



**TENNESSEE DEPARTMENT OF REVENUE  
INDIVIDUAL INCOME TAX RETURN**

**INC  
250**

Taxable Year	Beginning:	ACCOUNT NUMBER
	Ending:	

Taxpayers filing on a calendar year basis must file their return by April 15 of the following year. Make your check payable to the Tennessee Department of Revenue for the amount of tax computed and mail to:

**Tennessee Department of Revenue  
Andrew Jackson State Office Building  
500 Deaderick Street  
Nashville, TN 37242**

Should you need assistance, please contact the Taxpayer and Vehicle Services Division by calling

**(800) 342-1003 or (615) 253-0600**

You may file your extension, return, and payment through the Internet at [www.TN.gov/revenue](http://www.TN.gov/revenue).

(If filing jointly, include first names and initials of both spouses)

NAME		
SPOUSE'S NAME		
ADDRESS		
CITY	STATE	ZIP

If this is an AMENDED RETURN, please check the box at right

<b>YOUR SSN:</b>	Because a portion of the tax goes back to the city or county of residence, please provide the county and city (if within an incorporated municipality) of the taxpayer's legal residence on the lines below. County _____ City _____
<b>SPOUSE'S SSN:</b>	
<b>FEIN:</b>	

**AFFIDAVIT FOR EXEMPTION**

For tax years beginning January 1, 2012, any person 65 years of age or older having a total annual income derived from any and all sources of \$26,200 or less, or any persons who file a joint return and either spouse is 65 years of age or older having a total annual joint income derived from any and all sources of not more than \$37,000 may qualify for a total exemption from income tax. IF YOU QUALIFY FOR THE EXEMPTION, DO NOT COMPLETE THE SCHEDULES BELOW. CHECK THE BOX AT RIGHT AND SIGN RETURN ON THE BACK.

CHECK ALL BOXES THAT APPLY:

  
  

- 1. Single
- 2. Married Filing Jointly
- 3. Married Filing Separately (enter spouse's SSN # above)

  

- 4. Quadriplegic (yourself)
- 5. Quadriplegic (your spouse)

  
  

- 6. Blind (yourself)
- 7. Blind (your spouse)
- 8. Trust

  
  

- 9. Partnership
- 10. Limited Liability Entity
- 11. Estate

**TAX COMPUTATION**

WRITE NUMBERS LIKE THIS

1	2	3	4	5	6	7	8	9	0
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**ROUND TO THE NEAREST DOLLAR**

- 1. GROSS TAXABLE INCOME (From Schedule A) ..... (1)
- 2. SUBTRACT EXEMPTION { \$1,250 if single or married filing separately ..... (2)  
                                  { \$2,500 if married filing jointly
- 3. AMOUNT SUBJECT TO TAX (Line 1 less Line 2) ..... (3)
- 4. INCOME TAX (6% of Line 3) ..... (4)
- 5. ENTER: Amount paid with extension request and/or prepayment(s) ..... (5)
- 6. PENALTY { If filed late, compute penalty at 5% of the tax (Line 4 minus Line 5) for each 1 to 30 DAY PERIOD ..... (6)  
                  for which TAX IS DELINQUENT (Total penalty NOT TO EXCEED 25%). Minimum penalty is \$15 regardless of the amount of tax due or whether there is any tax due
- 7. INTEREST { If filed late, compute interest at % per annum on the tax (Line 4 minus ..... (7)  
                  Line 5) from the due date of payment to the date paid
- 8. TOTAL AMOUNT DUE (Add Lines 4, 6, and 7; subtract Line 5) ..... (8)
- 9. REFUND (If Line 5 exceeds total of Lines 4, 6, and 7, enter overpayment here) ..... (9)

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**FOR OFFICE USE ONLY**

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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## INCOME TAX

### Who Must File a Return (also see Taxable Income):

1. A person whose legal domicile\* is in Tennessee and whose taxable interest and dividend income exceeded \$1,250 (\$2,500 if married, filing jointly) during the tax year.
2. A person who moved into or out of Tennessee during the year and whose taxable interest and dividend income during the period of Tennessee residency exceeded \$1,250 (\$2,500 if married, filing jointly).
3. A person whose legal domicile\* is in another state, but who maintained a residence in Tennessee for more than six months of the year and whose taxable interest and dividend income exceeded \$1,250 (\$2,500 if married, filing jointly). Military personnel and full-time students having legal domicile in another state are not required to file.
4. A person, bank, etc. acting as a Tennessee fiduciary (administrator, executor, guardian, trustee, or other acting in a similar capacity) who received \$1,250 or more in taxable interest and dividend income for the benefit of Tennessee residents. A trust or estate is entitled to only one exemption of \$1,250, regardless of the number of beneficiaries. An executor or administrator of a Tennessee estate must pay tax on income received by the estate until stocks and bonds have been transferred to beneficiaries. However, effective April 5, 1995, a trustee of a charitable remainder trust is not responsible for payment of tax. The trustee shall report to each resident beneficiary the amount of taxable income distributed to him and the beneficiary shall be liable for the tax. Trustees who receive taxable income on behalf of NONRESIDENT BENEFICIARIES are **NOT** required to file a return. However, when taxable income is received on behalf of both RESIDENT and NONRESIDENT BENEFICIARIES, **ONLY THE TAXABLE INCOME OF ANY RESIDENT BENEFICIARY** is required to be reported in Schedule A on the back and on Line 1, Page 1 of the return. Nonresident income may be reported in Schedule B on the back of the return.
5. A Tennessee partnership whose taxable interest and dividend income exceeded \$1,250. The partnership is liable for the tax, if any.

### Exemptions:

1. An exemption of \$1,250, or \$2,500 for married persons filing jointly, is allowed against total taxable interest and dividend income reported annually.
2. A person who is legally blind is exempt from the tax. Legal blindness means that vision does not exceed 20/200 in the better eye with correcting lenses or that the widest diameter of the visual field subtends an angle no greater than 20 degrees.
  - (a) To obtain the exemption, SINGLE FILERS need only to send a written statement from their physician, certifying their blindness, to the Department of Revenue. A TAX RETURN IS NOT REQUIRED TO BE FILED BY SINGLE FILERS WHO ARE BLIND.
  - (b) For JOINT FILERS, when taxable income is received by a blind person and a sighted spouse, only the taxable income of the sighted person is required to be reported in Schedule A on the back and on Line 1, Page 1 of the return. The income of the blind person is exempted and may be reported in Schedule B on the back of the return. If the taxable dividend/interest income is received jointly by a blind person and a sighted spouse, only one-half (1/2) of the jointly received income will be exempt from tax. The sighted person is entitled to only a \$1,250 exemption on a jointly filed return. A physician's statement for the blind spouse is required with the return.
3. If a person is certified by a medical doctor to be quadriplegic, the taxable income that is derived from circumstances resulting in the individual becoming a quadriplegic is exempt. However, when taxable interest and dividend income is received jointly by a quadriplegic and a spouse who is not a quadriplegic, or who is quadriplegic but the taxable income was not derived from circumstances resulting in such spouse becoming quadriplegic, only one-half (1/2) of the jointly received income will be exempt from the tax. In such a case, the spouse who is not quadriplegic or whose quadriplegic condition did not result in the income, is entitled to only a \$1,250 exemption.
4. For tax years beginning January 1, 2012, any person 65 years of age or older having a total annual income derived from any and all sources of \$26,200 or less, or \$37,000 or less for joint filers are completely exempt from the tax.

### Taxable Income

1. Dividends from stock in:
  - a. All corporations.
  - b. Insurance companies not licensed to do business in Tennessee.
  - c. All holding companies, including those formed by banks, savings and loan associations, and insurance companies.
  - d. State-chartered banks outside Tennessee not doing business in Tennessee.
2. Income from investment trusts and mutual funds, including capital gain distributions, whether in cash or additional stock, is taxable. Portion of income derived from bonds of U.S. Government and its agencies or bonds of the state of Tennessee and its counties and municipalities is exempt.
3. Any distribution which does not qualify as a return of capital and is otherwise taxable. In order to qualify as a return of capital, it must be shown that part of the shareholder's investment is being returned to the shareholder and that, as a result, the capital of the company is actually reduced. The status or classification of the transaction for federal income tax purposes is not controlling.
4. Market value of stock in a corporation given by another corporation as a dividend in the regular course of business.
5. Distributions based on stock ownership to shareholders of an S corporation.
6. Interest from the following, if the instrument matures in more than six months from the date of issuance (except certificates of deposit):
  - a. Bonds of states, counties, and municipalities outside Tennessee.
  - b. Bonds of foreign governments.
  - c. Church bonds.
  - d. Bonds, mortgages, deeds of trust, personal notes, promissory notes, installment notes, commercial paper, or other written instruments, issued by any person, firm, corporation, joint-stock company, business, trust or partnership.
7. Interest and dividends you received as a beneficiary of a trust or estate located outside Tennessee, unless derived from a nontaxable source.
8. Dividends or interest from money market funds which are not bank money market accounts.

9. Dividends or interest from Federal National Mortgage Association, Government National Mortgage Association and Federal Home Loan Mortgage Corporation.
10. Income credited to a limited partner's capital account if the partner has a certificate evidencing transferable interest in the partnership (usually a publicly-traded partnership).

\*Legal domicile - Some items considered in determining "legal domicile" are: where you are registered to vote, where you maintain your driver's license, where you maintain your permanent or principal residence (as opposed to a special-purpose or temporary residence, such as a vacation home, etc.).

**Income is considered taxable when it is:**

1. Received in cash; or
2. Paid by check or other negotiable instrument or equivalent that is mailed to taxpayer, regardless of date received; or
3. Credited on books of a bank, banking institution, broker or any agent of taxpayer; or
4. Received in merchandise or other commodities of intrinsic value.

**Nontaxable Income**

1. Dividends from stock in:
  - a. National banks (except holding companies).
  - b. Tennessee-chartered state banks (except holding companies).
  - c. Federal savings and loan associations and/or savings and loans in Tennessee (except holding companies).
  - d. Insurance companies licensed to do business in Tennessee (except holding companies).
  - e. Loan companies and cemetery companies in Tennessee.
  - f. Mutual funds and investment trusts to the extent the fund or trust invests in U.S. bonds or Tennessee municipal bonds.
2. Dividends on insurance policies.
3. Interest from the following if the instrument matures in six months or less from the date of issuance:
  - a. Bonds, mortgages, deeds of trust, personal notes, promissory notes, commercial paper, or other written instrument, issued by any person, firm, corporation, joint-stock company, business, trust or partnership.
4. Interest from the following regardless of the date of maturity:
  - a. Bonds of the state of Tennessee and its counties and municipalities.
  - b. Bonds of the U.S. Government and its agencies. (FNMA, GNMA or FHLMC are not agencies of the U.S. Government so interest they pay to their investors is taxable.)
  - c. Certificates of deposit issued by any bank, savings and loan association or credit union.
  - d. Repurchase agreements or similar evidences of indebtedness. A repurchase agreement is an investment instrument whereby a person buys a security and the seller (usually a broker) agrees to repurchase the security on a certain date for a certain price.
5. Interest from insurance policies if interest is payable on demand.
6. Interest from savings accounts, checking accounts or money market accounts in any bank, savings and loan association or credit union (except money market funds).
7. Interest or dividends from credit unions.
8. Income described by a partnership or S corporation as portfolio or pass-through interest or dividends, unless actually paid to a partner with a certificate of transferable interest, or to a shareholder.
9. Earnings or distributions from education and Roth IRAs that are not subject to federal income tax.
10. Distributions of income or earnings from federally recognized retirement accounts, including IRAs.
11. Capital gains from the sale of real estate, stock, etc. (Capital gain distributions from mutual funds are taxable.)
12. Distributions paid on or after July 1, 2006, to shareholders of publicly-traded real estate investment trusts (REITS). Distributions paid prior to this date are taxable.
13. Earnings or distributions received on or after July 1, 2006, from health savings accounts (HSAs). Earnings received prior to this date are taxable to the extent they are derived from sources taxable for Tennessee income tax purposes.

**Rate of Taxation:** All taxable dividends and interest which exceed the \$1,250 single exemption or the \$2,500 joint exemption are taxable at the rate of 6%.

**Penalty on Delinquent Tax:** Penalty on delinquent tax will accrue at the rate of five percent (5%) per month or portion of a month, for a maximum penalty of twenty-five percent (25%) of the delinquent tax or a minimum penalty of \$15.

**Interest on Deficient or Delinquent Tax:** Interest on deficient or delinquent tax will accrue at the annual interest rate, determined by the Commissioner of Revenue, which is in effect when the deficient or delinquent tax is paid, without regard to the taxable period involved. The interest rate is determined on July 1 of each year.

**Tax payment:** Make checks or postal money orders payable to Tennessee Department of Revenue. Tax may be paid in cash at the Nashville office or the regional offices (Chattanooga, Jackson, Johnson City, Knoxville, and Memphis). **Refund:** If a refund of \$200 or more is requested on Line 9, a Report of Debts form must be completed and filed with the return.

**Distribution of Income Taxes Collected:** Three-eighths (3/8) of the income taxes collected are distributed among the cities and counties of the state. In order for the taxes to be properly distributed, please provide the name of the county and city (if the taxpayer resides within an incorporated municipality) of the taxpayer's legal residence in the appropriate space on the front of the return.

**When and where to file:** A taxpayer filing on a calendar year basis must file a return by April 15 of the following year. A taxpayer's tax year means the calendar year unless a fiscal year is elected by the taxpayer when the first fiscal year return is due to be filed. For a taxpayer on a fiscal year filing, the return is due by the 15th day of the fourth month following the end of the fiscal year.

**Request for an extension of time to file** must be made on or before the due date of return.

Mail returns or extension requests to: Tennessee Department of Revenue, Andrew Jackson State Office Building, 500 Deaderick Street, Nashville, TN 37242. For additional information, please call our statewide toll free number at (800) 342-1003. Out-of-state callers must dial (615) 253-0600.