

FORM  
**40NR** Alabama **2019**  
 Individual Income Tax Return  
 NONRESIDENTS ONLY



Your social security number  
 Check if primary is deceased  
 Primary's deceased date (mm/dd/yy)

Spouse's SSN if joint return  
 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)

City, town or post office

State ZIP code

Check if address is 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). Complete Schedule HOF.

		A - Alabama Tax Withheld	B - All Sources	C - Alabama Income
5	Wages, salaries, tips, etc. (From Schedule W-2, line 18, columns G, H, and I.) (Include spouse's income if married filing joint.)	5	5	5
6	Other income (from page 2, Part I, line 9)	6	6	6
7	<b>Total income.</b> Add amounts in col. B then add amounts in col. C, lines 5 and 6	7	7	7
8	Adjustments to income (from page 2, Part II, line 7)	8	8	8
9	<b>Adjusted total income.</b> Subtract line 8 from line 7	9	9	9
10	Alabama percentage of adjusted total income. Divide line 9, col. C, by line 9, col. B (not over 100%)			10 %
11	Other Adjustments (from page 2, Part III, line 4 and line 6)	11	11	11
12	<b>Adjusted Gross Income.</b> Subtract line 11 from line 9	12	12	12

**Deductions**

13 Check appropriate box. If you itemize, enter amount from Schedule A, line 29.  
 a **Itemized Deductions**  b **Standard Deduction**

14 Federal Income Tax deduction (from page 2, Part IV, line 7)

15 Personal exemption (multiply line 1, 2, 3, or 4 by percentage on line 10)

16 Dependent exemption (from page 2, Part V, line 4)

17 **Total deductions.** Add lines 13, 14, 15, and 16

**Tax**

18 **Taxable income.** Subtract line 17 from line 12, column C

19 **Tax due.** Enter amount from tax table or check if from  Form NOL-85A

20 **Net tax due Alabama.** Check box if computing tax using Schedule NTC , otherwise enter amount from line 19

**Payments**

21 **Alabama Income Tax withheld** (from column A, line 5)

22 2019 estimated tax payments/Automatic Extension Payment

23 Composite tax payments (from page 2, Part VI, line 7)

24 Amended Returns Only - Previous payments (see instructions)

25 **Refundable Credits.** Enter the amount from the Schedule RC, line 4

26 **Total payments.** Add lines 21 through 25

27 Amended Returns Only - Previous refund (see instructions)

28 **Adjusted total payments.** Subtract line 27 from line 26

**AMOUNT YOU OWE**

29 If line 20 is larger than line 28, subtract line 28 from line 20, and enter **AMOUNT YOU OWE.** Place payment, along with Form 40V, loose in the mailing envelope. (FORM 40V MUST ACCOMPANY PAYMENT.)

30 Estimated tax penalty. Also include on line 29 (see instructions page 11)

**OVERPAID**

31 If line 28 is larger than line 20, subtract line 20 from line 28 and enter amount **OVERPAID**

32 Amount of line 31 to be applied to your **2020 estimated tax**

**REFUND** 33 **REFUNDED TO YOU.** Subtract line 32 from line 31

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  Preparer's SSN or PTIN \_\_\_\_\_ E.I. Number \_\_\_\_\_  
 Firms Name (or yours if self employed) \_\_\_\_\_ Daytime Telephone No. \_\_\_\_\_ ZIP Code \_\_\_\_\_  
 Address \_\_\_\_\_



		B – All Sources	C – Alabama Income
<b>PART I</b>	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 ●
	<b>Other</b>	5 ●	5 ●
	<b>Income</b>	6 ●	6 ●
	(See page 12)	7 ●	7 ●
	8 Other income (state nature and source) .....	8 ●	8 ●
	9 <b>Total other income.</b> Add lines 1-8, column B, and lines 1, 4-8, column C. Enter here and also on page 1, line 6 .....	9 ●	9 ●

<b>PART II</b>	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) .....		
	Place of new employment: .....	3 ●	3 ●
	4 Self-employed health insurance deduction .....	4 ●	4 ●
	5 Payments to Alabama College Counts 529 Fund or Alabama PACT program .....	5 ●	5 ●
	6 Contributions to a health savings account.....	6 ●	6 ●
7 <b>Adjustments to income.</b> Add lines 1-6, Column B, and lines 1, 3 through 6, Column C. Enter here and also on page 1, line 8, columns B and C. ....	7 ●	7 ●	

<b>PART III</b>	1 Alimony Paid .....	1 ●	
	2 Adoption Expenses .....	2 ●	
	3 Health insurance deduction for small employer employee .....	3 ●	
	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 ●	

		B – Federal Adjusted Gross Income	C – Alabama Federal Tax Deduction Computation
<b>PART IV</b>	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.		
	1 Your joint federal adjusted gross income .....	1 ●	
	2 Your federal adjusted gross income .....	2 ●	
	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 ●	

<b>PART V</b>	1 Total number of dependents from Schedule DS, line 1b. ....	1 ●	
	2 Multiply total number of dependents claimed on line 1 by the amount on the dependent chart on page 9 of instructions.....	2 ●	
	3 Enter percentage from page 1, line 10 of your return .....	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 2019 \_\_\_\_\_

2 Did you file a return with that state for 2019?  Yes  No If no, state reason why: \_\_\_\_\_

3 If married, did your spouse receive a separate income for 2019?  Yes  No If yes, is your spouse filing a separate Alabama return?  Yes  No  
If yes, enter name here. \_\_\_\_\_

4 Did you file an Alabama return for 2018? ●  Yes ●  No If no, state reason why: \_\_\_\_\_

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

6 Enter the Adjusted Gross Income reported on your 2019 **Federal** Individual Income Tax Return ..... 6 ●

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.

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) ● _____

**SCHEDULES  
A, B, D, & E**  
(FORM 40NR)



(Schedules B, D, and E are on back)

ATTACH TO FORM 40NR — SEE INSTRUCTIONS FOR SCHEDULE A

Name(s) as shown on Form 40NR	Your social security number
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The itemized deductions you may claim for the year 2019 are similar to the itemized deductions claimed on your Federal return; however, the amounts may differ. Please see instructions before completing this schedule.

<b>Medical and Dental Expenses</b> (See page 17)	<b>CAUTION: Do not include expenses reimbursed or paid by others.</b> 1 Medical and dental expenses. . . . .	1		00			
	2 Enter amount from Form 40NR, line 12, col. B. . . . .	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 17)	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 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			
<i>NOTE: Personal interest is not deductible.</i>	11 Points not reported to you on Form 1098. . . . .	11		00			
	12 Investment interest. (Attach Form 4952A) . . . . .	12		00			
	13 Add the amounts on lines 10a through 12. Enter the total here. . . . .				13	●	00
<b>Gifts to Charity</b> (See page 18)	<b>CAUTION: If you made a charitable contribution and received a benefit in return, see page 17.</b>						
	14 Contributions by cash or check. . . . .	14		00			
	15 Other than cash or check. (You <b>MUST</b> attach Federal Form 8283 if over \$500.) . . . . .	15		00			
	16 Carryover from prior year. . . . .	16		00			
	17 Add the amounts on lines 14 through 16. Enter the total here. . . . .				17	●	00
<b>Qualified Long-Term Care</b>	<b>CAUTION: Do not include medical insurance premiums.</b>						
	18 Enter Amount . . . . .				18	●	00
<b>Miscellaneous Deductions</b> (See page 19)	19 List type and amount. (See instructions.) ▶ _____ _____				19	●	00
<b>Proration of Above Amounts</b> (See page 19)	20 Total itemized deductions to be prorated. (Add lines 4, 9, 13, 17, 18, and 19.) . . . . .	20			20	●	00
	21 Enter percentage (%) from Form 40NR, page 1, line 10. . . . .	21		%	21	●	
	22 Multiply line 20 by the percentage on line 21. . . . .	22			00	22	●
<b>Alabama Casualty and Theft Losses</b>	23a Enter the amount from Federal Form 4684, line 16, attach copy. (See page 19.) . . . . .	23a		00			
	b Enter 10% of your Adjusted Gross Income. (Form 40NR, line 12, column C) . . . . .	23b		00			
	c Subtract line 23b from line 23a. If zero or less, enter -0-. . . . .					23c	●
<b>Alabama Job Related Expenses</b> (See page 19)  <i>You may ONLY deduct expenses associated with your Alabama income.</i>	24 Unreimbursed employee expenses — job travel, union dues, job education, etc. (You <b>MUST</b> attach Federal Form 2106 if required. See instructions.) ▶ _____	24		00			
	25 Other expenses (investment, tax preparation, safe deposit box, etc.). List type and amount. ▶ _____	25		00			
	26 Add the amounts on lines 24 and 25. Enter the total here. . . . .	26		00			
	27 Multiply the amount on Form 40NR, line 12, column C by 2% (.02). Enter the result here. . . . .	27			00		
	28 Subtract line 27 from line 26. Enter the result. If zero or less, enter -0-. . . . .					28	●
<b>Total Itemized Deductions</b>	29 Add the amounts on lines 22, 23c, and 28. Enter the total here. Then enter on Form 40NR, page 1, line 13 and check 13a, Itemized Deductions. . . . .				29	●	00



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 <b>TOTAL TAXABLE INCOME FROM INTEREST AND DIVIDENDS.</b> Subtract line 3 from line 1. Enter here and also on Form 40NR, page 2, Part I, line 1, column B and C. . . . . ▶</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20px;">1</td><td style="width: 50px;"></td><td style="width: 20px;">00</td></tr> <tr><td>2a</td><td></td><td>00</td></tr> <tr><td>2b</td><td></td><td>00</td></tr> <tr><td>2c</td><td></td><td>00</td></tr> <tr><td>2d</td><td></td><td>00</td></tr> <tr><td>3</td><td></td><td>00</td></tr> </table>	1		00	2a		00	2b		00	2c		00	2d		00	3		00		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">B Adjusted Gross Income from All Sources</th> <th style="width: 50%;">C Adjusted Gross Income Earned in Alabama</th> </tr> <tr><td style="height: 100px;"></td><td style="height: 100px;"></td></tr> <tr> <td style="text-align: center;">00</td> <td style="text-align: center;">00</td> </tr> </table>	B Adjusted Gross Income from All Sources	C Adjusted Gross Income Earned in Alabama			00	00
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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 <b>not</b> 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;"> <thead> <tr> <th style="width: 25%;">a Kind of Property &amp; Location</th> <th style="width: 10%;">b Date Acquired</th> <th style="width: 10%;">c Amount Received</th> <th style="width: 10%;">d Depreciation Allowable Since Acquisition</th> <th style="width: 10%;">e Cost or Other Basis</th> <th style="width: 10%;">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 <b>TOTAL GAIN OR (LOSS) FROM SALE OF REAL ESTATE, STOCKS, BONDS, ETC.</b> Add the amounts on lines 1 and 4. Enter here and on Form 40NR, page 2, Part I, line 5, 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																									<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20px;">1</td><td style="width: 50px;"></td><td style="width: 20px;">00</td></tr> <tr><td>4</td><td></td><td>00</td></tr> <tr><td>5</td><td></td><td>00</td></tr> </table>	1		00	4		00	5		00		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">B</th> <th style="width: 50%;">C</th> </tr> <tr><td style="height: 100px;"></td><td style="height: 100px;"></td></tr> <tr> <td style="text-align: center;">00</td> <td style="text-align: center;">00</td> </tr> </table>	B	C			00	00
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**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;"> <thead> <tr> <th style="width: 30%;">a Kind of Property &amp; Location</th> <th style="width: 10%;">b Amount of Rent or Royalty</th> <th style="width: 10%;">c Depreciation or Depletion (attach schedule)</th> <th style="width: 10%;">d Repairs (attach itemized list)</th> <th style="width: 10%;">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 <b>TOTAL INCOME FROM RENTS AND ROYALTIES.</b> 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)																					<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20px;">1</td><td style="width: 50px;"></td><td style="width: 20px;">00</td></tr> <tr><td>4</td><td></td><td>00</td></tr> <tr><td>5</td><td></td><td>00</td></tr> </table>	1		00	4		00	5		00		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">B</th> <th style="width: 50%;">C</th> </tr> <tr><td style="height: 100px;"></td><td style="height: 100px;"></td></tr> <tr> <td style="text-align: center;">00</td> <td style="text-align: center;">00</td> </tr> </table>	B	C			00	00
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**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 2019. 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;"> <thead> <tr> <th style="width: 40%;">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: 10%;">S Corporation</th> <th style="width: 10%;">Employer Identification Number</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> <p>7 <b>TOTAL INCOME OR (LOSS) FROM PARTNERSHIPS, S CORPORATIONS, ESTATES, AND TRUSTS.</b> 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																			<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20px;">6a</td><td style="width: 50px;"></td><td style="width: 20px;">00</td></tr> <tr><td>6b</td><td></td><td>00</td></tr> <tr><td>6c</td><td></td><td>00</td></tr> <tr><td>7</td><td></td><td>00</td></tr> </table>	6a		00	6b		00	6c		00	7		00		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">B</th> <th style="width: 50%;">C</th> </tr> <tr><td style="height: 100px;"></td><td style="height: 100px;"></td></tr> <tr> <td style="text-align: center;">00</td> <td style="text-align: center;">00</td> </tr> </table>	B	C			00	00
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**PART III – Summary**

<p>8 <b>TOTAL INCOME OR (LOSS).</b> Combine the amounts on lines 5 and 7, columns B and C. Enter here and on Form 40NR, page 2, Part I, line 6, columns B and C. . . . . ▶</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20px;">8</td><td style="width: 50px;"></td><td style="width: 20px;">00</td></tr> </table>	8		00		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">B</th> <th style="width: 50%;">C</th> </tr> <tr><td style="height: 100px;"></td><td style="height: 100px;"></td></tr> <tr> <td style="text-align: center;">00</td> <td style="text-align: center;">00</td> </tr> </table>	B	C			00	00
8		00										
B	C											
00	00											

**SCHEDULE  
DS & HOF 2019**  
( Form 40 or 40NR )



Alabama Department of Revenue  
Dependents Schedule

NAME(S) as shown on tax return

PRIMARY SOCIAL SECURITY NUMBER

SPOUSE SOCIAL SECURITY NUMBER

**Schedule DS – Dependents Schedule**

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.

**1a Dependents.** Do Not include yourself or your spouse. (See Instructions)

First Name	Last Name	Dependent's Social Security Number	Dependent's Relationship to you	Did you provide more than one-half dependent's support?
		•		
		•		
		•		
		•		
		•		
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		•		
		•		
		•		
		•		
		•		
		•		
		•		
		•		
		•		

**1b** Total number of dependents claimed above. Enter total here and on Form 40, Page 2, Part III, line 1 or Form 40NR, Page 2, Part V, line 1 .....

**1b**•



**SCHEDULE  
DS & HOF 2019**  
( Form 40 or 40NR )



**PAGE 2**

NAME(S) as shown on tax return (Do not enter name and social security number if shown on other side)

PRIMARY SOCIAL SECURITY NUMBER \_\_\_\_\_

SPOUSE SOCIAL SECURITY NUMBER \_\_\_\_\_

**Schedule HOF – Head of Family Schedule**

**Complete the following information:**

Enter the dependent/qualifying person's name here: \_\_\_\_\_

Dependents/qualifying person's Social Security Number: \_\_\_\_\_

What is the dependent's/qualifying person's relationship to you: \_\_\_\_\_

Do you rent or own the home maintained for the dependent/qualifying person? .....  Rent  Own

Are you married, divorced or legally separated? .....  Yes  No

*If you answered yes, please provide the following information:*

Date of Marriage? \_\_\_\_\_

Date of Divorce? \_\_\_\_\_

Date of Legal Separation? \_\_\_\_\_

Did the dependent(s)/ qualifying person(s) reside with you in your home? .....  Yes  No

Did you pay more than 50% of the dependent(s)/ qualifying person(s) support? .....  Yes  No



**SCHEDULE**  
**NTC& RC 2019**  
 ( Form 40 or 40NR )



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	1	
2	Enter amount from Schedule CR, line 32	2	
3	Subtract line 2 from line 1	3	•
4	Enter credit from Schedule OC, Part J, line 1	4	
5	Subtract line 4 from line 3	5	•
6	Enter Irrigation/Reservoir System Credit from Schedule IRC, Part II, line 20	6	
7	Subtract line 6 from line 5	7	•
8	Enter School Transfer Credit amount from Schedule AATC, Part I, line 39	8	
9	Subtract line 8 from line 7	9	•
10	Enter Contribution to Scholarship Granting Organization Credit amount from Schedule AATC, Part III, line 20	10	
11	Subtract line 10 from line 9	11	•
12	Enter Adoption Credit from Schedule AAC, Part II, line 5	12	
13	Subtract line 12 from line 11	13	•
14	Enter Historic Tax Rehabilitation Credit of 2013 from Schedule HTC, Part II, line 40	14	
15	Subtract line 14 from line 13	15	•
16	Enter Career Technical Dual Enrollment Credit from Schedule DEC, Part II, line 20	16	
17	Subtract line 16 from line 15	17	•
18	Enter Alabama Jobs Act Investment Credit from Schedule AJA, Part II, line 20	18	
19	Subtract line 18 from line 17	19	•
20	Enter Alabama Renewal Act – Port Credit from Schedule ARA, Part II, line 20	20	
21	Subtract line 20 from line 19	21	•
22	Enter Alabama Renewal Act – Growing Alabama Credit from Schedule ARA, Part IV, line 20	22	
23	Subtract line 22 from line 21	23	•
24	Enter Apprenticeship Tax Credit from Schedule ATC, Part II, line 5	24	
25	Subtract line 24 from line 23	25	•
26	Enter Small Business and Agribusiness Jobs Credit from Schedule SBA, Part III, line 20	26	
27	Subtract line 26 from line 25	27	•
28	Enter Historic Tax Rehabilitation Credit of 2017 from Schedule HTC, Part III, line 4	28	
29	Subtract line 28 from line 27	29	•

**CAPITAL CREDIT – You must attach Form KRCC and Schedule KRCC-I to your Alabama return.**

**30a** Enter your Project Number assigned by the Alabama Department of Revenue • \_\_\_\_\_

**30b** Name of project entity entitled to the Capital Credit \_\_\_\_\_

**30c** Enter Capital Credit allowable from Schedule KRCC-I, Part III, line 5.  
 FEIN of Entity • \_\_\_\_\_

**31** Net tax due Alabama. Subtract line 30c from line 29. If amount less than zero, enter zero.  
 Enter amount on Form 40, Page 1, line 18 or Form 40NR, Page 1, line 20

30c	•	
31	•	



SCHEDULE  
**NTC& RC 2019**  
 ( Form 40 or 40NR )



PAGE 2

NAME(s) as shown on tax return (Do not enter name and social security number if shown on other side)

YOUR SOCIAL SECURITY NUMBER

**Schedule RC – Refundable Credit**

1 Refundable portion of Alabama Accountability Act of 2013 Credit (Schedule AATC, Page 1, line 40) . . . . .	1 ●		
2 Refundable portion of Adoption Credit (Schedule AAC, Part 2, line 6) . . . . .	2 ●		
3 Refundable portion of Historic Tax Rehabilitation Act of 2017 Credit (Schedule HTC, Page 2, Part 3, line 5) . . . . .	3 ●		
4 <b>Total Refundable Credit.</b> Add lines 1 through 3. Enter this amount here and on Page 1, line 25 of your return (Form 40 or Form 40NR) . . . . .	4 ●		

ADOR



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

Your social security number

**PART A – 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		

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

**PART B – 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 .....

2		
3		\$5,000 00

4 **CREDIT ALLOWABLE.** Enter the amount from line 2 or 3, whichever is smaller ..... 4 ●

**PART C – Coal Credit**

1 **CREDIT ALLOWABLE.** ..... 1 ●

**PART D – 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 E – 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.**

Were you in business with 50 or fewer full and/or part-time employees on June 9, 2011?  Yes  No If "No", you do not qualify for this credit.

1 Number of full time employees on 12-31-2018 ..... 1

2 Number of full time employees on 12-31-2017 ..... 2

3 Subtract line 2 from line 1. If less than or equal to zero, STOP! You do not qualify for credit. .... 3

4 Number of qualifying new employees from line 3 that completed their first 12 months service in 2019 ..... 4

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.** Add line 5 and line 6. .... 7 ●

**PART F – Veterans Employment 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 unemployed veterans included in Part E, line 4 or Schedule SBA, Part II, line 6 ..... 1

2 Multiply line 1 by \$2,000.00 ..... 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.** Add line 2 and line 3. .... 4 ●

**PART G – Veterans Employment 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.**

Did this business start up after April 2, 2012?  Yes  No If "No", you do not qualify for this credit.

**Business Start-up Expenses Credit**

1 Name and business ID number \_\_\_\_\_

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

3 Maximum credit..... 3

2		
3		\$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.** Add line 4 and line 5. .... 6 ●



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

Your social security number

**PART H – 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 I – 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?  Yes  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 J – Summary**

**1 TOTAL CREDITS ALLOWABLE.** Add Part A, line 8, Part B, line 4, Part C, line 1, Part D, line 1, Part E, line 7, Part F, line 4, Part G, line 6, Part H, line 10, and Part I, line 9. Enter the total here and on Schedule NTC, line 4 ..... **1 ●**



Alabama Department of Revenue  
**Irrigation/Reservoir System Credit**

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

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

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

**In order to receive the Irrigation/Reservoir System Credit, please attach Alabama Department of Agriculture and Industries Certificate to verify the purchase, installation and/or conversion costs. If the certification is not attached, no credit will be allowed.**

**PART I – Current/Initial Year Irrigation/Reservoir System Credit**

**Irrigation or Reservoir System Credits are limited to one system purchase per taxpayer.**

A. Name and address of trade or business claiming credit \_\_\_\_\_

B. NAICS Code of trade or business \_\_\_\_\_

C. Did you file a Schedule F for this year?  Yes  No

D. Alabama Department of Agriculture and Industries Certificate Number • \_\_\_\_\_

E. Type of Credit

Select either the purchase or conversion of irrigation system checkbox or the construction of reservoir checkbox. You cannot select both. However, the pro-rata share of credit checkbox can be selected in addition to either.

- Purchase or conversion of irrigation system. Complete lines 1 through 6 and 11 through 14 below. Skip lines 7 and 10.
- Construction of reservoir. Skip lines 1 through 6 and complete lines 7 through 14 below.
- Pro-rata share of credit from Subchapter S or K. Complete lines 12 through 14 below.

1. Purchase cost and installation costs of irrigation system .....	1 •		
2. Conversion costs to convert from fuel to electricity .....	2 •		
3. Add lines 1 and 2 .....	3 •		
4. Multiply line 3 by 20% (.20) not to exceed \$10,000 .....	4 •		
5. Multiply line 3 by 10% (.10) not to exceed \$50,000 .....	5 •		
6. Enter the greater of line 4 or line 5 .....	6 •		
7. Cost of qualified reservoir construction .....	7 •		
8. Multiply line 7 by 20% (.20) not to exceed \$10,000 .....	8 •		
9. Multiply line 7 by 10% (.10) not to exceed \$50,000 .....	9 •		
10. Enter the greater of line 8 or line 9 .....	10 •		
11. Enter the amount from either line 6 or line 10, but not both .....	11 •		
12. Pro rata share of credit from Schedule K-1 .....	12 •		
FEIN of entity • _____			
13. <b>Maximum credit allowable.</b> Add line 11 and line 12 .....	13 •		
14. Enter Tax Due from Schedule NTC, line 5 .....	14		

**PART II – Application of Irrigation/Reservoir System Credit**

**Do you have an Irrigation/Reservoir System 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 below.

1. Enter carryforward amount from prior tax year (• _____) .....	1 •		
2. Enter amount from Part I, line 14 .....	2		
3. Amount of credit applied. Enter the 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 •		



Schedule IRC  
2019



NAME(S) AS SHOWN ON TAX RETURN

PRIMARY SOCIAL SECURITY NO.

SPOUSE SOCIAL SECURITY NO.

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 I, line 13 .....	16	
17. Enter amount from line 14. If no carryforward credits, enter amount from Part I, line 14 .....	17	
18. Amount of credit applied. Enter the 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 6 .....	20 ●	

*\*Unused Irrigation/Reservoir System Credit may be carried forward for a maximum of five years.*

ADOR



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

NAME OF CERTIFICATE HOLDER

FEIN OR SOCIAL SECURITY NUMBER OF CERTIFICATE HOLDER

**PART I – Historic Tax Rehabilitation Credit of 2013 – For project numbers prior to 2018. See Part III for 2018 and forward project numbers.**

**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 allowed.**

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	
1a	•	•	•	
1b	•	•	•	
1c	•	•	•	

  

2. Total Credit – Add lines 1a, 1b and 1c. ....	2	•	
3. Enter Tax Due from Schedule NTC, line 13. ....	3		
4. Pro rata share of credit from Schedule K-1, if applicable FEIN of entity • _____	4	•	
5. Current Credit Available. Add line 2 and line 4. ....	5	•	

**PART II – Application of Historic Tax Rehabilitation Credit of 2013**

**Do you have a Historic Tax Rehabilitation Credit carryforward from a prior year?** •  Yes •  No

*If "Yes", complete the section below as needed. If "No", skip lines 1 through 35 and complete lines 36 through 40.*

1. Project number • _____		
2. Date placed in service • _____		
3. Enter carryforward amount from prior tax year (• _____) .....	3	•
4. Enter amount from Part I, line 3 .....	4	
5. Amount of credit applied. Enter lesser of line 3 or line 4 .....	5	•
6. Unused tax liability limitation. Subtract line 5 from line 4 .....	6	•
7. Carryforward amount. Subtract line 5 from line 3 .....	7	•
8. Project number • _____		
9. Date placed in service • _____		
10. Enter carryforward amount from prior tax year (• _____) .....	10	•
11. Enter amount from line 6 .....	11	
12. Amount of credit applied. Enter lesser of line 10 or line 11 .....	12	•
13. Unused tax liability limitation. Subtract line 12 from line 11 .....	13	•
14. Carryforward amount. Subtract line 12 from line 10 .....	14	•
15. Project number • _____		
16. Date placed in service • _____		
17. Enter carryforward amount from prior tax year (• _____) .....	17	•
18. Enter amount from line 13 .....	18	
19. Amount of credit applied. Enter lesser of line 17 or line 18 .....	19	•
20. Unused tax liability limitation. Subtract line 19 from line 18 .....	20	•
21. Carryforward amount. Subtract line 19 from line 17 .....	21	•



22. Project number • \_\_\_\_\_

23. Date placed in service • \_\_\_\_\_

24. Enter carryforward amount from prior tax year (• _____) .....	24 •	
25. Enter amount from line 20 .....	25	
26. Amount of credit applied. Enter lesser of line 24 or line 25.....	26 •	
27. Unused tax liability limitation. Subtract line 26 from line 25 .....	27 •	
28. Carryforward amount. Subtract line 26 from line 24 .....	28 •	

29. Project number • \_\_\_\_\_

30. Date placed in service • \_\_\_\_\_

31. Enter carryforward amount from prior tax year (• _____) .....	31 •	
32. Enter amount from line 27 .....	32	
33. Amount of credit applied. Enter lesser of line 31 or line 32.....	33 •	
34. Unused tax liability limitation. Subtract line 33 from line 32.....	34 •	
35. Carryforward amount. Subtract line 33 from line 31 .....	35 •	

36. Enter amount from Part I, line 5 .....

37. Enter amount from line 34. If no carryforward credits, enter amount from Part I, line 3 .....

38. Amount of credit applied. Enter lesser of line 36 or line 37.....	38 •	
39. Carryforward amount. Subtract line 38 from line 36 .....	39 •	
40. Total credit(s) applied. Add line 5, line 12, line 19, line 26, line 33, and line 38. Enter here and on Schedule NTC, line 14 .....	40 •	

*\*Unused Historic Rehabilitation Credit may be carried forward for a maximum of ten years.*

**PART III – Refundable Historic Tax Rehabilitation Credit of 2017 – For project numbers beginning with 2018 and forward.**

**A copy of the Tax Credit Certificate or Transfer Tax Credit Certificate must be attached to the return. 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
1a •			
1b •			
1c •			

2. Total Credit – Add lines 1a, 1b and 1c.....	2 •	
3. Enter Tax Due from Schedule NTC, line 27.....	3	
4. Enter the lesser of line 2 or line 3. Enter amount here and on Schedule NTC, line 28.....	4 •	
5. Refundable Amount. Subtract line 4 from line 2. Enter amount here and on Schedule RC, line 3.....	5 •	



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

NAME(S) AS SHOWN ON TAX RETURN

PRIMARY SOCIAL SECURITY NO.

SPOUSE SOCIAL SECURITY NO.

**PART I – Current Year Career Technical Dual Enrollment Credit**

**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 . . . . .	7 ●		
FEIN of entity ● _____ .			
8. <b>Current Credit Available.</b> Add line 6 and line 7 . . . . .	8 ●		

**PART II – Application of Career Technical Dual Enrollment Credit**

**Do you have a Career Technical Dual Enrollment 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 I, line 4 . . . . .	2		
3. Amount of credit applied. Enter the 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 I, line 8 . . . . .	16		
17. Enter amount from line 14. If no carryforward credits, enter amount from Part I, line 4 . . . . .	17 ●		
18. Amount of credit applied. Enter the 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 16 . . . . .	20 ●		

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



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

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

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

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

**PART I – Current Year Alabama Jobs Act Investment Credit**

**If business entity is a sole proprietor, a copy of the certification must be attached, otherwise, no credit will be allowed. If business entity is a Subchapter S or K, skip line 1 and indicate your annual allocated amount on line 2.**

Approved Company Name • \_\_\_\_\_

FEIN or SSN of Approved Company • \_\_\_\_\_

Project Number • \_\_\_\_\_

Enter Tax Year Annual Investment Tax Credit Certificate was granted • \_\_\_\_\_

1. Investment Credit amount from Annual Investment Tax Credit Certificate.....	1	•		
2. Allocated share of credit from Schedule-K-1..... FEIN of entity • _____	2	•		
3. <b>Maximum credit allowable.</b> Add line 1 and line 2.....	3	•		
4. Enter Tax Due from Schedule NTC, line 17.....	4	•		

**PART II – Application of Alabama Jobs Act Investment Credit**

**Do you have an Alabama Jobs Act Investment 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 I, line 4 .....	2	•		
3. Amount of credit applied. Enter the 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 tax year (• _____) .....	11	•		
12. Enter amount from line 9 .....	12	•		
13. Amount of credit applied. Enter 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 I, line 3 .....	16	•		
17. Enter amount from line 14. If no carryforward credits, enter amount from Part I, line 4 .....	17	•		
18. Amount of credit applied. Enter the 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, and line 13 and 18. Enter here and on Schedule NTC, line 18 .....	20	•		

*\*Any unused Alabama Jobs Act Investment Credits may be carried forward for a maximum of 5 years.*



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 – In order to receive credit, please attach a copy of your Certification of Port Credit from the Alabama Department of Commerce.**

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

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

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

1. Port Credit amount certified .....	1 ●		
2. Pro Rata share from Schedule K-1 .....	2 ●		
FEIN of entity ● _____ (If credit from more than one entity, attach schedule.)			
3. Total Credit Available. Add line 1 and line 2 .....	3 ●		
4. Enter Tax Due from Schedule NTC, line 19 .....	4		

**PART II – Application of Alabama Renewal Act – Port Credit Carryforward**

**Do you have an Alabama Renewal Act – Port 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 I, line 4 .....	2		
3. Amount of credit applied. Enter the 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 I, line 3 .....	16 ●		
17. Enter amount from line 14. If no carryforward credits, enter amount from Part I, line 4 .....	17		
18. Amount of credit applied. Enter the 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 20 .....	20 ●		

*\*Unused Alabama Renewal Act – Port Credit may be carried forward for a maximum of five years.*



NAME(S) AS SHOWN ON TAX RETURN

PRIMARY SOCIAL SECURITY NO.

SPOUSE SOCIAL SECURITY NO.

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

Name of Economic Development Organization • \_\_\_\_\_

Address of Economic Development Organization • \_\_\_\_\_

1. Amount(s) contributed to above organization this year .....	1 •		
2. Enter amount from Schedule NTC, line 21 .....	2		
3. Multiply line 2 by 50% (.50) and enter amount here .....	3 •		

**PART IV – Application of Alabama Renewal Act – Growing Alabama Credit**

**Do you have a Growing Alabama 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 III, line 3 .....	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 current credit amount from Part III, line 1 .....	16 •		
17. Enter amount from line 14. If no carryforward credits, enter amount from Part III, line 3 .....	17		
18. Amount of credit applied. Enter the 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 22 .....	20 •		

*\*Unused Alabama Renewal Act – Growing Alabama Credit may be carried forward for a maximum of five years.*



SCHEDULE  
**ATC**



**2019**

Alabama Department of Revenue  
**Apprenticeship Tax Credit**

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

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

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

**PART I – Apprenticeship Employer Information**

**If business entity is a sole proprietor, a copy of the Alabama Apprenticeship Tax Credit Certificate must be attached to this return, otherwise, no credit will be allowed. If business is a Subchapter S or K, skip Part I and indicate your pro-rata share of credit on Part II, line 2.**

Apprenticeship Employer Name • \_\_\_\_\_

Apprenticeship Employer Address • \_\_\_\_\_

Apprenticeship Employer FEIN or SSN • \_\_\_\_\_

Rapids Sponsor ID • \_\_\_\_\_

**PART II – Calculation of Apprenticeship Tax Credit**

1. Credit from 2019 Alabama Apprenticeship Tax Credit Certificate .....	1 •		
2. Pro rata share of credit from Schedule K-1 if applicable ..... FEIN of entity • _____ (if credit from more than one entity, attach schedule)	2 •		
3. Credit available. Add line 1 and line 2 .....	3 •		
4. Enter tax due from Schedule NTC, line 23 .....	4		
5. Credit allowable. Enter the lesser of line 3 or line 4. Enter this amount on line 24 of Schedule NTC .....	5 •		

**ADOR**



Alabama Department of Revenue  
**Small Business and Agribusiness Jobs Credit**

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

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

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

**You cannot take this credit if you have already claimed the Full Employment Act of 2011 Credit for new employees on Schedule OC, Part E. If you have a pro-rata share of credit from Subchapter S or K, skip Part I. Complete Part II, lines 8 through 10 and Part III.**

**PART I – Small Business Employer Information**

Alabama Small Business Employer Name \_\_\_\_\_

Alabama Small Business Employer Address \_\_\_\_\_

Alabama Small Business Employer FEIN or SSN \_\_\_\_\_

Is your headquarters or principal place of business located in Alabama?  Yes  No

Is your entity formed, organized or qualified to do business in Alabama?  Yes  No

Did you have 75 or fewer full-time and part-time employees, not including new employees that credit is being claimed, during the tax year?  Yes  No

*If you checked "No" to any of the questions above, you do not qualify for this credit.*

**PART II – Current Year Small Business and Agribusiness Jobs Credit**

1. Number of full time Alabama employees on 12-31-2019 . . . . .	1 •		
2. <b>Number of full time Alabama employees on 07-24-2016</b> . . . . .	2 •		
3. Net employee growth. Subtract line 2 from line 1. If less than zero, STOP! You do not have a credit . . . . .	3 •		
4. Number of qualifying new employees on line 3 for whom you claimed a credit for in prior tax year(s) . . . . .	4 •		
5. Subtract line 4 from line 3 . . . . .	5 •		
6. Number of qualifying new full time employees on line 5 that completed their first 12 months service in 2019. <i>This amount cannot be greater than line 5</i> . . . . .	6 •		
7. Multiply line 6 by \$1,500.00 . . . . .	7 •		
8. Pro rata share of credit from Schedule K-1 . . . . . FEIN of entity • _____ <i>(If credit from more than one entity, attach schedule.)</i>	8 •		
9. <b>CREDIT ALLOWABLE.</b> Add line 7 and line 8 . . . . .	9 •		
10. Enter Tax Due from Schedule NTC, line 25 . . . . .	10		



**PART III – Application of Small Business and Agribusiness Jobs Credit**

Do you have a Small Business and Agribusiness Jobs 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 10. ....	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 9 .....	16	
17. Enter amount from line 14. If no carryforward credits, enter amount from Part II, line 10 .....	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 26 .....	20 ●	

\*Unused Small Business and Agribusiness Jobs Credit may be carried forward for a maximum of three years.

**SCHEDULE  
AATC 2019**



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		4,154	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		4,154	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		4,154	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		4,154	00
35	●		
36	●		

- 37 Enter amount from Schedule NTC, line 7 .....
- 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 8. ....
- 40 **Refundable amount.** Subtract line 39 from line 38. Enter amount here and on Schedule RC, line 1 .....

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	<input type="checkbox"/>			
4 Enter amount from Schedule NTC, line 9 .....				4	
5 Multiply line 4 by 50% (.50) .....				5	<input type="checkbox"/>
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	<input type="checkbox"/>

**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	<input type="checkbox"/>			
2 Enter amount from Part II, line 5. ....	2				
3 Amount of credit applied. Enter lesser of line 1 or line 2 .....	3	<input type="checkbox"/>			
4 Unused tax liability limitation. Subtract line 3 from line 2 .....				4	<input type="checkbox"/>
5 Carryforward amount. Subtract line 3 from line 1 .....				5	<input type="checkbox"/>
6 Enter carryforward amount from prior tax year (• _____) .....	6	<input type="checkbox"/>			
7 Enter amount from line 4. ....	7				
8 Amount of credit applied. Enter the lesser of line 6 or line 7 .....	8	<input type="checkbox"/>			
9 Unused tax liability limitation. Subtract line 8 from line 7 .....				9	<input type="checkbox"/>
10 Carryforward amount. Subtract line 8 from line 6 .....	10	<input type="checkbox"/>			
11 Enter carryforward amount from prior tax year (• _____) .....	11	<input type="checkbox"/>			
12 Enter amount from line 9. ....	12				
13 Amount of credit applied. Enter the lesser of line 11 or line 12 .....	13	<input type="checkbox"/>			
14 Unused tax liability limitation. Subtract line 13 from line 12 .....				14	<input type="checkbox"/>
15 Carryforward amount. Subtract line 13 from line 11 .....	15	<input type="checkbox"/>			
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	<input type="checkbox"/>			
18 Amount of credit applied. Enter lesser of line 16 or line 17 .....	18	<input type="checkbox"/>			
19 Carryforward amount. Subtract line 18 from line 16 .....	19	<input type="checkbox"/>			
20 Total credit(s) applied. Add line 3, line 8, line 13, and line 18. Enter here and on Schedule NTC, line 10 .....	20	<input type="checkbox"/>			

\*Unused Scholarship Contribution Credit may be carried forward for a maximum of three years.



SCHEDULE

AAC 2019



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/children”

- 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 .....	1	●		
2	Allowable credit per child .....	2		\$1,000	00
3	Multiply line 1 by line 2 .....	3	●		
4	Enter amount from Schedule NTC, line 11 .....	4			
5	Enter the lesser of line 3 or line 4. Enter amount here and on Schedule NTC, line 12 .....	5	●		
6	<b>Refundable Amount.</b> Subtract line 5 from line 3. Enter amount here and on Schedule RC, line 2 .....	6	●		



Alabama Department of Revenue  
**Recipient's Share Of Capital Credit For  
Individual Taxpayers**

For tax year beginning ● \_\_\_\_\_, 20\_\_\_\_\_, and ending ● \_\_\_\_\_, 20\_\_\_\_\_.

**PART I - RECIPIENT INFORMATION**

Recipient's Name: ● \_\_\_\_\_ Social Security Number: ● \_\_\_\_\_

**PART II - PROJECT INFORMATION**

	Project 1	Project 2	Project 3
Project Number . . . . .	●	●	●
Project's Placed in Service Date. . .	●	●	●
Project Entity Name . . . . .	●	●	●
Distributing Entity Name. . . . .	●	●	●
Distributing Entity FEIN . . . . .	●	●	●

**PART III - CAPITAL CREDIT CALCULATION**

	Project 1	Project 2	Project 3
1. Recipient's share of project income in Alabama (Form K-RCC, Part III, line 3) . . . . .	1 ●	●	●
2. Recipient's Alabama tax liability generated by project income (See Part IV below for allocation method). . . . .	2 ●	●	●
3. Recipient's share of capital credit available for this tax year (Form K-RCC, Part III, line 5) . . . . .	3 ●	●	●
4. Capital credit eligible to be applied to recipient's tax liability (enter lesser of line 2 and line 3) . . . . .	4 ●	●	●
5. Total Capital credit eligible to be applied to recipient's tax liability. Total line 4 for all projects. Enter this amount here and on Schedule NTC line 30c . . . . .	5 ●		

**PART IV - ALLOCATION METHOD SCHEDULE - COMPLETE ONLY IF ALLOCATION METHOD IS USED**

	Project 1	Project 2	Project 3
1. Recipient's share of project income in Alabama (from Part III, line 1 above) . . . . .	1		
2. Recipient's adjusted gross income (from recipient's Alabama income tax return). . . . .	2 ●	●	●
3. Allocation percentage (divide line 1 by line 2) If line 1 is greater than line 2, enter 100% . . . . .	3 ●	% ●	% ●
4. Recipient's tax liability (from recipient's Alabama income tax return) . . . . .	4 ●	●	●
5. Tax liability generated by project income (multiply line 4 by line 3) Enter this amount on Part III, line 2 above . . . . .	5 ●	●	●

**INSTRUCTIONS**

This schedule is used to calculate the recipient's tax liability generated from the qualifying project. Schedule KRCC-I and a copy of Form K-RCC (as received from the distributing entity) for each project must be attached to the income tax return. If recipient is using the allocation method to determine the Alabama tax liability generated by project income, complete Part IV. If using the with/without method, see instructions below.

**Step 1** – If the with/without method is chosen, you must complete two federal income tax returns through the tax liability line. The return to be filed with the Internal Revenue Service should include the income from the project operations. A second return must be completed through the tax liability line but should not include the project income in Alabama. Any deductions limited by the amount of adjusted gross income must also be adjusted in the second return before computing the tax liability. The federal income tax deduction related to the project income in Alabama is the difference in the amount shown on the return to be filed and the second return.

**Step 2** – Once you have completed the federal returns, you must complete two Alabama income tax returns through the tax liability line. The return to be filed with the Alabama Department of Revenue should include the income from the project operations. A second return must be completed through the tax liability line but should not include the project income in Alabama. Any deductions limited by the amount of adjusted gross income must also be adjusted in the second return before computing the tax liability. The applicable federal income tax deduction should be indicated from the federal returns completed in Step 1. The Alabama tax liability generated by the project income in Alabama is the difference in the amount shown on the return to be filed and the second return. The second returns should be maintained for audit purposes and are not to be filed with the first return.



Loss Year Ending \_\_\_\_\_

Alabama Department of Revenue • \_\_\_\_\_

# Computation of Net Operating Loss

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

Your Social Security Number

**PURPOSE OF SCHEDULE.** Form NOL-85 is designed to determine the actual **net operating loss** sustained in the loss year that may be carried back or carried forward. Before preparing this form, the loss year return **must** first be completed through the taxable income line. See instructions on the reverse side for further information.

## PART I – Excess of Nonbusiness Deductions Over Nonbusiness Income

### NONBUSINESS DEDUCTIONS:

1(a) Federal income tax claimed as a deduction on the loss year return. . . . .			1a	
(b) Loss on sale of nonbusiness assets. . . . .			1b	
(c) Payments to Individual Retirement Arrangement (IRA), Keogh retirement plan, or SEP plan . . . . .			1c	
(d) Penalty on early withdrawal of savings (Form 40 only) . . . . .			1d	
(e) Alimony paid . . . . .			1e	
(f) Adoption expenses . . . . .			1f	
(g) Self employed health insurance deduction from Page 2, Part II of Form 40 or 40NR . . . . .			1g	
(h) Other (explain) _____			1h	
2(a) Enter the <b>Standard Deduction</b> claimed on return. (Skip lines 2b, 3a-b, 4, and 5) . . . . .			2a	•

(b) Enter the **Total Itemized Deductions** claimed on Schedule A. . . . . **2b** •

### LESS BUSINESS DEDUCTIONS:

3(a) Casualty or theft loss claimed on Schedule A . . . . .	<b>3a</b>		
(b) Other miscellaneous business deductions . . . . .	<b>3b</b>		

4 Total Adjustments to Schedule A. Add lines 3a and 3b. . . . . **4**

5 **TOTAL NONBUSINESS ITEMIZED DEDUCTIONS.** Subtract line 4 from line 2b . . . . . **5**

6 **TOTAL NONBUSINESS DEDUCTIONS.** Add lines 1a through 2a and 5 . . . . . **6**

### NONBUSINESS INCOME:

7(a) Interest and Dividend Income (Form 40 only) . . . . .	<b>7a</b>		
(b) Gain on sale of nonbusiness assets . . . . .	<b>7b</b>		
(c) Federal income tax refunds reported on loss year return (Form 40 only) . . . . .	<b>7c</b>		
(d) Taxable distributions from pensions, annuities, IRAs or other retirement plans (Form 40 only) . . . . .	<b>7d</b>		
(e) Alimony received (Form 40 only) . . . . .	<b>7e</b>		
(f) Trust and/or Estate income from Schedule E . . . . .	<b>7f</b>		

(g) Other (explain) \_\_\_\_\_  
On line 7(g) include items such as director's fees, royalty income, gambling income, prizes, awards, etc. . . . . **7g**

8 **TOTAL NONBUSINESS INCOME.** Add lines 7a through 7g . . . . . **8**

9 **EXCESS NONBUSINESS DEDUCTIONS OVER NONBUSINESS INCOME.** If line 6 exceeds line 8, subtract line 8 from line 6. Enter the result here and on line 5, Part II below. If line 8 exceeds line 6, enter -0- here and also on line 5, Part II below. . . . . **9**



**PART II – Computation of Net Operating Loss**

1	Enter the <b>Taxable Income</b> from Form 40 or Form 40NR .....	▶	1	• (		)
<b>Modifications – (enter all amounts on lines 2 through 6 below as positive amounts)</b>						
2	Net Operating Loss claimed on the loss year return (if any) .....		2			
3	Personal exemption claimed on the loss year return .....		3	•		
4	Dependent exemption claimed on the loss year return .....		4	•		
5	Enter the Excess Nonbusiness Deductions Over Nonbusiness Income from line 9, Part I above .....		5			
6	<b>TOTAL MODIFICATIONS.</b> Add lines 2, 3, 4, and 5. ....		6			
7	<b>NET-OPERATING LOSS ALLOWABLE.</b> Combine lines 1 and 6. If the result is a negative figure, enter here. If zero or a positive figure – <b>STOP – DO NOT FILE THIS FORM.</b> You <b>DO NOT</b> have a net operating loss .....	▶	7	•		

**PART III – Election to Forfeit Carryback Provision (CAUTION – Do Not Complete Part III If You Are Carrying Loss Back)**

If the amount on line 7, Part II above is a negative figure, you may elect to carry this loss forward or it must be carried back 2 years (3 years prior to January 1, 1998) and any unused portion may then be carried forward to succeeding years (see instructions). See Part III instructions for election to forfeit carryback provision.

By checking the box, I hereby elect to forfeit the carryback provision and instead elect to carryforward any allowable net operating loss for this taxable year. .... •



Alabama Department of Revenue

For Year Ending

APPLICATION OF  
**Net Operating Loss**  
Carryback or Carryforward

• \_\_\_\_\_, \_\_\_\_\_  
(Enter year to which loss is being carried)

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

Your Social Security Number

**PURPOSE OF SCHEDULE.** Form NOL-85A is designed to apply a net operating loss to the tax year to which the loss is being carried. Before Form NOL-85A can be completed, you **must** first complete Form NOL-85 to determine the amount of net operating loss that may be carried back or forward. See instructions on the reverse side for further information.

- 1(a) Enter the tax year during which the net operating loss was incurred. Beginning • \_\_\_\_\_, \_\_\_\_\_ Ending • \_\_\_\_\_, \_\_\_\_\_
- (b) Did you elect on Form NOL-85 to forfeit the election to carry this loss back? . . . . .  Yes  No
- (c) Did you timely file the subsequent year's return and claim the net operating loss thereon? . . . . .  Yes  No

**PART I – Computation**

2	Enter the net operating loss as shown on line 7, Part II, Form NOL-85, or as shown on line 7, Form NOL-85A. (See instructions) . . . . . ▶	2	
3	Enter the taxable income as shown on Form 40, Form 40NR, or Form 40X for the tax year to which the loss is being carried . . . . .	3	
<b>MODIFICATIONS</b>			
4(a)	<b>Personal Exemption.</b> Enter the amount of personal exemption claimed on the return to which the loss is being carried . . . . .	4a	
4(b)	<b>Dependent Exemption.</b> Enter the amount of dependent exemption claimed on the return to which the loss is being carried . . . . .	4b	
5	<b>TOTAL MODIFICATIONS.</b> Add lines 4(a) and 4(b) . . . . .	5	
6	<b>MODIFIED TAXABLE INCOME.</b> Add lines 3 and 5. If negative enter zero. . . . .	6	
7	<b>UNUSED NET OPERATING LOSS.</b> If line 2 exceeds line 6, subtract line 6 from line 2. Enter difference here and enter zero (0) on the tax due line of Form 40 or Form 40NR. <b>DO NOT</b> complete Part II below. The amount on line 7 may be carried forward to the next applicable year (Form NOL-85A, line 2). If line 6 exceeds line 2, enter zero here and complete Part II below. . . . . ▶	7	

**If the Net Operating Loss Deduction on line 2 above is:**

- a. **Less** than the taxable income reported on line 3 above, complete lines 8 through 14 below.
- b. **Equal to or greater** than the taxable income reported on line 3 above, check here . . . . .  and **SKIP** lines 8 through 13, and enter zero on line 14.



**PART II – Application**

8	Enter the Adjusted Gross Income as shown on the return (or prior adjustment or prior NOL-85A) for the year to which the loss is being carried . . . . .	8	●	
9	<b>Net Operating Loss to be Applied.</b> Enter the amount from line 2, Part I above. . . . .	9	●	
10	<b>MODIFIED ADJUSTED GROSS INCOME.</b> Subtract line 9 from line 8 and enter the result here. (If you filed Form 40NR, complete Part III before completing lines 11 through 14.) . . . . . ▶	10	●	
<b>DEDUCTIONS</b>				
11(a)	<b>Standard Deduction.</b> If you claimed the Standard Deduction on the return to which the loss is being carried, recompute the Standard Deduction based on the Modified Adjusted Gross Income shown on line 10 . . . . .	11a	●	
(b)	<b>Itemized Deductions.</b> If you claimed Itemized Deductions on the return to which the loss is being carried, recompute the itemized deductions based on the Modified Adjusted Gross Income shown on line 10 . . . . .	11b	●	
(c)	<b>Federal Income Tax.</b> Enter the federal income tax as last determined and claimed as a deduction on the return to which the loss is being carried . . . . .	11c	●	
(d)	<b>Personal Exemption.</b> Enter the personal exemption as claimed on the return to which the loss is being carried. . . . .	11d	●	
(e)	<b>Dependent Exemption.</b> Enter the dependent exemption as last determined and claimed on the return, recompute the dependent exemption based on the Modified Adjusted Gross Income shown on line 10, to which the loss is being carried. . . . .	11e	●	
12	<b>TOTAL DEDUCTIONS.</b> Add lines 11a through 11e . . . . .	12		
13	<b>TAXABLE INCOME AS ADJUSTED.</b> Subtract line 12 from line 10 and enter result here . . . . . ▶	13	●	
14	<b>TAX DUE AFTER APPLICATION OF NET OPERATING LOSS.</b> Compute the tax due using the tax tables for the year to which the loss is being carried. Enter the result here and also on the TAX DUE line of Form 40X, Form 40, or Form 40NR. . . ▶	14		

**PART III – Modified Adjusted Gross Income Percentage (This section to be completed by nonresidents only)**

15	<b>Adjusted Gross Income From All Sources.</b> Enter the adjusted gross income from all sources as shown on the return to which the loss is being applied . . . . .	15	●	
16	<b>Net Operating Loss to be Applied.</b> Enter the amount shown on line 9, Part II. . . . .	16	●	
17	<b>Modified Adjusted Gross Income From All Sources.</b> Subtract line 16 from line 15 . . . . . ▶	17	●	
18	<b>Modified Adjusted Gross Income From Alabama Sources.</b> Enter the amount from line 10, Part II. . . . .	18	●	
19	<b>Percentage of Alabama Adjusted Gross Income to Total Adjusted Gross Income From All Sources After Modifications.</b> Divide the amount on line 18 by the amount on line 17 and enter percentage here (but not over 100%) . . . ▶	19	●	

The percentage on line 19 should be used to recompute the Standard Deduction or Itemized Deductions, Federal Income Tax Deduction, Personal Exemption, and Dependent Exemption on lines 11a through 11e, Part II. **NOTE:** If you are married and filed separate Alabama returns and a joint Federal return, **DO NOT** use the percentage on line 19 to recompute the federal income tax deduction. See Special Instructions for Nonresidents.



Alabama Department of Revenue

For Year Ending

APPLICATION OF  
**Net Operating Loss**  
Carryback or Carryforward

• \_\_\_\_\_, \_\_\_\_\_  
(Enter year to which loss is being carried)

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

Your Social Security Number

**PURPOSE OF SCHEDULE. Form NOL-85A** is designed to apply a net operating loss to the tax year to which the loss is being carried. Before Form NOL-85A can be completed, you **must** first complete **Form NOL-85** to determine the amount of net operating loss that may be carried back or forward. See instructions on the reverse side for further information.

- 1(a) Enter the tax year during which the net operating loss was incurred. Beginning • \_\_\_\_\_, \_\_\_\_\_ Ending • \_\_\_\_\_, \_\_\_\_\_
- (b) Did you elect on Form NOL-85 to forfeit the election to carry this loss back? . . . . .  Yes  No
- (c) Did you timely file the subsequent year's return and claim the net operating loss thereon? . . . . .  Yes  No

**PART I – Computation**

2	Enter the net operating loss as shown on line 7, Part II, Form NOL-85, or as shown on line 7, Form NOL-85A. (See instructions) . . . . . ▶	2	
3	Enter the taxable income as shown on Form 40, Form 40NR, or Form 40X for the tax year to which the loss is being carried . . . . .	3	
<b>MODIFICATIONS</b>			
4(a)	<b>Personal Exemption.</b> Enter the amount of personal exemption claimed on the return to which the loss is being carried . . . . .	4a	
4(b)	<b>Dependent Exemption.</b> Enter the amount of dependent exemption claimed on the return to which the loss is being carried . . . . .	4b	
5	<b>TOTAL MODIFICATIONS.</b> Add lines 4(a) and 4(b) . . . . .	5	
6	<b>MODIFIED TAXABLE INCOME.</b> Add lines 3 and 5. If negative enter zero. . . . .	6	
7	<b>UNUSED NET OPERATING LOSS.</b> If line 2 exceeds line 6, subtract line 6 from line 2. Enter difference here and enter zero (0) on the tax due line of Form 40 or Form 40NR. <b>DO NOT</b> complete Part II below. The amount on line 7 may be carried forward to the next applicable year (Form NOL-85A, line 2). If line 6 exceeds line 2, enter zero here and complete Part II below. . . . . ▶	7	

**If the Net Operating Loss Deduction on line 2 above is:**

- a. **Less** than the taxable income reported on line 3 above, complete lines 8 through 14 below.
- b. **Equal to or greater** than the taxable income reported on line 3 above, check here . . . . .  and **SKIP** lines 8 through 13, and enter zero on line 14.



**PART II – Application**

8	Enter the Adjusted Gross Income as shown on the return (or prior adjustment or prior NOL-85A) for the year to which the loss is being carried . . . . .	8	●	
9	<b>Net Operating Loss to be Applied.</b> Enter the amount from line 2, Part I above. . . . .	9	●	
10	<b>MODIFIED ADJUSTED GROSS INCOME.</b> Subtract line 9 from line 8 and enter the result here. (If you filed Form 40NR, complete Part III before completing lines 11 through 14.) . . . . . ▶	10	●	
<b>DEDUCTIONS</b>				
11(a)	<b>Standard Deduction.</b> If you claimed the Standard Deduction on the return to which the loss is being carried, recompute the Standard Deduction based on the Modified Adjusted Gross Income shown on line 10 . . . . .	11a	●	
(b)	<b>Itemized Deductions.</b> If you claimed Itemized Deductions on the return to which the loss is being carried, recompute the itemized deductions based on the Modified Adjusted Gross Income shown on line 10 . . . . .	11b	●	
(c)	<b>Federal Income Tax.</b> Enter the federal income tax as last determined and claimed as a deduction on the return to which the loss is being carried. . . . .	11c	●	
(d)	<b>Personal Exemption.</b> Enter the personal exemption as claimed on the return to which the loss is being carried. . . . .	11d	●	
(e)	<b>Dependent Exemption.</b> Enter the dependent exemption as last determined and claimed on the return, recompute the dependent exemption based on the Modified Adjusted Gross Income shown on line 10, to which the loss is being carried. . . . .	11e	●	
12	<b>TOTAL DEDUCTIONS.</b> Add lines 11a through 11e . . . . .	12		
13	<b>TAXABLE INCOME AS ADJUSTED.</b> Subtract line 12 from line 10 and enter result here . . . . . ▶	13	●	
14	<b>TAX DUE AFTER APPLICATION OF NET OPERATING LOSS.</b> Compute the tax due using the tax tables for the year to which the loss is being carried. Enter the result here and also on the TAX DUE line of Form 40X, Form 40, or Form 40NR. . . ▶	14		

**PART III – Modified Adjusted Gross Income Percentage (This section to be completed by nonresidents only)**

15	<b>Adjusted Gross Income From All Sources.</b> Enter the adjusted gross income from all sources as shown on the return to which the loss is being applied . . . . .	15	●	
16	<b>Net Operating Loss to be Applied.</b> Enter the amount shown on line 9, Part II. . . . .	16	●	
17	<b>Modified Adjusted Gross Income From All Sources.</b> Subtract line 16 from line 15 . . . . . ▶	17	●	
18	<b>Modified Adjusted Gross Income From Alabama Sources.</b> Enter the amount from line 10, Part II. . . . .	18	●	
19	<b>Percentage of Alabama Adjusted Gross Income to Total Adjusted Gross Income From All Sources After Modifications.</b> Divide the amount on line 18 by the amount on line 17 and enter percentage here (but not over 100%) . . . ▶	19	●	

The percentage on line 19 should be used to recompute the Standard Deduction or Itemized Deductions, Federal Income Tax Deduction, Personal Exemption, and Dependent Exemption on lines 11a through 11e, Part II. **NOTE:** If you are married and filed separate Alabama returns and a joint Federal return, **DO NOT** use the percentage on line 19 to recompute the federal income tax deduction. See Special Instructions for Nonresidents.



Alabama Department of Revenue

For Year Ending

APPLICATION OF  
**Net Operating Loss**  
Carryback or Carryforward

• \_\_\_\_\_, \_\_\_\_\_  
(Enter year to which loss is being carried)

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

Your Social Security Number

**PURPOSE OF SCHEDULE. Form NOL-85A** is designed to apply a net operating loss to the tax year to which the loss is being carried. Before Form NOL-85A can be completed, you **must** first complete **Form NOL-85** to determine the amount of net operating loss that may be carried back or forward. See instructions on the reverse side for further information.

- 1(a) Enter the tax year during which the net operating loss was incurred. Beginning • \_\_\_\_\_, \_\_\_\_\_ Ending • \_\_\_\_\_, \_\_\_\_\_
- (b) Did you elect on Form NOL-85 to forfeit the election to carry this loss back? . . . . .  Yes  No
- (c) Did you timely file the subsequent year's return and claim the net operating loss thereon? . . . . .  Yes  No

**PART I – Computation**

2	Enter the net operating loss as shown on line 7, Part II, Form NOL-85, or as shown on line 7, Form NOL-85A. (See instructions) . . . . . ▶	2	
3	Enter the taxable income as shown on Form 40, Form 40NR, or Form 40X for the tax year to which the loss is being carried . . . . .	3	
<b>MODIFICATIONS</b>			
4(a)	<b>Personal Exemption.</b> Enter the amount of personal exemption claimed on the return to which the loss is being carried . . . . .	4a	
4(b)	<b>Dependent Exemption.</b> Enter the amount of dependent exemption claimed on the return to which the loss is being carried . . . . .	4b	
5	<b>TOTAL MODIFICATIONS.</b> Add lines 4(a) and 4(b) . . . . .	5	
6	<b>MODIFIED TAXABLE INCOME.</b> Add lines 3 and 5. If negative enter zero. . . . .	6	
7	<b>UNUSED NET OPERATING LOSS.</b> If line 2 exceeds line 6, subtract line 6 from line 2. Enter difference here and enter zero (0) on the tax due line of Form 40 or Form 40NR. <b>DO NOT</b> complete Part II below. The amount on line 7 may be carried forward to the next applicable year (Form NOL-85A, line 2). If line 6 exceeds line 2, enter zero here and complete Part II below. . . . . ▶	7	

**If the Net Operating Loss Deduction on line 2 above is:**

- a. **Less** than the taxable income reported on line 3 above, complete lines 8 through 14 below.
- b. **Equal to or greater** than the taxable income reported on line 3 above, check here . . . . .  and **SKIP** lines 8 through 13, and enter zero on line 14.



**PART II – Application**

8	Enter the Adjusted Gross Income as shown on the return (or prior adjustment or prior NOL-85A) for the year to which the loss is being carried . . . . .	8	●	
9	<b>Net Operating Loss to be Applied.</b> Enter the amount from line 2, Part I above. . . . .	9	●	
10	<b>MODIFIED ADJUSTED GROSS INCOME.</b> Subtract line 9 from line 8 and enter the result here. (If you filed Form 40NR, complete Part III before completing lines 11 through 14.) . . . . . ▶	10	●	
<b>DEDUCTIONS</b>				
11(a)	<b>Standard Deduction.</b> If you claimed the Standard Deduction on the return to which the loss is being carried, recompute the Standard Deduction based on the Modified Adjusted Gross Income shown on line 10 . . . . .	11a	●	
(b)	<b>Itemized Deductions.</b> If you claimed Itemized Deductions on the return to which the loss is being carried, recompute the itemized deductions based on the Modified Adjusted Gross Income shown on line 10 . . . . .	11b	●	
(c)	<b>Federal Income Tax.</b> Enter the federal income tax as last determined and claimed as a deduction on the return to which the loss is being carried . . . . .	11c	●	
(d)	<b>Personal Exemption.</b> Enter the personal exemption as claimed on the return to which the loss is being carried. . . . .	11d	●	
(e)	<b>Dependent Exemption.</b> Enter the dependent exemption as last determined and claimed on the return, recompute the dependent exemption based on the Modified Adjusted Gross Income shown on line 10, to which the loss is being carried. . . . .	11e	●	
12	<b>TOTAL DEDUCTIONS.</b> Add lines 11a through 11e . . . . .	12		
13	<b>TAXABLE INCOME AS ADJUSTED.</b> Subtract line 12 from line 10 and enter result here . . . . . ▶	13	●	
14	<b>TAX DUE AFTER APPLICATION OF NET OPERATING LOSS.</b> Compute the tax due using the tax tables for the year to which the loss is being carried. Enter the result here and also on the TAX DUE line of Form 40X, Form 40, or Form 40NR. . . ▶	14		

**PART III – Modified Adjusted Gross Income Percentage (This section to be completed by nonresidents only)**

15	<b>Adjusted Gross Income From All Sources.</b> Enter the adjusted gross income from all sources as shown on the return to which the loss is being applied . . . . .	15	●	
16	<b>Net Operating Loss to be Applied.</b> Enter the amount shown on line 9, Part II. . . . .	16	●	
17	<b>Modified Adjusted Gross Income From All Sources.</b> Subtract line 16 from line 15 . . . . . ▶	17	●	
18	<b>Modified Adjusted Gross Income From Alabama Sources.</b> Enter the amount from line 10, Part II. . . . .	18	●	
19	<b>Percentage of Alabama Adjusted Gross Income to Total Adjusted Gross Income From All Sources After Modifications.</b> Divide the amount on line 18 by the amount on line 17 and enter percentage here (but not over 100%) . . . ▶	19	●	

The percentage on line 19 should be used to recompute the Standard Deduction or Itemized Deductions, Federal Income Tax Deduction, Personal Exemption, and Dependent Exemption on lines 11a through 11e, Part II. **NOTE:** If you are married and filed separate Alabama returns and a joint Federal return, **DO NOT** use the percentage on line 19 to recompute the federal income tax deduction. See Special Instructions for Nonresidents.



Alabama Department of Revenue

For Year Ending

APPLICATION OF  
**Net Operating Loss**  
Carryback or Carryforward

• \_\_\_\_\_, \_\_\_\_\_  
(Enter year to which loss is being carried)

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

Your Social Security Number

**PURPOSE OF SCHEDULE. Form NOL-85A** is designed to apply a net operating loss to the tax year to which the loss is being carried. Before Form NOL-85A can be completed, you **must** first complete **Form NOL-85** to determine the amount of net operating loss that may be carried back or forward. See instructions on the reverse side for further information.

- 1(a) Enter the tax year during which the net operating loss was incurred. Beginning • \_\_\_\_\_, \_\_\_\_\_ Ending • \_\_\_\_\_, \_\_\_\_\_
- (b) Did you elect on Form NOL-85 to forfeit the election to carry this loss back? . . . . .  Yes  No
- (c) Did you timely file the subsequent year's return and claim the net operating loss thereon? . . . . .  Yes  No

**PART I – Computation**

2	Enter the net operating loss as shown on line 7, Part II, Form NOL-85, or as shown on line 7, Form NOL-85A. (See instructions) . . . . . ▶	2	
3	Enter the taxable income as shown on Form 40, Form 40NR, or Form 40X for the tax year to which the loss is being carried . . . . .	3	
<b>MODIFICATIONS</b>			
4(a)	<b>Personal Exemption.</b> Enter the amount of personal exemption claimed on the return to which the loss is being carried . . . . .	4a	
4(b)	<b>Dependent Exemption.</b> Enter the amount of dependent exemption claimed on the return to which the loss is being carried . . . . .	4b	
5	<b>TOTAL MODIFICATIONS.</b> Add lines 4(a) and 4(b) . . . . .	5	
6	<b>MODIFIED TAXABLE INCOME.</b> Add lines 3 and 5. If negative enter zero. . . . .	6	
7	<b>UNUSED NET OPERATING LOSS.</b> If line 2 exceeds line 6, subtract line 6 from line 2. Enter difference here and enter zero (0) on the tax due line of Form 40 or Form 40NR. <b>DO NOT</b> complete Part II below. The amount on line 7 may be carried forward to the next applicable year (Form NOL-85A, line 2). If line 6 exceeds line 2, enter zero here and complete Part II below. . . . . ▶	7	

**If the Net Operating Loss Deduction on line 2 above is:**

- a. **Less** than the taxable income reported on line 3 above, complete lines 8 through 14 below.
- b. **Equal to or greater** than the taxable income reported on line 3 above, check here  and **SKIP** lines 8 through 13, and enter zero on line 14.



**PART II – Application**

8	Enter the Adjusted Gross Income as shown on the return (or prior adjustment or prior NOL-85A) for the year to which the loss is being carried . . . . .	8	●	
9	<b>Net Operating Loss to be Applied.</b> Enter the amount from line 2, Part I above. . . . .	9	●	
10	<b>MODIFIED ADJUSTED GROSS INCOME.</b> Subtract line 9 from line 8 and enter the result here. (If you filed Form 40NR, complete Part III before completing lines 11 through 14.) . . . . . ▶	10	●	
<b>DEDUCTIONS</b>				
11(a)	<b>Standard Deduction.</b> If you claimed the Standard Deduction on the return to which the loss is being carried, recompute the Standard Deduction based on the Modified Adjusted Gross Income shown on line 10 . . . . .	11a	●	
(b)	<b>Itemized Deductions.</b> If you claimed Itemized Deductions on the return to which the loss is being carried, recompute the itemized deductions based on the Modified Adjusted Gross Income shown on line 10 . . . . .	11b	●	
(c)	<b>Federal Income Tax.</b> Enter the federal income tax as last determined and claimed as a deduction on the return to which the loss is being carried . . . . .	11c	●	
(d)	<b>Personal Exemption.</b> Enter the personal exemption as claimed on the return to which the loss is being carried. . . . .	11d	●	
(e)	<b>Dependent Exemption.</b> Enter the dependent exemption as last determined and claimed on the return, recompute the dependent exemption based on the Modified Adjusted Gross Income shown on line 10, to which the loss is being carried. . . . .	11e	●	
12	<b>TOTAL DEDUCTIONS.</b> Add lines 11a through 11e . . . . .	12		
13	<b>TAXABLE INCOME AS ADJUSTED.</b> Subtract line 12 from line 10 and enter result here . . . . . ▶	13	●	
14	<b>TAX DUE AFTER APPLICATION OF NET OPERATING LOSS.</b> Compute the tax due using the tax tables for the year to which the loss is being carried. Enter the result here and also on the TAX DUE line of Form 40X, Form 40, or Form 40NR. . . ▶	14		

**PART III – Modified Adjusted Gross Income Percentage (This section to be completed by nonresidents only)**

15	<b>Adjusted Gross Income From All Sources.</b> Enter the adjusted gross income from all sources as shown on the return to which the loss is being applied . . . . .	15	●	
16	<b>Net Operating Loss to be Applied.</b> Enter the amount shown on line 9, Part II. . . . .	16	●	
17	<b>Modified Adjusted Gross Income From All Sources.</b> Subtract line 16 from line 15 . . . . . ▶	17	●	
18	<b>Modified Adjusted Gross Income From Alabama Sources.</b> Enter the amount from line 10, Part II. . . . .	18	●	
19	<b>Percentage of Alabama Adjusted Gross Income to Total Adjusted Gross Income From All Sources After Modifications.</b> Divide the amount on line 18 by the amount on line 17 and enter percentage here (but not over 100%) . . . ▶	19	●	

The percentage on line 19 should be used to recompute the Standard Deduction or Itemized Deductions, Federal Income Tax Deduction, Personal Exemption, and Dependent Exemption on lines 11a through 11e, Part II. **NOTE:** If you are married and filed separate Alabama returns and a joint Federal return, **DO NOT** use the percentage on line 19 to recompute the federal income tax deduction. See Special Instructions for Nonresidents.



Alabama Department of Revenue

For Year Ending

APPLICATION OF  
**Net Operating Loss**  
Carryback or Carryforward

• \_\_\_\_\_, \_\_\_\_\_  
(Enter year to which loss is being carried)

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

Your Social Security Number

**PURPOSE OF SCHEDULE. Form NOL-85A** is designed to apply a net operating loss to the tax year to which the loss is being carried. Before Form NOL-85A can be completed, you **must** first complete **Form NOL-85** to determine the amount of net operating loss that may be carried back or forward. See instructions on the reverse side for further information.

- 1(a) Enter the tax year during which the net operating loss was incurred. Beginning • \_\_\_\_\_, \_\_\_\_\_ Ending • \_\_\_\_\_, \_\_\_\_\_
- (b) Did you elect on Form NOL-85 to forfeit the election to carry this loss back? . . . . .  Yes  No
- (c) Did you timely file the subsequent year's return and claim the net operating loss thereon? . . . . .  Yes  No

**PART I – Computation**

2	Enter the net operating loss as shown on line 7, Part II, Form NOL-85, or as shown on line 7, Form NOL-85A. (See instructions) . . . . . ▶	2	
3	Enter the taxable income as shown on Form 40, Form 40NR, or Form 40X for the tax year to which the loss is being carried . . . . .	3	
<b>MODIFICATIONS</b>			
4(a)	<b>Personal Exemption.</b> Enter the amount of personal exemption claimed on the return to which the loss is being carried . . . . .	4a	
4(b)	<b>Dependent Exemption.</b> Enter the amount of dependent exemption claimed on the return to which the loss is being carried . . . . .	4b	
5	<b>TOTAL MODIFICATIONS.</b> Add lines 4(a) and 4(b) . . . . .	5	
6	<b>MODIFIED TAXABLE INCOME.</b> Add lines 3 and 5. If negative enter zero. . . . .	6	
7	<b>UNUSED NET OPERATING LOSS.</b> If line 2 exceeds line 6, subtract line 6 from line 2. Enter difference here and enter zero (0) on the tax due line of Form 40 or Form 40NR. <b>DO NOT</b> complete Part II below. The amount on line 7 may be carried forward to the next applicable year (Form NOL-85A, line 2). If line 6 exceeds line 2, enter zero here and complete Part II below. . . . . ▶	7	

**If the Net Operating Loss Deduction on line 2 above is:**

- a. **Less** than the taxable income reported on line 3 above, complete lines 8 through 14 below.
- b. **Equal to or greater** than the taxable income reported on line 3 above, check here  and **SKIP** lines 8 through 13, and enter zero on line 14.



**PART II – Application**

8	Enter the Adjusted Gross Income as shown on the return (or prior adjustment or prior NOL-85A) for the year to which the loss is being carried . . . . .	8	●	
9	<b>Net Operating Loss to be Applied.</b> Enter the amount from line 2, Part I above. . . . .	9	●	
10	<b>MODIFIED ADJUSTED GROSS INCOME.</b> Subtract line 9 from line 8 and enter the result here. (If you filed Form 40NR, complete Part III before completing lines 11 through 14.) . . . . . ▶	10	●	
<b>DEDUCTIONS</b>				
11(a)	<b>Standard Deduction.</b> If you claimed the Standard Deduction on the return to which the loss is being carried, recompute the Standard Deduction based on the Modified Adjusted Gross Income shown on line 10 . . . . .	11a	●	
(b)	<b>Itemized Deductions.</b> If you claimed Itemized Deductions on the return to which the loss is being carried, recompute the itemized deductions based on the Modified Adjusted Gross Income shown on line 10 . . . . .	11b	●	
(c)	<b>Federal Income Tax.</b> Enter the federal income tax as last determined and claimed as a deduction on the return to which the loss is being carried. . . . .	11c	●	
(d)	<b>Personal Exemption.</b> Enter the personal exemption as claimed on the return to which the loss is being carried. . . . .	11d	●	
(e)	<b>Dependent Exemption.</b> Enter the dependent exemption as last determined and claimed on the return, recompute the dependent exemption based on the Modified Adjusted Gross Income shown on line 10, to which the loss is being carried. . . . .	11e	●	
12	<b>TOTAL DEDUCTIONS.</b> Add lines 11a through 11e . . . . .	12		
13	<b>TAXABLE INCOME AS ADJUSTED.</b> Subtract line 12 from line 10 and enter result here . . . . . ▶	13	●	
14	<b>TAX DUE AFTER APPLICATION OF NET OPERATING LOSS.</b> Compute the tax due using the tax tables for the year to which the loss is being carried. Enter the result here and also on the TAX DUE line of Form 40X, Form 40, or Form 40NR. . . ▶	14		

**PART III – Modified Adjusted Gross Income Percentage (This section to be completed by nonresidents only)**

15	<b>Adjusted Gross Income From All Sources.</b> Enter the adjusted gross income from all sources as shown on the return to which the loss is being applied . . . . .	15	●	
16	<b>Net Operating Loss to be Applied.</b> Enter the amount shown on line 9, Part II. . . . .	16	●	
17	<b>Modified Adjusted Gross Income From All Sources.</b> Subtract line 16 from line 15 . . . . . ▶	17	●	
18	<b>Modified Adjusted Gross Income From Alabama Sources.</b> Enter the amount from line 10, Part II. . . . .	18	●	
19	<b>Percentage of Alabama Adjusted Gross Income to Total Adjusted Gross Income From All Sources After Modifications.</b> Divide the amount on line 18 by the amount on line 17 and enter percentage here (but not over 100%) . . . ▶	19	●	

The percentage on line 19 should be used to recompute the Standard Deduction or Itemized Deductions, Federal Income Tax Deduction, Personal Exemption, and Dependent Exemption on lines 11a through 11e, Part II. **NOTE:** If you are married and filed separate Alabama returns and a joint Federal return, **DO NOT** use the percentage on line 19 to recompute the federal income tax deduction. See Special Instructions for Nonresidents.



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



**2019**  
ADOR

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

*Schedule W-2 must be completed fully and included with your return 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'S SOCIAL SECURITY NO. SPOUSE'S SOCIAL SECURITY NO.

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

**THIS SCHEDULE CAN ONLY BE SUBMITTED AND/OR PRINTED VIA LANDSCAPE**



**ATTACH TO YOUR TAX RETURN**

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

1 Interest expense on investment debts paid or accrued in 2019. (see instructions) .....	1		
2 Disallowed investment interest expense from 2018 Form 4952A, line 5. ....	2		
3 Total investment interest expense. Add lines 1 and 2. ....	3		
4 <b>Net investment income.</b> (see instructions) .....	4		
5 <b>Disallowed investment interest expense to be carried forward to 2020.</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. (see instructions) .....	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
- You have no carryovers of investment interest expense from 2018.

**ALLOCATION OF INTEREST EXPENSE UNDER TEMPORARY FEDERAL REGULATIONS SECTION 1.163-2T**

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 14 on Form 1040/Form 1040-SR, line 53 on Form 1040NR, or line 15 of Form 1040NR-EZ . . . .	<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 18a of Form 1040/Form 1040-SR . . . . .	<b>4a</b>	
<b>b Additional Child Tax Credit.</b> Enter the amount from line 18b of Form 1040/ Form 1040-SR, or line 64 of Form 1040NR . . . . .	<b>4b</b>	
<b>c American Opportunity Credit.</b> Enter the amount from line 18c of Form 1040/Form 1040-SR . . . . .	<b>4c</b>	
<b>d Credits from Forms 2439.</b> Enter the amount from Schedule 3, line 13 of Form 1040/ Form 1040-SR if 13a is checked, or line 69 of Form 1040NR if 69a is checked . . . . .	<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 amount on line 12 of Form 40, line 9 of Form 40A or page 2, Part IV, line 4 of Form 40NR. <b>If amount is negative enter zero</b> . . . . .	<b>6</b>	