State of Oklahoma

Farm Income Averaging

Enclose this form with your Oklahoma tax return.

FORM **573** 2020

Taxpayer's First Name and Middle Initial	Last Name	Taxpayer Social Security Number

1	Enter the 2020 taxable income from Form 511, line 13 or Form 511NR, line 14..	00
2	Enter your elected farm income, but not more than the amount on line 1. (see instructions)	00
3	Subtract line 2 from line 1	00
4	Figure the tax on the amount on line 3. Use the 2020 Tax Table	00
5	Enter the 2017 taxable income. To determine taxable income see page 3. (if zero or less see instructions)	00
6	Divide the amount on line 2 by 3	00
7	Combine lines 5 and 6. If less than zero enter 0 (zero)	00
8	Figure the tax on the amount on line 7 using 2017 tax rates. (see page 2 for tax rate schedule)	00
9	Enter the 2018 taxable income. To determine taxable income see page 3. (if zero or less see instructions)	00
10	Enter the amount from line 6	00
11	Combine lines 9 and 10. If less than zero enter as a negative amount	00
12	Figure the tax on the amount on line 11 using 2018 tax rates. (see page 2 for tax rate schedule)	00
13	Enter the 2019 taxable income. To determine taxable income see page 3. (if zero or less see instructions)	00
14	Enter the amount from line 6	00
15	Combine lines 13 and 14. If less than zero enter as a negative amount	00
16	Figure the tax on the amount on line 15 using 2019 tax rates. (see page 2 for tax rate schedule)	00
17	Add lines 4, 8, 12 and 16	00
18	Enter the tax for 2017. To determine tax, see page 3	00
19	Enter the tax for 2018. To determine tax, see page 3	00
20	Enter the tax for 2019. To determine tax, see page 3	00
21	Add lines 18 through 20	00
22	Subtract line 21 from line 17, enter here and on Form 511, line 14 or Form 511NR, line 15. (Be sure and enter a "1" in the box for "Farm Income Averaging")	00

Farm Income Averaging Instructions

Use Form 573 to elect to figure your 2020 tax by averaging, over the previous three base years, all or part of your 2020 taxable income from your trade or business of farming. Making this election may give you a lower tax if your 2020 income from farming is high and your taxable income for one or more of the three prior years was low.

Line 2: Your "elected farm income" is the amount of your taxable income from your farming business, as defined in IRC Section 263A(e)(4), that you elect to include on line 2. You do not have to include all of your taxable income from farming on line 2.

A gain from the sale or other disposition of property, other than land, regularly used by you in your farming business for a substantial period shall be treated as attributable to such farming business.

Lines 5, 9, and 13: If your deductions exceed your gross income for any year that is a base year for 2020 (2017, 2018 or 2019), your taxable income for farm income averaging purposes for such year may be a negative amount. **However**, when you enter your taxable income,

- Do not include such year's Net Operating Loss (NOL). The amount of the NOL, from your 511-NOL Schedule A or your 511NR-NOL Schedule A "Federal Amount Column", that is being carried to another year should be added back to arrive at the amount of the taxable income to enter.
- Do not include any of a NOL carryover or carryback that was not used (absorbed) in such year. The amount of the NOL, from your 511-NOL Schedule B or your 511NR-NOL Schedule B "Federal Amount Column", that is being carried over to the following year should be added back to arrive at the amount of the taxable income to enter.

Line 22: Enter your tax on Form 511, line 14 or Form 511NR, line 15 and enter a "1" in the box for "Farm Income Averaging".

Oklahoma Tax Rates for Tax Years 2017 - 2019

Married Joint, Head of Household and Surviving Spouse Filers

If taxable income is:

-0-	-	2,000	Pay	0.00	+	0.5%	over	0
2,000	-	5,000	Pay	10.00	+	1%	over	2,000
5,000	-	7,500	Pay	40.00	+	2%	over	5,000
7,500	-	9,800	Pay	90.00	+	3%	over	7,500
9,800	-	12,200	Pay	159.00	+	4%	over	9,800
12,200	-	over	Pay	255.00	+	5%	over	12,200

Single and Married Separate Filers

If taxable income is:

-0-	-	1,000	Pay	0.00	+	0.5%	over	0
1,000	-	2,500	Pay	5.00	+	1%	over	1,000
2,500	-	3,750	Pay	20.00	+	2%	over	2,500
3,750	-	4,900	Pay	45.00	+	3%	over	3,750
4,900	-	7,200	Pay	79.50	+	4%	over	4,900
7,200	-	over	Pay	171.50	+	5%	over	7,200

Farm Income Averaging

Determination of Taxable Income and Tax for Tax Years 2017, 2018 and 2019

2017 Taxable Income

Line 5

If you used Form 573 to figure your tax for:

- **2019** ....enter the amount from your 2019 Form 573, line 11. Stop here, go to line 6.
- **2018** and not 2019 ....enter the amount from your 2018 Form 573, line 15. Stop here, go to line 6.
- **2017** but not 2018 nor 2019.......enter the amount from your 2017 Form 573, line 3. Stop here, go to line 6.

If you did not use Form 573 in 2019, 2018 or 2017, enter the taxable income from your **2017** Form 511, line 13, or Form 511NR, line 14. If zero or less, see instructions.

2018 Taxable Income

Line 9

If you used Form 573 to figure your tax for:

- **2019** ....enter the amount from your 2019 Form 573, line 15. Stop here, go to line 10.
- **2018** and not 2019 ....enter the amount from your 2018 Form 573, line 3. Stop here, go to line 10.

If you did not use Form 573 in 2019 or 2018, enter the taxable income from your **2018** Form 511, line 13, or Form 511NR, line 14. If zero or less, see instructions.

2019 Taxable Income

Line 13

If you used Form 573 to figure your tax for:

- **2019** ....enter the amount from your 2019 Form 573, line 3. Stop here, go to line 14.

If you did not use Form 573 in 2019, enter the taxable income from your **2019** Form 511, line 13, or Form 511NR, line 14. If zero or less, see instructions.

2017, 2018 & 2019 Tax

Line 18 - Tax for 2017

If you used Form 573 to figure your tax for:

- **2019** ....enter the amount from your 2019 Form 573, line 12. Stop here, go to line 19.
- **2018** and not 2019 ....enter the amount from your 2018 Form 573, line 16. Stop here, go to line 19.
- **2017** but not 2018 nor 2019.......enter the amount from your 2017 Form 573, line 4. Stop here, go to line 19.

Otherwise, enter the tax from your **2017** Form 511, line 14 or Form 511NR, line 15.

Line 19 - Tax for 2018

If you used Form 573 to figure your tax for:

- **2019** ....enter the amount from your 2019 Form 573, line 16. Stop here, go to line 20.
- **2018** and not 2017 ....enter the amount from your 2018 Form 573, line 4. Stop here, go to line 20.

Otherwise, enter the tax from your **2018** Form 511, line 14 or Form 511NR, line 15.

Line 20 - Tax for 2019

If you used Form 573 to figure your tax for:

- **2019** ....enter the amount from your 2019 Form 573, line 4. Stop here, go to line 21.

Otherwise, enter the tax from your **2019** Form 511, line 14 or Form 511NR, line 15.