Print Reset

FORM **40** Alabama **2014**

Individual Income Tax Return

RESIDENTS & PART-YEAR RESIDENTS

-This form has been enhanced to complete all calculations and to compute the amount of tax due. Just key in your data prior to printing the form. If you choose to use the fill-in option, PLEASE DO NOT HANDWRITE ANY OTHER DATA ON THE FORM OTHER THAN YOUR SIGNATURE. Also, do not attach your pre-printed label to this form. It will cause problems with processing. This information will be contained in the 2-D barcode when you print the form.

-It has also been enhanced to print a two dimensional (2D) barcode. The PRINT FORM button MUST be used to generate the (2D) barcode which contains data entered on the form. The use of a 2D barcode vastly improves processing of your return and reduces the costs associated with processing your return.

For the year Jan. 1 - Dec. 31, 2014, or other tax year:

Beginning: Ending: ●

Your social security number ● Spouse's SSN if joint return ●

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 outside U.S. ● ☐ Foreign Country

▶ CHECK BOX IF AMENDED RETURN ● ☐ ADOR

Filing Status/ Exemptions

1 ● ☐ $1,500 Single

2 ● ☐ $3,000 Married filing joint

3 ● ☐ $1,500 Married filing separate. Complete Spouse SSN ______

4 ● ☐ $3,000 Head of Family (with qualifying person).

Income and Adjustments

		A – Alabama tax withheld	B – Income
5	Wages, salaries, tips, etc. *(list each employer and address separately)*:		
a		5a ●	5a ●
b		5b ●	5b ●
c		5c ●	5c ●
d		5d ●	5d ●
6	Interest and dividend income *(also attach Schedule B if over $1,500)*	Go To Schedule B	6 ●
7	Other income *(from page 2, Part I, line 9)*	Go to Page 2, Part I	7 ●
8	**Total income.** Add amounts in the income column for line 5a through line 7		8 ●
9	Total adjustments to income *(from page 2, Part II, line 12)*	Go To Page 2, Part II	9 ●
10	**Adjusted gross income.** Subtract line 9 from line 8		10 ●

Deductions

You Must Attach page 2 of Federal Form 1040, Federal Form 1040A, Federal Form 1040NR, or page 1 of 1040EZ, if claiming a deduction on line 12.

11	Box a or b **MUST** be checked. Check box a, if you **itemize deductions,** and enter amount from Schedule A, line 27. Check box b, if you **do not** itemize deductions, and enter **standard deduction** *(see instructions)* ● a ☐ **Itemized Deductions** SCH A b ☐ **Standard Deduction**	11 ●	
12	Federal tax deduction *(see instructions)* Go To FITD Worksheet **DO NOT ENTER THE FEDERAL TAX WITHHELD FROM YOUR FORM W-2(S)**	12 ●	
13	Personal exemption *(from line 1, 2, 3, or 4)*	13 ●	
14	Dependent exemption *(from page 2, Part III, line 2)* GO TO PAGE 2, PART III	14 ●	
15	**Total deductions.** Add lines 11, 12, 13, and 14		15 ●

Tax

Staple Form(s) W-2, W-2G, and/or 1099 here.

16	**Taxable income.** Subtract line 15 from line 10		16 ●
17	**Income Tax due.** Enter amount from tax table or check if from ● ☐ Form NOL-85A Go To Schedule NTC		17 ●
18	**Net tax due Alabama.** Check box if computing tax using Schedule NTC ● ☐, otherwise enter amount from line 17		18 ●
19	Consumer Use Tax (see instructions). If you certify that no use tax is due, check box ☐		19 ●
20	**Alabama Election Campaign Fund.** You may make a voluntary contribution to the following:		
	a Alabama Democratic Party ☐ $1 ☐ $2 ☐ none		20a ●
	b Alabama Republican Party ☐ $1 ☐ $2 ☐ none		20b ●
21	**Total tax liability and voluntary contribution.** Add lines 18, 19, 20a, and 20b		21 ●

Payments

22	**Alabama income tax withheld** *(from Forms W-2, W-2G, and/or 1099)*	22 ●	
23	2014 estimated tax payments/Automatic Extension Payment	23 ●	
24	Amended Returns Only — Previous payments *(see instructions)*	24 ●	
25	Refundable portion of Alabama Accountability Act of 2013 Credit	25 ●	
26	Refundable portion of Adoption Credit	26 ●	
27	**Total payments.** Add lines 22, 23, 24, 25, and 26		27 ●
28	Amended Returns Only — Previous refund *(see instructions)*		28 ●
29	**Adjusted Total Payments.** Subtract line 28 from line 27		29 ●

AMOUNT YOU OWE

30	If line 21 is larger than line 29, subtract line 29 from line 21, and enter **AMOUNT YOU OWE.** Place payment, along with Form 40V, loose in the mailing envelope. **(FORM 40V MUST ACCOMPANY PAYMENT.)**		30 ●
31	Estimated tax penalty. Also include on line 30 *(see instructions page 11)*	31 ●	

OVERPAID

32	If line 29 is larger than line 21, subtract line 21 from line 29, and enter amount **OVERPAID**		32 ●
33	Amount of line 32 to be applied to your **2015 estimated tax** SCH DC	33 ●	

Donations

34	**Total** Donation Check-offs from Schedule DC, line 2	34 ●	

REFUND

35	**REFUNDED TO YOU.** (**CAUTION:** You must **sign** this return on the reverse side.) Subtract lines 33 and 34 from line 32. For Direct Deposit, check here ● ☐ and complete Part V, Page 2.		35 ●

PART I — Other Income (See page 12)

1	Alimony received	1	●
2	Business income or (loss) *(attach Federal Schedule C or C-EZ) (see instructions)*	2	●
3	Gain or (loss) from sale of Real Estate, Stocks, Bonds, etc. *(attach Schedule D)* GO TO SCHEDULE D	3	●
4a	Total IRA distributions 4a ● — **4b** Taxable amount *(see instructions)*	4b	●
5a	Total pensions and annuities 5a ● — **5b** Taxable amount *(see instructions)*	5b	●
6	Rents, royalties, partnerships, estates, trusts, etc. *(attach Schedule E)* GO TO SCHEDULE E	6	●
7	Farm income or *(loss) (attach Federal Schedule F)*	7	●
8	Other income *(state nature and source — see instructions)*	8	●
9	**Total other income.** Add lines 1 through 8. Enter here and also on page 1, line 7 Return to Page 1	9	●

PART II — Adjustments to Income (See page 15)

1a	Your IRA deduction	1a	●
b	Spouse's IRA deduction	1b	●
2	Payments to a Keogh retirement plan and self-employment SEP deduction	2	●
3	Penalty on early withdrawal of savings	3	●
4	Alimony paid. Recipient's last name ______ SSN ● ______	4	●
5	Adoption expenses	5	●
6	Moving Expenses (Attach Federal Form 3903) to: City ______ State ____ ZIP ______	6	●
7	Self-employed health insurance deduction	7	●
8	Payments to Alabama PACT Program or Alabama College Education Savings Program	8	●
9	Health insurance deduction for small employer employee *(see instructions)*	9	●
10	Costs to retrofit or upgrade home to resist wind or flood damage	10	●
11	Deposits to a catastrophe savings account	11	●
12	**Total adjustments.** Add lines 1 through 11. Enter here and also on page 1, line 9 Return to Page 1	12	●

PART III — Dependents

Do not include yourself or your spouse

(See page 15)

1a

Dependents: (1) First name	Last name	(2) Dependent's Social Security Number	(3) Dependent's Relationship to You	(4) Did you provide more than one-half dependent's support?
		●		
		●		
		●		
		●		

b Total number of dependents claimed above .... 1b ●

2 **Amount allowed.** *(Multiply the total number of dependents claimed on line 1b by the amount from the dependent chart on page 10.)*
Enter amount here and on page 1, line 14 .... Return to Page 1 — 2 ●

PART IV — General Information

All Taxpayers Must Complete This Section.

(See page 15)

1 **Residency** *Check only one box* ▶ ● ☐ Full Year ● ☐ Part Year From ______ 2014 through ______ 2014.

2 Did you file an Alabama income tax return for the year 2013? ☐ Yes ☐ No If no, state reason ______

3 Give name and address of present employer(s). Yours ______
Your Spouse's ______

4 Enter the Federal Adjusted Gross Income ● $ ______ and Federal Taxable Income ● $ ______ as reported on your 2014 Federal Individual Income Tax Return.

5 Do you have income which is reported on your Federal return, but not reported on your Alabama return (other than your state tax refund)? ☐ Yes ☐ No
If yes, enter source(s) and amount(s) below: *(other than state income tax refund)*
Source ______ Amount ●
Source ______ Amount ●

PART V — Direct Deposit

For Direct Deposit of your refund, complete 1, 2, 3, and 4 below. *(**See Page 16** of instructions to see if you qualify.)*

1 Routing Number: ______ **2** Type: ☐ Checking ☐ Savings **3** Account Number: ______

4 Is this refund going to or through an account that is located outside of the United States? ☐ Yes ☐ No

● ☐ 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

Paid Preparer's Use Only

Preparer's Signature	Date	Check if Self-employed ☐	Preparer's SSN or PTIN ●	E.I. Number
Firm's Name (or yours if self employed)		Daytime Telephone No.		ZIP Code
Address				

WHERE TO FILE FORM 40

If you are not making a payment, mail your return to:
Alabama Department of Revenue, PO Box 154, Montgomery, AL 36135-0001

If you are making a payment, mail your return, Form 40V, and payment to:
Alabama Department of Revenue, PO Box 2401, Montgomery, AL 36140-0001

Mail **only** your 2014 Form 40 to one of the above addresses. Prior year returns, amended returns, and all other correspondence should be mailed to Alabama Department of Revenue, PO Box 327464, Montgomery, AL 36132-7464.

SCHEDULES
A, B, & DC
(FORM 40)

Alabama Department of Revenue
Schedule A–Itemized Deductions 2014

(**Schedules B,** and **DC** are on back page)

ATTACH TO FORM 40 — SEE INSTRUCTIONS FOR SCHEDULE A

Reset Schedule A

Name(s) as shown on Form 40	Your social security number

The itemized deductions you may claim for the year 2014 are similar to the itemized deductions claimed on your Federal return, however, the amounts may differ. Please see instructions before completing this schedule. **PART-YEAR RESIDENTS:** A resident of Alabama for only a part of the year should list below only those deductions actually paid while a resident of Alabama.

Medical and Dental Expenses (See page 18)		***CAUTION:*** *Do not include expenses reimbursed or paid by others.*				
	1	Medical and dental expenses	1	00		
	2	Enter amount from Form 40, line 10. 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
Taxes You Paid (See page 18)	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
Interest You Paid (See page 19) *NOTE: Personal interest is not deductible.*	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		
	11	Qualified mortgage insurance premiums	11	00		
	12	Points not reported to you on Form 1098.	12	00		
	13	Investment interest. (Attach Form 4952A.) GoTo Form 4952A	13	00		
	14	Add the amounts on lines 10a through 13. Enter the total here.			14 ●	00
Gifts to Charity (See page 18)		***CAUTION:*** *If you made a charitable contribution and received a benefit in return, see page 18.*				
	15	Contributions by cash or check.	15	00		
	16	Other than cash or check. (You **MUST** attach Federal Form 8283 if over $500.)	16	00		
	17	Carryover from prior year.	17	00		
	18	Add the amounts on lines 15 through 17. Enter the total here.			18 ●	00
Casualty and Theft Loss (Attach Form 4684)	19a	Enter the amount from Federal Form 4684, line 16 (See page 19).	19a	00		
	b	Enter 10% of your Adjusted Gross Income (Form 40, line 10).	19b	00		
	c	Subtract line 19b from line 19a. If zero or less, enter –0–.			19c ●	00
Job Expenses and Most Other Miscellaneous Deductions (See page 20)	20	Unreimbursed employee expenses — job travel, union dues, job education, etc. (You **MUST** attach Federal Form 2106 if required. See instructions.) ▶	20	00		
	21	Other expenses (investment, tax preparation, safe deposit box, etc.). List type and amount. ▶	21	00		
	22	Add the amounts on lines 20 and 21. Enter the total.	22	00		
	23	Multiply the amount on Form 40, line 10 by 2% (.02). Enter the result here.	23	00		
	24	Subtract line 23 from line 22. Enter the result. If zero or less, enter –0–.			24 ●	00
Other Miscellaneous Deductions	25	Other (from list on page 20 of instructions). List type and amount. ▶			25 ●	00
Qualified Long-Term Care Ins. Premiums		***CAUTION:*** *Do not include medical premiums.*				
	26	Enter amount here.			26 ●	00
Total Itemized Deductions	27	Add the amounts on lines 4, 9, 14, 18, 19c, 24, 25, and 26. Enter the total here. Then enter on Form 40, page 1, line 11. Return to Page 1			27 ●	00

Name(s) as shown on Form 40 (Do not enter name and social security number if shown on other side)	Your social security number

SCHEDULE B – Interest And Dividend Income

Reset Schedule B

If you received more than $1500 of interest and dividend income, you must complete Schedule B. *See instructions on page 21.*

	List Payers and Amounts		A Exempt Interest			B Taxable Interest and Dividends	
1 INTEREST		1		00	1		00
				00			00
				00			00
				00			00
				00			00
				00			00
				00			00
				00			00
				00			00
2 DIVIDENDS					2		00
							00
							00
							00
							00
							00
							00
							00
							00
3	**TOTAL TAXABLE INTEREST AND DIVIDENDS** Enter here and on Form 40, page 1, line 6 . . . . . Return to Page 1 ●				3		00

SCHEDULE DC – Donation Check-Offs

Reset Schedule DC

1 You may donate all or part of your overpayment. (Enter the amount in the appropriate boxes.)

a Senior Services Trust Fund	●	00	j Alabama Firefighters Annuity and Benefit Fund.	●	00
b Alabama Arts Development Fund	●	00	k Alabama Breast & Cervical Cancer Program	●	00
c Alabama Nongame Wildlife Fund	●	00	l Victims of Violence Assistance	●	00
d Child Abuse Trust Fund.	●	00	m Alabama Military Support Foundation	●	00
e Alabama Veterans Program	●	00	n Alabama Veterinary Medical Foundation Spay-Neuter Program.	●	00
f Alabama State Historic Preservation Fund	●	00	o Cancer Research Institute	●	00
g Archives Services Fund.	●	00	p Alabama Association of Rescue Squads	●	00
h Foster Care Trust Fund	●	00			
i Mental Health	●	00			

2 **Total Donations.** Add lines 1a, b, c, d, e, f, g, h, i, j, k, l, m, n, o, and p. Enter here and on Form 40, page 1, line 34 . . . . . Return to Page 1 ● 00

SCHEDULE
NTC

2014

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 27. **Enter zero if claiming credits from Schedule OC.** Check this box for OC credit ☐ **Go To Schedule CR**	**2**	●
3 Subtract line 2 from line 1	**3**	●
4 Enter credit from Schedule OC, Part N, line 1 . . . . **Go To Schedule OC**	**4**	●
5 Subtract line 4 from line 3	**5**	●
6 Enter School Transfer Credit amount from Schedule AATC, Part I, line 39 . . . . **Go To Schedule AATC**	**6**	●
7 Subtract line 6 from line 5.	**7**	●
8 Enter Contribution to Scholarship Granting Organization Credit amount from Schedule AATC, Part III, line 20.	**8**	●
9 Subtract line 8 from line 7	**9**	●
10 Enter Adoption Credit amount from Schedule AAC, Part II, line 5. . . . . **Go To Schedule AAC**	**10**	●
11 Subtract line 10 from line 9	**11**	●
12 Enter Alabama New Markets Development Credit which cannot exceed line 11	**12**	●
13 Subtract line 12 from line 11	**13**	●
14 Enter Historic Tax Rehabilitation Credit which cannot exceed line 13.	**14**	●
15 Net tax due Alabama. Subtract line 14 from line 13 and enter amount here and on Form 40, page 1, line 18 or Form 40NR, page 1, line 20. . . . . **Return to Page 1**	**15**	●

SCHEDULE
CR

2014

Alabama Department of Revenue
Credit For Taxes Paid To Other States

Reset CR Wksheet

NAME(S) AS SHOWN ON THE TAX RETURN ●

SOCIAL SECURITY NUMBER

Complete one part for each state that you are claiming credit. If there is not enough space, additional forms may be completed as needed.

PART 1

1	2014 Taxable Income as shown on the (name of state)______________ state return	1	●
2	Tax due the other state using Alabama tax rates.	2	●
3	Tax due the other state as shown on that state's return or Form W-2G	3	●
4	Enter the smaller of lines 2 and 3 above	4	●

PART 2

5	2014 Taxable Income as shown on the (name of state)______________ state return	5	●
6	Tax due the other state using Alabama tax rates.	6	●
7	Tax due the other state as shown on that state's return or Form W-2G	7	●
8	Enter the smaller of lines 6 and 7 above	8	●

PART 3

9	2014 Taxable Income as shown on the (name of state)______________ state return	9	●
10	Tax due the other state using Alabama tax rates.	10	●
11	Tax due the other state as shown on that state's return or Form W-2G	11	●
12	Enter the smaller of lines 10 and 11 above	12	●

PART 4

13	2014 Taxable Income as shown on the (name of state)______________ state return	13	●
14	Tax due the other state using Alabama tax rates.	14	●
15	Tax due the other state as shown on that state's return or Form W-2G	15	●
16	Enter the smaller of lines 14 and 15 above	16	●

PART 5

17	2014 Taxable Income as shown on the (name of state)______________ state return	17	●
18	Tax due the other state using Alabama tax rates.	18	●
19	Tax due the other state as shown on that state's return or Form W-2G	19	●
20	Enter the smaller of lines 18 and 19 above	20	●

PART 6 should not be completed until a schedule has been completed for each state that you are claiming a credit.

PART 6

21	Non-Alabama Adjusted Gross Income.	21	●	
22	Alabama Adjusted Gross Income from Form 40, page 1, line 10.	22	●	
23	Divide line 21 by line 22	23	●	%
24	Alabama Tax Liability from Form 40, page 1, line 17.	24	●	
25	Multiply line 24 by line 23.	25	●	
26	Enter the Sum of lines 4, 8, 12, 16, and 20 from Parts 1, 2, 3, 4, and 5.	26	●	
27	**CREDIT ALLOWABLE…**Enter amount from line 24, 25, or 26 whichever is smallest. Also enter amount on Schedule NTC, line 2 if not claiming any credits on Schedule OC. If claiming credits on Schedule OC enter amount on Schedule OC, Part A, line 1 . . . . Go to Schedule OC . .	27	●	

SCHEDULE
AATC

2014

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	7 ●	$3,657	00
8 Actual cost of attending nonfailing public school or nonpublic school	8 ●		
9 Enter the lesser of line 7 or line 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	16 ●	$3,657	00
17 Actual cost of attending nonfailing public school or nonpublic school	17 ●		
18 Enter the lesser of line 16 or line 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	25 ●	$3,657	00
26 Actual cost of attending nonfailing public school or nonpublic school	26 ●		
27 Enter the lesser of line 25 or line 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	34 ●	$3,657	00
35 Actual cost of attending nonfailing public school or nonpublic school	35 ●		
36 Enter the lesser of line 34 or line 35	36 ●		

37 Enter amount from Schedule NTC, line 5	37 ●		
38 Add the amounts from line 9, line 18, line 27, and line 36.	38 ●		
39 Enter the lesser of line 37 or line 38. Enter amount here and on Schedule NTC, line 6.	39 ●		
40 **Refundable amount.** Subtract line 39 from line 38. Enter amount here and on Form 40, page 1, line 25 or Form 40NR, page 1, line 25	40 ●		

Return to Page 1

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 ●		
4	Enter amount from Schedule NTC, line 7		4 ●	
5	Multiply line 4 by 50% (.50)		5 ●	
6	Maximum credit allowable for current year contribution	6 ● $7,500 00		
7	Credit allowable. Enter the lesser of line 3 or line 6		7 ●	

PART III

ALABAMA DEPARTMENT OF REVENUE

Scholarship Contribution Credit Application

1	Enter carryforward amount from tax year ___________		1 ●	
2	Enter amount from Part II, line 5		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 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 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 7		16 ●	
17	Enter amount from line 14. If no carryforward credits enter amount from Part II, line 5		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 8	Go To Schedule NTC	20 ●	

SCHEDULE
OC
(FORM 40 OR 40NR)

Alabama Department of Revenue
Other Available Credits
ATTACH TO FORM 40 OR 40NR

2014
ADOR

Name(s) as shown on Form 40 or 40NR | Reset Schedule OC | Your social security number

PART A – Credit For Taxes Paid To Other States (***NOTE:*** *CR Credits are NOT allowable for Nonresidents*)

1 **CREDIT ALLOWABLE.** Enter the amount from Schedule CR, line 27 . . . . . 1 ●

PART B – 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 Total maximum credit available. Multiply line 5 by 20% (.20) 6

7 Tax due Alabama from Form 40, page 1, line 17, or Form 40NR, page 1, line 19 7

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

PART C – 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 Maximum Rural Physician Credit 3 $5,000 00

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

PART D – Coal Credit

1 **CREDIT ALLOWABLE** . . . . . 1 ●

PART E – 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 F – Capital Credit

You must attach Form K-RCC to your Alabama return.

1 Enter your Project Number assigned by the Alabama Department of Revenue . . . . . 1 ●

2 Name of project entity entitled to the Capital Credit ____________________.

3 Enter tax due from Form 40, page 1, line 17, or Form 40NR, page 1, line 19 3

4 Less credits:

a. **CR Credit.** Enter amount from Schedule OC, Part A, line 1 . . . . . 4a

b. **Basic Skills Education Credit.** Enter amount from Schedule OC, Part B, line 8 . . . . . 4b

c. **Rural Physician Credit.** Enter amount from Schedule OC, Part C, line 4 . . . . . 4c

d. **Coal Credit.** Enter amount from Schedule OC, Part D, line 1 . . . . . 4d

e. **Enterprise Zone Act Credit.** Enter amount from Schedule OC, Part E, line 1 . . . . . 4e ●

f. **Tariff Credit.** Enter amount from Schedule OC, Part G, line 1 . . . . . 4f

g. **Full Employment Act of 2011 Credit.** Enter amount from Schedule OC, Part H, line 5 . . . . . 4g

h. **Heroes for Hire Tax Credit Act.** Enter amount from Schedule OC, Part I, line 2 . . . . . 4h

i. **Heroes for Hire Tax Credit Act.** Enter amount from Schedule OC, Part J, line 4 . . . . . 4i

j. **Irrigation/Reservoir System Credit.** Enter amount from Schedule OC, Part K, line 9 . . . . . 4j

k. **Credit for Taxes Paid to a Foreign Country.** Enter amount from Schedule OC, Part L, line 10 . . . . . 4k

l. **Neighborhood Infrastructure Incentive Plan Credit.** Enter amount from Schedule OC, Part M, line 4 . . . . . 4l

5 Total all credits other than Capital Credit. Add lines 4a, 4b, 4c, 4d, 4e, 4f, 4g, 4h, 4i, 4j, 4k, and 4l. 5

6 Tax due before Capital Credit. If line 3 is larger than line 5, subtract line 5 from line 3, and enter the difference on line 6. If line 3 is smaller than line 5, enter zero on line 6 6

7 Enter Capital Credit available from Schedule K-RCC, line 7 7

8 **CAPITAL CREDIT ALLOWABLE.** Enter the lesser of line 6 or 7. . . . . . 8 ●

PART G – Tariff Credit

1 **CREDIT ALLOWABLE** . . . . . 1 ●

Name(s) as shown on Form 40 or 40NR	Your social security number

PART H – Full Employment Act of 2011 Credit

1 Number of full time employees on 12-31-2013	1			
2 Number of full time employees on 12-31-2012	2			
3 Subtract line 2 from line 1	3			
4 Number of qualifying new employees from line 3 that completed their first 12 months service in 2014	4			
5 **Credit allowable.** Multiply line 4 by $1,000.00			5	•

PART I – Heroes for Hire Tax Credit Act

Employee Credit

1 Number of recently deployed unemployed veterans included in line 4, Part H	1			
2 **Credit Allowable.** Multiply line 1 by $1,000.00			2	•

PART J – Heroes for Hire Tax Credit Act

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	$2,000	00		
4 **Credit Allowable.** Enter the lesser of line 2 or line 3				4	•

PART K – Irrigation/Reservoir System Credit

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) — Check this box for line 4 credit ☐	4				
5 Cost of constructing reservoir	5				
6 Multiply line 5 by 20% (.20) — Check this box for line 6 credit ☐	6				
7 Enter the amount from line 4 or line 6	7				
8 Maximum credit	8	$10,000	00		
9 **Credit Allowable.** Enter the lesser of line 7 or line 8				9	•

PART L – 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 M – Neighborhood Infrastructure Incentive Plan Credit

1 Enter amount of voluntary assessment paid	1				
2 Multiply line 1 by 10% (.10)	2				
3 Maximum Allowable Credit	3	$1,000	00		
4 **Credit Allowable.** Enter the lesser of line 2 or line 3.	Go To Schedule NTC			4	•

PART N – Summary

1 **TOTAL CREDITS ALLOWABLE.** Add Part A, line 1, Part B, line 8, Part C, line 4, Part D, line 1, Part E, line 1, Part F, line 8, Part G, line 1, Part H, line 5, Part I, line 2, Part J, line 4, Part K, line 9, Part L, line 10, Part M, line 4. Enter the total here and on Schedule NTC, line 4	1	•

SCHEDULE
AAC

2014

Alabama Department of Revenue
Alabama Adopption Tax Credit

NAME(S) AS SHOWN ON TAX RETURN ● ______ PRIMARY SOCIAL SECURITY NO. ● ______ SPOUSE SOCIAL SECURITY NO. ● ______

PART I – Information about your eligible child

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 ______

29 Name of Child ______
30 Social Security Number of Child ______
31 Address of Child ______
32 Name of Birth Mother ______
33 Address of Birth Mother ______
34 Name of Adoption Agency ______
35 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 line1 by line 2	3		
4	Enter amount from Schedule NTC, line 9 (Go To Schedule NTC)	4		
5	Enter the lesser of line 3 or line 4. Enter amount here and on Schedule NTC, line 10	5		
6	**Refundable Amount**. Subtract line 5 from line 3. Enter amount here and on Form 40 or Form 40NR, page 1, line 26 (Return to Page 1)	6		

SCHEDULES
D&E
(FORM 40)

Reset Schedule D

Alabama Department of Revenue

Schedule D – Net Profit or Loss 2014

(**Schedule E** is on back)

ATTACH TO FORM 40 — SEE INSTRUCTIONS FOR SCHEDULES D AND E

Name(s) as shown on Form 40	Your social security number

Net Profit or Loss From Sale of Real Estate, Stocks, Bonds, etc.

(a) Kind of Property	(b) Date Acquired	(c) Date Sold	(d) Amount Received	(e) Depreciation Allowable Since Acquisition	(f) Cost or Other Basis	(g) Subsequent Improvements	(h) Net Profit or (Loss) (Cols. d & e less Cols. f & g)	
								00
								00
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Check here if you have more than one Schedule D ☐

1 **TOTAL NET PROFIT OR (LOSS).** Enter here and on Form 40, page 2, Part I, line 3. . . . . Return to Page 2 ▶ 1 | | 00

SCHEDULE
E
(FORM 40)

Alabama Department of Revenue
Supplemental Income and Loss
2014

(From Rental Real Estate, Royalties, Partnerships, S Corporations, Estates, Trusts, REMICs, etc.)

▶ ATTACH TO FORM 40. ▶ SEE INSTRUCTIONS FOR SCHEDULE E (FORM 40).

Name(s) shown on return	Your social security number

Reset Schedule E

PART I Income or Loss From Rental Real Estate and Royalties

Note: *Report income and expenses from your business of renting personal property on* ***Schedule C*** *or* ***C-EZ***.

1 Show the kind and location of each **Rental Real Estate Property:**

A

B

C

2 For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:
- 14 days, **or**
- 10% of the total days rented at fair rental value?

	Yes	No
A		
B		
C		

		Properties A		Properties B		Properties C			Totals (Add Columns A, B, and C)	
Income:										
3 Rents received	3		00		00		00	3		00
4 Royalties received	4		00		00		00	4		00
Expenses:										
5 Advertising	5		00		00		00			
6 Auto and travel	6		00		00		00			
7 Cleaning and maintenance	7		00		00		00			
8 Commissions	8		00		00		00			
9 Insurance	9		00		00		00			
10 Legal and other professional fees	10		00		00		00			
11 Management fees	11		00		00		00			
12 Mortgage interest	12		00		00		00	12		00
13 Other interest	13		00		00		00			
14 Repairs	14		00		00		00			
15 Supplies	15		00		00		00			
16 Taxes	16		00		00		00			
17 Utilities	17		00		00		00			
18 Other (list) ▶	18		00		00		00			
			00		00		00			
			00		00		00			
			00		00		00			
			00		00		00			
19 Add lines 5 through 18	19		00		00		00	19		00
20 Depreciation expense or depletion	20		00		00		00	20		00
21 Total expenses. Add lines 19 and 20	21		00		00		00			
22 Income or (loss). Subtract line 21 from line 3 (rents) or line 4 (royalties)	22		00		00		00			

23 Total Real Estate and Royalty income or (loss). Add columns A, B, and C from line 22 and enter the result here . . . 23 ____ 00

PART II Income from Partnerships, S Corporations, Estates and Trusts

(g) Name and Address	(h) Check One: Partnership	Estate or Trust	S Corporation	(i) Employer Identification Number	(j) Amount
					00
					00
					00
					00

24 **TOTAL INCOME FROM PARTNERSHIPS, S CORPORATIONS, ESTATES, AND TRUSTS.** Add the amounts in column (j). Enter the total here and include on line 25 below. . . . ▶ 24 ____ 00

Check here if you have more than one Schedule E ☐ Return to Page 2 (Single Schedule E)

25 **TOTAL INCOME OR (LOSS).** Combine lines 23 and 24. Enter the total here and on Form 40, page 2, Part I, line 6 . . . ▶ 25 ____ 00

FORM
4952A

ATTACH TO YOUR TAX RETURN

Alabama Department of Revenue
Investment Interest Expense Deduction

2014

Name(s) as shown on your return | Identifying number

Type of return . . . . ☐ Individual . . . . ☐ Estate . . . . ☐ Trust

Reset Form 4592A

1	Interest expense on investment debts paid or accrued in 2014 *See instructions.*	1	
2	Disallowed investment interest expense from 2013 Form 4952A, line 5.	2	
3	Total investment interest expense. Add lines 1 and 2.	3	
4	**Net investment income.** *See instructions.*	4	
5	**Disallowed investment interest expense to be carried forward to 2015.** Subtract line 4 from line 3. If zero or less, enter –0–.	5	
6	**Investment interest expense deduction.** Enter the smaller of line 3 or line 4. *See instructions.* Return to Schedule A ▶	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; and
- You have no carryovers of investment interest expense from 2013.

ALLOCATION OF INTEREST EXPENSE UNDER TEMPORARY FEDERAL REGULATIONS SECTION 1.163-8T

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 B, Column C, Line 10.

Federal Income Tax Deduction Worksheet

1	Enter the tax as shown on line 56, Form 1040, line 37 on Form 1040A, line 10 on Form 1040EZ or line 53 on Form 1040NR		1
2	Net Investment Income Tax. Enter amount from line 17, Form 8960		2
3	Federal Tax. Add lines 1 and 2		3
4	a **Earned income credit (EIC).** Enter the amount from line 66a, Form 1040, line 42a on Form 1040A or line 8a on Form 1040EZ	4a	
	b **Additional child tax credit.** Enter the amount from line 67, Form 1040, line 43 on Form 1040A, or line 64 on Form 1040NR	4b	
	c **American Opportunity Credit.** Enter the amount from line 68, Form 1040 or line 44 on Form 1040A	4c	
	d **Credits from Forms 2439.** Enter the amount from line 73, Form 1040 or line 69 on Form 1040NR	4d	
5	Add lines 4a, b, c and d		5
6	Subtract line 5 from line 3 and enter on line 12 on Form 40, line 9 Form 40A or line 4, Part IV, page 2 on Form 40NR. **If amount is negative enter zero.**		6

Go To Page 1