SCHEDULE
RS
INSTRUCTIONS

Instructions For The Preparation of Alabama Department of Revenue Retirement Income

2024

Line Instructions for Completing Schedule RS

Part I – Retirement Distribution(s) Exempt from Alabama Income Lines 1-7

Column A. Payers FEIN – Enter the FEIN of the payer.

Column B. IRA – Check the box if distribution is from an IRA.

Column C. Distribution Code – Enter the distribution code from the 1099-R Box 7.

Column D. Account Number – Payer may include an account number on Form 1099-R to distinguish your account.

Column E. Gross Distribution – Shows the total amount distributed to payee this year.

Column F. State Code – Enter AL for Alabama or OS for other states.

Column G. State ID – For Alabama it will be a 10 digit account number. If state code is OS, leave box blank.

Column H. Alabama Withheld – Enter the Alabama income tax withheld from the distribution if the state code is AL, otherwise leave blank.

Column I. Reason exempt – See Pensions and Annuities on page 14 of Form 40 instructions or page 11 of Form 40NR instructions for examples of exempt distributions.

Line 8 Alabama Tax Withheld from Retirement Distributions Exempt from Alabama Income – Total Lines 1-7 Column H. Enter the total here and on Part 5, Line 1.

Part II – Primary Taxpayer's Fully or Partially Taxable Retirement Distributions Lines 1-7

Column A. Payers FEIN – Enter the FEIN of the payer.

Column B. IRA – Check the box if distribution is from an IRA.

Column C. Distribution Code – Enter the distribution code from the 1099-R Box 7.

Column D. Account Number – Payer may include an account number on Form 1099-R to distinguish your account.

Column E. Gross Distribution – Shows the total amount distributed to payee this year.

Column F. State Code – Enter AL for Alabama or OS for other states.

Column G. State ID – For Alabama it will be a 10 digit account number. If state code is OS, leave box blank.

Column H. Alabama Withheld – Enter the Alabama income tax withheld from the distribution if the state code is AL, otherwise leave blank.

Column I. Taxable to Alabama – Enter distribution amount taxable to Alabama.

Line 8 Alabama Tax Withheld from Primary's Fully or Partially Taxable Retirement Distributions – Total Lines 1-7 Column H. Enter total here and on Part 5, Line 2.

Line 9 Retirement Income Taxable to Alabama – Total Lines 1-7 Column I and enter total here.

Line 10 Retirement Exclusion – Select the box whether the primary taxpayer is 65 years of age or older and they receive taxable retirement income? If you select Yes, the primary taxpayer is eligible for an exclusion of retirement income up to $6,000, not to exceed the amount taxable to Alabama on Line 9. If you select No, the primary taxpayer does not qualify for the retirement exclusion. Enter zero and skip to Line 11.

Line 11 Primary's Alabama Taxable Retirement Distribution – Subtract Line 10 from Line 9. Enter the difference here and on Part 4, Line 1.

Part III – Spouse's Fully or Partially Taxable Distributions Lines 1-7

Column A. Payers FEIN – Enter the FEIN of the payer.

Column B. IRA – Check the box if distribution is from an IRA.

Column C. Distribution Code – Enter the distribution code from the 1099-R Box 7.

Column D. Account Number – Payer may include an account number on Form 1099-R to distinguish your account.

Column E. Gross Distribution – Shows the total amount distributed to payee this year.

Column F. State Code – Enter AL for Alabama or OS for other states.

Column G. State ID – For Alabama it will be a 10 digit account number. If state code is OS, leave box blank.

Column H. Alabama Withheld – Enter the Alabama income tax withheld from the distribution if the state code is AL, otherwise leave blank.

Column I. Taxable to Alabama – Enter distribution amount taxable to Alabama.

Line 8 Alabama Tax Withheld from Spouse's Fully or Partially Taxable Retirement Distributions – Total Lines 1-7 Column H. Enter total here and on Part 5, Line 3.

Line 9 Retirement Income Taxable to Alabama – Total Lines 1-7 Column I and enter total here.

Line 10 Retirement Exclusion – Select the box whether the spouse is 65 years of age or older and if they receive taxable retirement income? If you select Yes, the spouse is eligible for an exclusion of retirement income up to $6,000, not to exceed the amount taxable to Alabama on Line 9. If you select No, the spouse does not qualify for the retirement exclusion. Enter zero and skip to Line 11.

Line 11 Spouse's Alabama Taxable Retirement Distribution – Subtract Line 10 from Line 9. Enter the difference here and on Part 4, Line 2.

Part IV – Total Alabama Taxable Retirement Distribution Lines 1-3

Line 1 – Enter the amount from the Primary's Alabama Taxable Retirement Distribution from Part II, Line 11.

Line 2 – Enter the Spouse's Alabama Taxable Retirement Distribution from Part III, Line 11.

Line 3 – Total Alabama Taxable Retirement Distribution. Add Lines 1 and 2. Enter the total here and on Form 40, Page 2, Part 1, Line 4 or Form 40NR, Page 2, Part 1, Line 3, Column B.

Part V – Alabama Tax Withheld Line 1-4

Line 1 – Alabama Tax Withheld from Retirement Distributions exempt Alabama Income. Enter the amount from Part 1, Line 8.

Line 2 – Primary taxpayer's Alabama income tax withheld from taxable retirement distributions. Enter the amount from Part 2, Line 8.

Line 3 – Spouse's Alabama income tax withheld from taxable retirement distributions. Enter the amount from Part 3, Line 8.

Line 4 – Total Alabama income tax withheld from retirement distributions. Add Line 1, 2, and 3 and enter here and on Schedule W-2, Line 17.