Dependent Exemption

A dependent as defined under Alabama law is an individual other than the taxpayer and his or her spouse who received over 50% of his or her support from the taxpayer during the tax year and is also related to the taxpayer in one of the following relationships:

- Son
- Daughter
- Stepson
- Stepdaughter
- Legally adopted child
- Parent
- Grandparent
- Grandchild
- Brother
- Sister
- Stepbrother
- Stepsister
- Stepmother

Note: You cannot claim a foster child, friend, cousin, yourself, or your spouse as a dependent under Alabama law.

Birth or Death of Dependent. You can take an exemption for a dependent who was born or who died during 2020 if he or she met the qualifications for exemption for a dependent who was born or who died during 2020 if he or she met the qualifications for an exemption for a dependent who was born or who died during 2020 if he or she met the qualifications for an exemption.

Support. You must have provided over 50% of the dependent’s support in 2020. If you file a joint return, the support can be from you or your spouse.

You cannot claim credit on an Alabama return for a dependent if you provided less than 50% of the support under Alabama law as you can under federal law in certain conditions.

If you are married and filing a separate return, you must consider only the amounts you separately furnished out of your income in determining whether or not you provided over 50% of the dependent’s support. Do not include any amounts your spouse furnished for the support of the dependent.

In figuring total support, you must include money the dependent used for his or her own support even if this money was not taxable (for example: gifts, savings, welfare benefits). If your child was a student, do not include amounts he or she received as scholarships.

Support includes items such as food, a place to live, clothes, medical and dental care, recreation, and education. In figuring support use the actual cost of these items. However, the cost of a place to live is figured at its fair rental value.

In figuring support, do not include items such as income taxes, social security taxes, premiums for life insurance, or funeral expenses.

If you qualify to claim your child and/or other individuals as your dependent, you must complete on page 2, Part V. The total credit entered on page 2, Part V, line 4 should be entered on page 1, line 16.

<table>
<thead>
<tr>
<th>Amount on Col. B, Line 12, Page 1</th>
<th>Dependent Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 20,000</td>
<td>1,000</td>
</tr>
<tr>
<td>20,001 – 100,000</td>
<td>500</td>
</tr>
<tr>
<td>Over 100,000</td>
<td>300</td>
</tr>
</tbody>
</table>

Line 16
Figuring Your Tax

You must figure your tax from the Tax Tables on pages 21-26 unless you are claiming a carryover or a carryback net operating loss from another year.

Indicate the method you are using by checking the appropriate box. If you are claiming a net operating loss from another year, you must complete and attach Form NOL-85A.

Line 20
Net Tax Due Alabama

If you are using tax credits to reduce your tax liability, Schedule OC must be completed in order to compute your net tax due. You must check the box to indicate you are using Schedule OC to compute your net tax due. If you do not have any tax credits, enter the amount from line 19.

Credits - Schedule OC

Schedule OC must be completed for a credit claim and individual taxpayers must register to set up an account in My Alabama Taxes (MAT) at www.myalabamataxes.gov for approval before claiming certain credits on their tax return. 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 steps to reserve their credit. Supporting documentation for certain credits is required to be uploaded in MAT. Taxpayers needing assistance with reserving a tax credit should contact the My Alabama Taxes Help Desk at 1-855-486-5738.