What’s New

Individual taxpayers must apply through My Alabama Taxes (MAT) at www.myalabamataxes.alabama.gov and receive approval before certain credits are claimed on Schedule OC. Once logged into MAT, a taxpayer will need to select “Individual Income Tax” as their account type, then select “Submit a Credit Claim” from the “I Want To” menu on the right margin of the page and follow a short series of instructions/stepsto claim a credit. Any supporting documentation for the credit claim is required to be attached in MAT. The process of “Submitting a Claim” through MAT must be completed to allow the recipients a credit claim. Taxpayers needing assistance with reserving a tax credit may call (334) 353-9770 or (334) 353-0602.

SECTION A – Current Year Credits

Part A – Credit for Taxes Paid to Other States (Form 40 Only)

This credit is provided to prevent the double taxation of income and is only available to legal residents of Alabama filing Form 40 who have income from sources outside of Alabama that is being taxed by Alabama and another state (or territory of the United States) in the same tax year. Residents of Alabama for only a part of the tax year can claim this credit only if the returns filed with Alabama and the other state cover the same periods. In order to claim this credit, you must complete the Schedule CR, this section and attach a copy of other state’s return or W-2G’s if the taxing state does not allow a return to be filed for gambling winnings. (For more instruction see Form 40 Tax Booklet)

NOTE: Residents that worked and received income/wages from a state that doesn’t have income tax will not be eligible for the credit for taxes paid to another state.

A2. Alabama Adjusted Gross Income from Form 40, page 1, line 10.
A3. Total Other States’ % of Alabama AGI (Divide line A1 by line A2).
A4. Multiply the current tax liability (Section A) by line A3.
A5. Enter line 27 from Schedule CR.
A6. Credit Allowable (Enter smaller of lines A4 or A5). Enter here and on Section C, Part A, Column 2.

Part B – Alabama Enterprise Zone Credit or Exemption

This credit is available to corporations, partnerships, and proprietorships that locate or expand within a designated enterprise zone as approved by the Alabama Department of Economic and Community Affairs. It was designed to stimulate business and industrial growth in depressed areas of the state. These tax incentives were enacted by Act No. 87-573 of the Alabama Legislature and were signed into law on July 22, 1987 as the “Alabama Enterprise Zone Act.”

In order to qualify for the tax credits, a business must be located within a designated zone as approved by the Alabama Department of Economic and Community Affairs.

If a credit is earned by a partnership or S corporation, the credit will be distributed to each partner or shareholder based on the percentage of ownership. The partnership or S corporation should advise each partner or shareholder of the amount of his/her income subject to this credit.

For further information regarding the “Alabama Enterprise Zone Act” and the necessary forms to claim this credit, you should contact:

Alabama Department of Economic and Community Affairs
Development Division
401 Adams Avenue
P. O. Box 5690
Montgomery, AL 36103-5690
Phone (334) 242-8672

or

Alabama Department of Revenue
P.O. Box 327410
Montgomery, AL 36132-7410
Phone (334) 242-1170

B1. Enter amount from Schedule EZK1, Part II, page 2, line 13, or Schedule EZ, Part IV, page 2, line 13. Enter here and on Section C, Part B, Column 2.

Part C – Basic Skills Education Credit

This credit is available to resident and nonresident employers who provide basic skills education programs approved by the Alabama Department of Education to employees. Expenses incurred for or relating to instructors, materials, or equipment used in the qualifying program, or for supplies, textbooks, or salaries, including compensation paid to employees while participating in the basic skills program may be used in calculating the credit. The credit will equal 20 percent of the actual costs of education limited to the amount of the employer’s income tax liability. A credit will not be allowed for employers receiving reimbursement for any cost of the education.

C1. Enter the Certification Number assigned by the Department of Education.
C2. Enter the name of the employer/firm sponsoring the education program.
C3. Enter the name of the approved provider.
C4. Mark the appropriate box to indicate whether all participants for whom you are claiming a tax credit, were continuously employed by you for at least 16 weeks.
C5. If the box on line 4 is marked “yes”, mark the appropriate box to indicate if employee(s) for whom you are claiming a tax credit work at least 24 hours each week.
C6. If the box on line 4 and 5 is marked “yes”, enter the total expenses available for credit.
C7. CREDIT ALLOWABLE. Multiply line C6 by 20% (.20). Enter here and on Section C, Part C, Column 2.

Part D – Rural Physician Credit

This credit is available to licensed physicians who practice and reside in a small or rural Alabama community of less than 25,000 residents with admission privileges to a small or rural hospital having an emergency room. Under the terms of this credit a “small or rural hospital” is defined as an acute care hospital with less than 105 beds, located more than 20 miles from another acute care facility, or which receives Medicare rural reimbursement from the federal government. The amount of this credit is $5,000.00 per year and may be claimed for not more than five consecutive tax years. No credit will be allowed to physicians meeting the requirements on or before May 5, 1983 nor to a physician having previously practiced within a rural community unless he/she returns to such practice after
having practiced in a large or urban community for at least three years.

D1. Name of hospital and community where you live and provide medical services.

D2. Maximum Rural Physician Credit. Qualifying Physicians, enter $5,000. If Married Filing Jointly (MFJ) and both spouses qualify for Rural Physician Credit, enter $10,000.

D3. CREDIT ALLOWABLE. Enter the amount from line D2. Enter here and on Section C, Part D, Column 2.

Part E – Coal Credit*

For the tax years beginning on and after January 1, 1995, every corporation, whether a “subchapter S” corporation, as defined by the 1995 Internal Revenue Code, or not, foreign or domestic, that is doing business in Alabama, as a producer of coal mined in Alabama, shall be allowed a credit against the tax imposed by Section 40-18-2, in the amount of one dollar ($1) per ton of increased production of coal over the previous year’s production of coal as set out herein below. Such tax credit shall be based on coal produced after January 1, 1995, provided the coal was mined in Alabama as certified by the producer of the coal. The amount of the total credit in any one year shall be based on the number of tons of Alabama coal produced by the corporation in the year which exceeds the number of tons of Alabama coal produced by the corporation in calendar year 1994. In the event a corporation did not produce Alabama coal during calendar year 1994, such corporation must establish a base year by producing Alabama coal for 12 consecutive months. Thereafter, such corporation shall be eligible for the tax credit as specified herein above over the base year production. (Acts 1995, No. 95-239, p. 403, §1.) The credit is required to be submitted through MAT.

NOTE: If the credit you are claiming is from a Partnership or S Corporation, do not submit the credit claim through MAT. The credit claim will be submitted by the Partnership or S Corporation.

Part F – Full Employment Act of 2011 Credit*

This credit is available to a business that meets the requirements of the Full Employment Act of 2011 that hires resident unemployed veterans or combat veterans for a full-time position paying at a minimum $14 per hour. The credit is $2,000 per qualifying hire and is available in the tax year during which the employee has completed 12 months of consecutive employment. An employer cannot take this credit for any employee who claims a start-up expense credit for themselves allowed under the Veterans Employment Act (formerly Heroes For Hire Credit) Business Start-up Expense Credit. The credit is required to be submitted through MAT.

NOTE: If the credit you are claiming is from a Partnership or S Corporation, do not submit the credit claim through MAT. The credit claim will be submitted by the Partnership or S Corporation.

Part G – Veterans Employment Act - Employer’s Credit*

This credit is available to a business that meets the requirements of the Full Employment Act of 2011 that hires resident unemployed veterans or combat veterans for a full-time position paying at a minimum $14 per hour. The credit is $2,000 per qualifying hire and is available in the tax year during which the employee has completed 12 months of consecutive employment. An employer cannot take this credit for any employee who claims a start-up expense credit for themselves allowed under the Veterans Employment Act (formerly Heroes For Hire Credit) Business Start-up Expense Credit. The credit is required to be submitted through MAT.

NOTE: If the credit you are claiming is from a Partnership or S Corporation, do not submit the credit claim through MAT. The credit claim will be submitted by the Partnership or S Corporation.

Part H – Veterans Employment Act - Business Startup Expense Credit*

This credit is available to recently deployed and now discharged unemployed veterans who start their own business. To qualify the business must have a start date after April 2, 2012. The one-time credit is nonrefundable and can be applied against the income tax liability in an amount up to $2,000. The recently deployed unemployed veteran must hold at least a 50 percent ownership interest in the business, which must be located in Alabama and show a net profit of at least $3,000 for the year in which the credit is taken. The recently deployed unemployed veteran is not allowed to claim this credit for themselves if an employer has claimed a hire credit for him or her under the Veterans Employment Act (formerly Heroes For Hire Credit) shown above in Part F. The credit is required to be submitted through MAT.

NOTE: If the credit you are claiming is from a Partnership or S Corporation, do not submit the credit claim through MAT. The credit claim will be submitted by the Partnership or S Corporation.
Part L – Alabama Accountability Act Credit – Scholarship Granting Organization (SGO) portion

This credit is available to taxpayers who make a contribution to an approved scholarship granting organization. The credit is the amount contributed to the scholarship granting organization for educational scholarships during the taxable year for which the credit is claimed up to 50 percent of the tax liability of the taxpayer not to exceed $50,000 per taxpayer or married couple filing jointly. For more information go to www.revenue.alabama.gov.

(Any unused Alabama Accountability Act Credit - Scholarship Granting Organization (SGO) portion may be carried forward for a maximum of 3 years).

<table>
<thead>
<tr>
<th>Column</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>L1</td>
<td>Enter name of Scholarship Granting Organization.</td>
</tr>
<tr>
<td>L2</td>
<td>Enter address of Scholarship Granting Organization.</td>
</tr>
<tr>
<td>L3</td>
<td>Enter amount contributed for scholarship(s).</td>
</tr>
<tr>
<td>L4</td>
<td>Enter pro rata share of credit from Schedule K-1 and FEIN of entity. If credit from more than one entity, attach schedule.</td>
</tr>
<tr>
<td>L5</td>
<td>CREDIT AVAILABLE. Add line L3 and line L4.</td>
</tr>
<tr>
<td>L6</td>
<td>Multiply the current tax liability (Section A) by 50% (.50).</td>
</tr>
<tr>
<td>L7</td>
<td>Maximum credit allowable for current year contribution.</td>
</tr>
<tr>
<td>L8</td>
<td>CREDIT ALLOWABLE. Enter the lesser of line L5, L6 or line L7. Enter here and on Section C, Part L, Column 2.</td>
</tr>
</tbody>
</table>

Part M – Alabama Adoption Tax Credit

Taxpayers that reside in Alabama can take a tax credit of $1,000 for a private adoption or the adoption of a qualified foster child. To qualify for an adoption through a private agency the adoptive parent(s) must reside in Alabama. To qualify for an adoption of a foster child the foster child must be in the permanent legal custody of the Alabama Department of Human Resources. Schedule AAC must be completed.

<table>
<thead>
<tr>
<th>Column</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>M1</td>
<td>Enter total number of children adopted from Schedule AAC, Part II, line 1.</td>
</tr>
<tr>
<td>M2</td>
<td>Allowable credit per child.</td>
</tr>
<tr>
<td>M3</td>
<td>CREDIT ALLOWABLE. Multiply line M1 by line M2. Enter here and on Section C, Part M, Column 2.</td>
</tr>
</tbody>
</table>

Part N – 2013 Alabama Historic Rehabilitation Tax Credit*

Act Number 2014-452 amends Act 2013-241. The act provides an income tax credit against the tax liability of the taxpayer for the rehabilitation, preservation, and development of historic structures. The credit is equal to 25% of the qualified rehabilitation expenditures for certified historic structures. The act also provides a tax credit equal to 10% of the qualified rehabilitation expenditures for qualified pre-1936 non-historic structures. No tax credit claimed for any certified rehabilitation may exceed $5,000,000 for all allowable property types except a certified historic residential structure, and $50,000 for a certified historic residential structure. The entire credit may be claimed by the taxpayer in the taxable year in which the certified rehabilitation is placed in service. This credit is not refundable, but any unused portion of the credit may be carried forward for up to 10 additional tax years. The credit is required to be submitted through MAT.

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.

(Any unused 2013 Alabama Historic Rehabilitation Tax Credit may be carried forward for a maximum of 10 years).

<table>
<thead>
<tr>
<th>Column</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>N1</td>
<td>Enter the project number, date placed in service and amount of tax credit certificate issued by the Historic Tax Commission for any project placed in service this year.</td>
</tr>
<tr>
<td>N2</td>
<td>Total Credit - Add lines N1a, N1b and N1c.</td>
</tr>
<tr>
<td>N3</td>
<td>Enter pro rata share of credit from Schedule K-1 and FEIN of entity.</td>
</tr>
</tbody>
</table>
| N4     | CREDIT ALLOWABLE. Add line N2 and line N3. Enter here and on Sec-
Part O – Career – Technical Dual Enrollment Credit

Sections 16-60-350 through 16-60-354, Code of Alabama 1975 provides an income tax credit, equal to 50 percent of contributions, to entities that contribute educational expenses directly associated with the Career-Technical Dual Enrollment Program as defined by the State Board of Education for tax years beginning January 1, 2015. Such credit shall not exceed an amount greater than 50 percent of the taxpayer’s total Alabama income tax liability and in no case more than $500,000 for any given tax year.

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. (Any unused Career – Technical Dual Enrollment Credit may be carried forward for a maximum of 3 years).

O1. Enter amount contributed this year (Department of Post-Secondary Education Tax Credit Certificate).
O2. Enter amount of current credit — Multiply line O1 by .50.
O3. Multiply the current tax liability (Section A) by 50% (.50).
O5. Enter the lesser of O2, O3 or line O4.
O6. Enter pro rata share of credit from Schedule K-1 and FEIN of entity.
O7. CREDIT ALLOWABLE. Add line O5 and line O6. Enter here and on Section C, Part O, Column 2.

Part P – Investment Credit - Alabama Jobs Act

Act Number 2015-27 and Section 40-18-376 provide for an investment credit to certain businesses for approved projects that create new jobs in Alabama. The credit is an amount of 1.5 percent of a qualified capital investment annually, for a period of 10 years to be applied against the income tax, estimated income taxes, the financial institution excise tax, or the insurance premium tax, with additional offsets of utility gross receipts and utility service use taxes. The investment credit, provided for by the Alabama Jobs Act, may be claimed as a credit against taxes paid with a carryforward for earned but unused amounts to the extent allowed in the project agreement. Any unused portion of this credit may be carried forward for up to five years. The approval of this credit is managed through the Department of Commerce.

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 P1 and indicate your annual allocated amount on line P2. (Any unused Investment Credit - Alabama Jobs Act may be carried forward for a maximum of 5 years).

Enter the Approved Company Name, Approved Company FEIN or SSN, the Project Number and the Tax Year Annual Investment Tax Credit Certificate was granted.

P1. Enter Investment Credit amount from Annual Investment Tax Credit Certificate.
P2. Enter allocated share of credit from Schedule K-1 and FEIN of entity.
P3. CREDIT ALLOWABLE. Add line P1 and line P2. Enter here and on Section C, Part P, Column 2.

Part Q – Alabama Renewal Act Credit – Port Credit

Section 40-18-403 provides an income tax credit in an amount equal to $50 per TEU, $3 per net ton, or $0.04 per kilogram for air freight multiplied by the port user’s cargo volume in the 12 month period for which the commission has granted approval for the port user to claim the port credit minus the port users base cargo volume. The port credit shall only be available to the extent that a port facility user ships more than 105 percent of its cargo volume from the 12 month period immediately preceding the port facility user’s application. The port credit shall only be available to the extent a port facility user ships more than 10 TEUs, for cargo measured by TEU, more than 75 net tons, for cargo measured by net ton, or more than 15,000 kilograms for air cargo measured by kilograms. This credit is not refundable, but any unused portion of the credit may be carried forward for up to 5 additional tax years.

A copy of your Certification of Port Credit from the Alabama Department of Commerce must be attached to this return. If the certification is not attached, no credit will be allowed.

Enter Company Name, Company Address and FEIN or SSN of Qualified Project.

Q1. Enter Port Credit amount certified.
Q2. Enter pro rata share of credit from Schedule K-1 and FEIN of entity. If credit from more than one entity, attach schedule.
Q3. CREDIT ALLOWABLE. Add line Q1 and line Q2. Enter here and on Section C, Part Q, Column 2.

Part R – Alabama Renewal Act Credit – Growing Alabama Credit

Section 40-18-413 of the Code of Alabama 1975 provides for a tax credit to Alabama income taxpayers who make contributions to Economic Development Organizations (EDO) for approved qualifying projects. Taxpayers donating to EDOs for approved projects receive an Alabama income tax credit equal to their donation.

The Alabama Department of Commerce is the administering agency for the Growing Alabama Credit. All inquiries regarding eligibility and qualifications for prospective projects should be addressed to incentives@commerce.alabama.gov or 334-242-0400.

(Any unused Alabama Renewal Act – Growing Alabama Credit may be carried forward for a maximum of 5 years).

Enter name and address of Economic Development Organization.

R1. Amount(s) contributed to above organization this year.
R2. Multiply the current tax liability (Section A) by 50%.
R3. CREDIT ALLOWABLE. Enter the lesser of line R1 and line R2. Enter here and on Section C, Part R, Column 2.

Part S – Apprenticeship Tax Credit*

Section 40-18-422 provides for an income tax credit to employers. For tax years beginning on or after January 1, 2017 through January 1, 2019, a credit of $1,000 is allowed per qualifying apprentice for up to 5 apprentices employed. For tax years beginning on or after January 1, 2020 through Dec 31, 2025, a credit of $1,250 is allowed per qualifying apprentice for up to 10 apprentices employed. An additional credit of up to $500 is available for apprentices who are eighteen years old or younger and meet the certain youth registered or industry recognized apprenticeship criteria. This credit is not available for an individual apprentice for more than 4 taxable years. This credit is nonrefundable, nontransferable, and cannot be carried forward. The credit is required to be submitted through MAT.

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, indicate your pro-rata share of credit on line S2.

PART I

Enter Apprenticeship employer name, address, FEIN or SSN and Rapids Sponsor ID.

PART II

S1. Credit from Alabama Apprenticeship Tax Credit Certificate.
S2. Enter pro rata share of credit from Schedule K-1 and FEIN of entity, if applicable. If credit from more than one entity, attach schedule.
S3. CREDIT ALLOWABLE. Add line S1 and line S2. Enter here and on Section C, Part S, Column 2.

Part T – 2017 Alabama Historic Tax Rehabilitation Credit*

Act 2017-380 provides a refundable income tax credit against the tax liability of the taxpayer for the rehabilitation, preservation, and development of historic structures. The tax credits can only be claimed by taxpayers holding a Tax Credit Certificate or a Transfer Tax Credit Certificate. The credit is equal to 25% of the
qualified rehabilitation expenditures for certified historic structures. No tax credit claimed for any certified rehabilitation may exceed $5,000,000 for all allowable property types except a certified historic residential structure, and $50,000 for a certified historic residential structure. The entire credit must be claimed by the taxpayer in the taxable year in which the certified rehabilitation is placed in service. This credit is refundable and transferable but cannot be carried forward. The credit is required to be submitted through MAT.

A copy of the Tax Credit Certificate or Transfer Tax Certificate must be attached to the return. If this information is not attached, no credit will be given.

T2. Enter the project number, date placed in service and credit amount of tax credit certificate issued by the Historic Tax Commission for any project placed in service this year.

T3. CREDIT ALLOWABLE. Add line T2a, T2b and line T2c. Enter here and on Section C, Part T, Column 2.

**Part U – Railroad Modernization Act of 2019**

The Railroad Modernization Act of 2019 (Act 2019-459) creates a refundable income tax credit effective for tax years 2020 through 2022, for eligible taxpayers with qualified railroad reconstruction or replacement expenditures. Railroads that are classified as a Class II or Class III are eligible for the credit. Taxpayers must obtain pre-certification from the Department of Commerce prior to claiming the credit on their income tax return.

U1. Enter the amount of credit as reported on your Transfer Credit Certificate issued by the Department of Revenue. Enter here and on Section C, Part U, Column 2.

**Part V – Income Tax Capital Credit**

Capital Credit is allowable to investing companies and their recipients involved in projects undertaken by new businesses located in the state and the expansion of certain existing businesses. The “Capital Credit” was created by Act 95-187 of the Alabama Legislature and signed into law on June 15, 1997.

Schedule KRCC-I must be completed to compute credit allowable. You must attach Form KRCC and Schedule KRCC-I to your Alabama return.

V1. Enter Capital Credit allowable from Schedule KRCC-I, Part III, line 5. Enter here and on Section C, Part V, Column 2.

**SECTION C – Current Tax Period Liability**

For each current credit, repeat the steps on each row until all allowable current year credits have been used or no tax remains to be offset. Start on Row A, Column 2, enter applicable Credits if any from Section B, Part A of this form. In Column 3, enter the tax liability from page 1, Section A of this form. Subtract the Current Credit Allowable from the Tax Due to be Offset. If the Current Credit Allowable is greater than the Tax Due to be Offset, enter the amount from Column 3 in Column 4 and the excess amount of the Credit Allowable in Column 6.

To compute the Excess Credit Allowable (Section C, Part L, Column 6) in the Current Credit Summary for Section C, Parts L, O and R see instructions below. For all other credits, excess credit allowable is Column 2 minus Column 4.

For **Part L - Alabama Accountability Tax Credit – Scholarship Granting Organization (SGO) portion**, subtract any Credit Applied (Section C, Part L, Column 4) from the Credit Available (lesser of Section B, Part L, line L5 or Line L7) and place the difference in Section C, Part L, Column 6 – Excess Credit Allowable.

For **Part O - Career - Technical Dual Enrollment Credit**, subtract any Credit Applied (Section C, Part O, Column 4) from the Credit Available (the lesser of Section B, Part O, line O2 and O4 plus line O6) and place the difference in Section C, Part O, Column 6 – Excess Credit Allowable.

For **Part R - Growing Alabama Credit**, subtract any Credit Applied (Section C, Part R, Column 4) from the Credit Available (Section B, Part R, line R1) and place the difference in Section C, Part R, Column 6 – Excess Credit Allowable.

If the Tax Due to be Offset is greater than Column 2, enter the Current Credit Allowable (Column 2) in Column 4 and enter the difference of Column 3 and Column 4 in Column 5 and proceed to the next available credit. For the remaining rows, use the preceding Balance of Tax Due from Column 5 as the Tax Due to be Offset in Column 3. Enter amount from Column 6 into Column 7 for any credit which has carryforward.

**SECTION D – Credit Carryforward Prior Years**

Begin with the oldest Credit Carryforward year first and ending with the most current year. If you have more than one carryforward for the same year, use the list below to determine which one should be used first.

1. Neighborhood Infrastructure Incentive Plan Credit
2. Qualified Irrigation System/Reservoir System Tax Credit
3. Alabama Accountability Tax Credit – Scholarship Granting Organization (SGO) portion
4. 2013 Alabama Historic Tax Rehabilitation Credit
5. Career-Technical Dual Enrollment Credit
6. Alabama Jobs Act – Investment Credit
7. Port Credit
8. Growing Alabama Credit
9. Alabama Small Business and Agribusiness Jobs Act Credit

For each carryforward available for utilization, repeat the steps on each line by column until all available prior year credit carry forward credits have been used or no tax remains to be offset. Tax years for which a credit was utilized should not be listed.

Column A Enter the Type of Credit Carryforward
Column B Enter the Year Carryforward Generated (YYYY)
Column C Enter the balance of Unused Carryforward Amount
Column D Enter the Balance of Tax Due from Section C, Column 5. If no Credits were taken in Section C, enter the tax liability from Section A of this form into the first row of Column D.
Column E Enter the Amount Used This Period
Column F Enter the Remaining Unused Carryforward
Column G Enter Remaining Tax to be Offset

**SECTION E – Net Tax Due Computation**

Line E1 Enter the Total Current Year Tax Liability from Section A, line 1.
Line E2 Enter the Total Current Year Credits Applied from Section C, line 1.
Line E3 Enter the Prior Year Credit Carryforwards applied from Section D, line 21.
Line E4 Add lines E2 and E3 to get the Total Credits Utilized This Year.
Line E5 Subtract E4 from E1 to get the Net Tax Due. Enter the results here and on Form 40, Page 1, line 18 or Form 40NR, Page 1, line 20.

**SECTION F – Total Refundable Credits**

This section is only for the refundable portion of the Alabama Accountability Act Credit – School Transfer Credit, Adoption Credit and Historic Tax Rehabilitation Act of 2017 Credit.