

(1) For tax years beginning after December 31, 1997, no deduction shall be allowed for any losses, expenses, or interest deferred or disallowed pursuant to 26 U.S.C. §267. For interpretation of federal statutes adopted by the Alabama Legislature, see Rule 810-3-1.1-.01, Operating Rules.

(2) For tax years beginning after December 31, 1986, no expenses shall be allowed for any cost required to be capitalized in accordance with 26 U.S.C. §263A.

(3) An individual who is a part-year resident of Alabama may deduct expenses allowed by §40-18-15, Code of Ala. 1975, only to the extent that the expenses were paid during the period the taxpayer was a resident of Alabama. If a deduction was paid for the entire year, such as interest or taxes, and the amount actually paid while a resident cannot be determined, the taxpayer may prorate the deductible amount based on the number of months of Alabama residency.

(4) Double deductions are not permitted. Amounts deducted under one provision of this title cannot be deducted under another title.

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