SCH A ☐ b **Standard Deduction**	Box a or b **MUST** be checked	11	● 00	
12	Federal tax deduction *(see instructions)*. Go To Federal Income Tax Deduction Worksheet **DO NOT ENTER THE FEDERAL TAX WITHHELD FROM YOUR FORM W-2(S)**		12	● 00	
13	Personal exemption *(from line 1, 2, 3, or 4)*		13	● 00	
14	Dependent exemption *(from page 2, Part III, line 2)*	GO TO PAGE 2, PART III	14	● 00	
15	**Total deductions.** Add lines 11, 12, 13, and 14			15	● 00

Tax

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

16	**Taxable income.** Subtract line 15 from line 10	16	● 00
17	**Income Tax due.** Enter amount from tax table or check if from ● ☐ Form NOL-85A	17	● 00
18	Less **credits** from: ● ☐ Schedule CR and/or ● ☐ Schedule OC SCH OC	18	● 00
19a	**Net tax due Alabama.** Subtract line 18 from line 17	19a	● 00
b	Consumer Use Tax (use worksheet on page 9)	19b	● 00
20	**Alabama Election Campaign Fund.** You may make a voluntary contribution to the following:		
a	Alabama Democratic Party ☐ $1 ☐ $2 ☐ none	20a	● 00
b	Alabama Republican Party ☐ $1 ☐ $2 ☐ none	20b	● 00
21	**Total tax liability and voluntary contribution.** Add lines 19a, 19b, 20a, and 20b	21	● 00

Payments

22	**Alabama income tax withheld** *(from Forms W-2, W-2G, and/or 1099)*	22	● 00		
23	2009 estimated tax payments/Automatic Extension Payment	23	● 00		
24	Amended Returns Only — Previous payments *(see instructions)*	24	● 00		
25	**Total payments.** Add lines 22, 23 and 24			25	● 00
26	Amended Returns Only — Previous refund *(see instructions)*			26	●
27	**Adjusted Total Payments.** Subtract line 26 from line 25			27	● 00

AMOUNT YOU OWE

28	If line 21 is larger than line 27, subtract line 27 from line 21, and enter **AMOUNT YOU OWE.** Place payment, along with Form 40V, loose in the mailing envelope. **(FORM 40V MUST ACCOMPANY PAYMENT.)**			28	● 00
29	Estimated tax penalty. Also include on line 28 *(see instructions page 11)*	29	● 00		

OVERPAID

30	If line 27 is larger than line 21, subtract line 21 from line 27, and enter amount **OVERPAID**			30	● 00
31	Amount of line 30 to be applied to your **2010 estimated tax**	31	● 00		

Donations

32	**Total** Donation Check-offs from Schedule DC, line 2 SCH DC	32	● 00

REFUND

33	**REFUNDED TO YOU. (CAUTION:** You must **sign** this return on the reverse side.) Subtract lines 31 and 32 from line 30. For Direct Deposit, check here ● ☐ and complete Part V, Page 2	33	● 00

ADOR

PART I — Other Income (See page 12)

1	Alimony received	1 ●	00
2	Business income or (loss) *(attach Federal Schedule C or C-EZ) (see instructions)*	2 ●	00
3	Gain or (loss) from sale of Real Estate, Stocks, Bonds, etc. *(attach Schedule D)* GO TO SCHEDULE D	3 ●	00
4a	Total IRA distributions 4a ● 00 — **4b** Taxable amount *(see instructions)*	4b ●	00
5a	Total pensions and annuities 5a ● 00 — **5b** Taxable amount *(see instructions)*	5b ●	00
6	Rents, royalties, partnerships, estates, trusts, etc. *(attach Schedule E)* GO TO SCHEDULE E	6 ●	00
7	Farm income or *(loss) (attach Federal Schedule F)*	7 ●	00
8	Other income *(state nature and source — see instructions)*	8 ●	00
9	**Total other income.** Add lines 1 through 8. Enter here and also on page 1, line 7 — Return to Page 1	9 ●	00

PART II — Adjustments to Income (See page 15)

1a	Your IRA deduction	1a ●	00
b	Spouse's IRA deduction	1b ●	00
2	Payments to a Keogh retirement plan and self-employment SEP deduction	2 ●	00
3	Penalty on early withdrawal of savings	3 ●	00
4	Alimony paid. Recipient's last name ____ Social security no. ● ____	4 ●	00
5	Adoption expenses	5 ●	00
6	Moving Expenses (Attach Federal Form 3903) to City ____ State ____ ZIP ____	6 ●	00
7	Self-employed health insurance deduction	7 ●	00
8	Payments to Alabama PACT Program or Alabama College Education Savings Program	8 ●	00
9	Health insurance deduction for small employer employee *(see instructions)*	9 ●	00
10	**Total adjustments.** Add lines 1 through 9. Enter here and also on page 1, line 9 — Return to Page 1	10 ●	00

PART III — Dependents

Do not include yourself or your spouse

(See page 15)

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?
		●		
		●		
		●		
		●		

b Total number of dependents claimed above ● ☐

2 **Amount allowed.** *(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 — Return to Page 1 | 2 ● | 00

PART IV — General Information

All Taxpayers Must Complete This Section.

(See page 15)

1 **Residency** *Check only one box* ▶ ● ☐ Full Year ● ☐ Part Year From ____ 2009 through ____ 2009.

2 Did you file an Alabama income tax return for the year 2008? ☐ 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 2009 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 ● 00
Source ____ Amount ● 00

6 Do you have income included in this return from a grantor trust? ☐ Yes ☐ No

PART V — Direct Deposit

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

Sign Here In Black Ink

Keep a copy of this return for your records.

● ☐ 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

Paid Preparer's Use Only

▶ Preparer's signature	Date	Check if self-employed ☐	Preparer's SSN or PTIN ●
▶ Firm's name (or yours if self-employed) and address	Daytime telephone no. ( )	E.I. No.	ZIP Code

WHERE TO FILE FORM 40

If an addressed envelope came with your return, please use it and follow the instructions on the envelope. If you do not have one, mail your return to one of the addresses below.

If you are not making a payment, mail your return to:
Alabama Department of Revenue
P. O. Box 154
Montgomery, AL 36135-0001

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

Mail **only** your 2009 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, P.O. Box 327464, Montgomery, AL 36132-7464.

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

ALABAMA DEPARTMENT OF REVENUE
Schedule A–Itemized Deductions 2009

(**Schedules B, CR** and **DC** are on back page)

ATTACH TO FORM 40 — SEE INSTRUCTIONS FOR SCHEDULE A

Reset Schedule A

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

The itemized deductions you may claim for the year 2009 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.

Medical and Dental Expenses (See page 17)		***CAUTION:*** *Do not include expenses reimbursed or paid by others.*				
	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
Taxes You Paid (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
Interest You Paid (See page 18)	10a	Home mortgage interest and points reported to you on Federal Form 1098.	10a	00		
	b	Home mortgage interest not reported to you on Federal Form 1098. (If paid to an individual, show that person's name and address.) ▶	10b	00		
NOTE: *Personal interest is not deductible.*	11	Qualified mortgage insurance premiums.	11	00		
	12	Points not reported to you on Form 1098.	12	00		
	13	Investment interest. (Attach Form 4952A.) GoTo Form 4952A	13	00		
	14	Add the amounts on lines 10a through 13. Enter the total here.			14 ●	00
Gifts to Charity (See page 18)		***CAUTION:*** *If you made a charitable contribution and received a benefit in return, see page 18.*				
	15	Contributions by cash or check.	15	00		
	16	Other than cash or check. (You **MUST** attach Federal Form 8283 if over $500.)	16	00		
	17	Carryover from prior year.	17	00		
	18	Add the amounts on lines 15 through 17. Enter the total here.			18 ●	00
Casualty and Theft Loss (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
Job Expenses and Most Other Miscellaneous Deductions (See page 19)	20	Unreimbursed employee expenses — job travel, union dues, job education, etc. (You **MUST** 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
Other Miscellaneous Deductions	25	Other (from list on page 20 of instructions). List type and amount. ▶			25 ●	00
Qualified Long-Term Care Ins. Premiums		***CAUTION:*** *Do not include medical premiums.*				
	26	Enter amount here.			26 ●	00
Total Itemized Deductions	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. Return to Page 1			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.*

Reset Schedule B

	List Payers and Amounts		A Exempt Interest			B Taxable Interest and Dividends	
1 INTEREST		1		00	1		00
				00			00
				00			00
				00			00
				00			00
				00			00
				00			00
				00			00
				00			00
2 DIVIDENDS					2		00
							00
							00
							00
							00
							00
							00
							00
							00
3	**TOTAL TAXABLE INTEREST AND DIVIDENDS** Enter here and on Form 40, page 1, line 6 . . . . . . Return to Page 1 ●				3		00

SCHEDULE CR – Credit For Taxes Paid To Other States

Reset Schedule CR

See instructions on page 21.

PLEASE NOTE: You may need to fill out the worksheet on page 21 before completing this schedule. This credit will **NOT** be allowed unless you file a nonresident income tax return with the other state **and attach** a copy of that 2009 return to your Alabama return.

1	2009 taxable income as shown on the ____________ (name of state) state return.	1		00	If more than one “other” state use Schedule CR worksheet. If using the worksheet, line 5 (below) will equal worksheet Part 5, line 21.
2	Tax due the other state using Alabama tax rates.	2		00	
3	Tax due the other state as shown on that state's return or Form W-2G.	3		00	
4	Tax due Alabama from Form 40, page 1, line 17.	4		00	
5	**CREDIT ALLOWABLE.** Enter the amount from line 2, 3, 4, or the amount from the worksheet on page 21 of the booklet, whichever is smallest. If you have no other credits, enter amount from line 5 to Form 40, page 1, line 18. If you have other credits, enter the amount from line 5 to Schedule OC, Part A, line 1, and complete.	Check this box if using the Schedule CR Worksheet ☐ ●	5		00

SCHEDULE DC – Donation Check-Offs

Reset Schedule DC

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

a	Senior Services Trust Fund.	●	00	j	Neighbors Helping Neighbors		00
b	Alabama Arts Development Fund.	●	00	k	Alabama Breast & Cervical Cancer Program		00
c	Alabama Nongame Wildlife Fund.	●	00	l	Alabama 4-H Club		00
d	Child Abuse Trust Fund	●	00	m	Alabama Organ Center Donor Awareness Fund		00
e	Alabama Veterans Program	●	00	n	Alabama National Guard Foundation Incorporated		00
f	Alabama Indian Children's Scholarship Fund. . . .	●	00	o	Cancer Research Institute		00
g	Penny Trust Fund	●	00	p	Alabama Alternative Fuels Fund		00
h	Foster Care Trust Fund	●	00	q	Alabama Military Support Foundation		00
i	Mental Health.	●	00				

Return to Page 1

2 **Total Donations.** Add lines 1a, b, c, d, e, f, g, h, i, j, k, l, m, n, o, p, and q. Enter here and on Form 40, page 1, line 32. . . . . ● ______ 00

SCHEDULES
D&E
(FORM 40)

ALABAMA DEPARTMENT OF REVENUE

Schedule D – Net Profit or Loss 2009

(**Schedule E** is on back)

ATTACH TO FORM 40 — SEE INSTRUCTIONS FOR SCHEDULES D AND E

Name(s) as shown on Form 40

Reset Schedule D

Your social security number

Net Profit or Loss From Sale of Real Estate, Stocks, Bonds, etc.

(a) Kind of Property	(b) Date Acquired	(c) Date Sold	(d) Amount Received	(e) Depreciation Allowable Since Acquisition	(f) Cost or Other Basis	(g) Subsequent Improvements	(h) Net Profit or (Loss) (Cols. d & e less Cols. f & g)	
								00
								00
								00
								00
								00
								00
								00
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								00
								00
								00
								00
								00
								00
								00

Check here if you have more than one Schedule D ☐

1 **TOTAL NET PROFIT OR (LOSS).** Enter here and on Form 40, page 2, Part I, line 3. . . . . Return to Page 2 ▶ 1 _____ 00

SCHEDULE **E** (FORM 40)

Supplemental Income and Loss 2009

(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****.*

Reset Schedule E

1 Show the kind and location of each **Rental Real Estate Property:**	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		A		
B		B		
C		C		

		Properties A		Properties B		Properties C		Totals (Add Columns A, B, and C)		
Income:										
3 Rents received	3		00		00		00	3		00
4 Royalties received	4		00		00		00	4		00
Expenses:										
5 Advertising	5		00		00		00			
6 Auto and travel	6		00		00		00			
7 Cleaning and maintenance	7		00		00		00			
8 Commissions	8		00		00		00			
9 Insurance	9		00		00		00			
10 Legal and other professional fees	10		00		00		00			
11 Management fees	11		00		00		00			
12 Mortgage interest	12		00		00		00	12		00
13 Other interest	13		00		00		00			
14 Repairs	14		00		00		00			
15 Supplies	15		00		00		00			
16 Taxes	16		00		00		00			
17 Utilities	17		00		00		00			
18 Other (list) ▶	18		00		00		00			
			00		00		00			
			00		00		00			
			00		00		00			
			00		00		00			
19 Add lines 5 through 18	19		00		00		00	19		00
20 Depreciation expense or depletion	20		00		00		00	20		00
21 Total expenses. Add lines 19 and 20	21		00		00		00			
22 Income or (loss). Subtract line 21 from line 3 (rents) or line 4 (royalties)	22		00		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: Partnership	Estate or Trust	S Corporation	(i) Employer Identification Number	(j) Amount	
						00
						00
						00
						00

24 TOTAL INCOME FROM PARTNERSHIPS, S CORPORATIONS, ESTATES, AND TRUSTS. Add the amounts in column (j). Enter the total here and include on line 25 below. ▶ 24 ______ 00

Check here if you have more than one Schedule E ☐ | Return to Page 2 (Single Schedule E)

25 TOTAL INCOME OR (LOSS). Combine lines 23 and 24. Enter the total here and on Form 40, page 2, Part I, line 6. ▶ 25 ______ 00

SCHEDULE
OC
(FORM 40 OR 40NR)

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

2009

Name(s) as shown on Form 40 or 40NR | Reset Schedule OC | 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 5 . . . . . 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 Total maximum credit available. Multiply line 5 by 20% (.20)	6		
7 Tax due Alabama from Form 40, page 1, line 17, or Form 40NR, page 1, line 19a	7		
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 Maximum Rural Physician Credit	3	$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 – 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	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 •		
5 Total all credits other than Capital Credit. Add 4a, 4b, 4c, 4d, and 4e	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 – 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. 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). . . . . . Return to Page 1 . . . 1 •

SCHEDULE
CR
WORKSHEET

2009

ALABAMA DEPARTMENT OF REVENUE
Schedule CR Worksheet

Reset CR Wksheet

Name(s) as shown on Form 40	Your 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 2009 taxable income as shown on the ____________ (name of state) state return. . . .	1		00
2 Tax due the other state using Alabama tax rates.	2		00
3 Tax due the other state as shown on that state's return or Form W-2G.	3		00
4 Tax due Alabama from Form 40, page 1, line 17.	4		00
5 CREDIT ALLOWABLE. Enter the amount from line 2, 3, 4, or the amount from the worksheet on page 21 of the booklet, whichever is smallest.	5		00

PART 2

6 2009 taxable income as shown on the ____________ (name of state) state return. . . .	6		00
7 Tax due the other state using Alabama tax rates.	7		00
8 Tax due the other state as shown on that state's return or Form W-2G.	8		00
9 Tax due Alabama from Form 40, page 1, line 17	9		00
10 CREDIT ALLOWABLE. Enter the amount from line 7, 8, 9, or the amount from the worksheet on page 21 of the booklet, whichever is smallest.	10		00

PART 3

11 2009 taxable income as shown on the ____________ (name of state) state return. . . .	11		00
12 Tax due the other state using Alabama tax rates.	12		00
13 Tax due the other state as shown on that state's return or Form W-2G.	13		00
14 Tax due Alabama from Form 40, page 1, line 17	14		00
15 CREDIT ALLOWABLE. Enter the amount from line 12, 13, 14, or the amount from the worksheet on page 21 of the booklet, whichever is smallest.	15		00

PART 4

16 2009 taxable income as shown on the ____________ (name of state) state return. . . .	16		00
17 Tax due the other state using Alabama tax rates.	17		00
18 Tax due the other state as shown on that state's return or Form W-2G.	18		00
19 Tax due Alabama from Form 40, page 1, line 17	19		00
20 CREDIT ALLOWABLE. Enter the amount from line 17, 18, 19, or the amount from the worksheet on page 21 of the booklet, whichever is smallest.	20		00

PART 5 Total of Parts 1, 2, 3 and 4

21 Total credit – add lines 5, 10, 15 and 20 from Parts 1-4 – enter here.. . . . . . . Return to Schedule CR	21		00

If you have no other credits, enter amount from Part 5 line 21 on Schedule CR line 5 and Form 40, page 1, line 18. If you have other credits, enter the amount from Part 5 line 1 on Schedule OC, Part A, line 1.

FORM

4952A

ATTACH TO YOUR TAX RETURN

ALABAMA DEPARTMENT OF REVENUE

Investment Interest Expense Deduction

2009

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

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

Reset Form 4592A

1	Interest expense on investment debts paid or accrued in 2009. See instructions.	1	
2	Disallowed investment interest expense from 2008 Form 4952A, line 5.	2	
3	Total investment interest expense. Add lines 1 and 2.	3	
4	**Net investment income.** See instructions.	4	
5	**Disallowed investment interest expense to be carried forward to 2010.** 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. See instructions. . . . . . . Return to Schedule A ▶	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 2008.

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

1	Enter the tax as shown on line 55, Form 1040, line 37 on Form 1040A, line 11 on Form 1040EZ or line 57 on Form 1040NR			1
2a	**Making work pay and government retiree credits.** Enter the amount from line 63, Form 1040, line 40 on Form 1040A, line 8 on Form 1040EZ or line 60 on Form 1040NR. .	2a		
2b	**Earned income credit (EIC).** Enter the amount from line 64a, Form 1040, line 41a on Form 1040A or line 9a on Form 1040EZ	2b		
2c	**Additional child tax credit.** Enter the amount from line 65, Form 1040, line 42 on Form 1040A, or line 61 on Form 1040NR	2c		
2d	**Refundable education credit.** Enter the amount from line 66, Form 1040 or line 43 on Form 1040A	2d		
2e	**First-time homebuyer credit.** Enter the amount from line 67, Form 1040	2e		
2f	**Credits from Forms 2439, 4136, 8801, 8885.** Enter the amount from line 70, Form 1040 or line 64 on Form 1040NR	2f		
3	Add lines 2a, b, c, d, e and f			3
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.**			4

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