



# INSTRUCTIONS FOR FORM AR1000ADJ

## LINE 1

To claim the Texarkana exemption, you must file a return and report all Arkansas income you received during the year. Attach AR-TX Form. **(AR-TX Form is supplied by your employer.)** The AR-TX Form is not required for non-wage income such as interest, dividends, Schedule C, Schedule F, Schedule E or retirement. Additional information may be required if an adjustment for these types of income is claimed.

**NOTE:** Taxpayers who claim this exemption must file using their street address in Texarkana, Arkansas or Texarkana, Texas. Physical address must be entered on your return.

If you lived within the city limits of Texarkana, Arkansas, you are allowed a full exemption from Arkansas income tax. Part year Texarkana residents claim the exemption only on income earned while a resident of Texarkana, Arkansas.

If you lived in the city limits of Texarkana, Texas, you may deduct the income you earned in the city limits of Texarkana, Arkansas. All other Arkansas income is taxable to you.

## LINE 2

If you made contributions to a tuition savings account established under the Arkansas Tax Deferred Tuition Savings Program, enter the amount here. The deductible contribution cannot exceed \$5,000 per taxpayer. If you contribute more than \$5,000 in a tax year, you can carry forward the amount over \$5,000 to the next 4 succeeding tax years. The deductible contributions for a tax deferred tuition savings program established by another state that is rolled-over into an Arkansas Tax Deferred Tuition Savings program shall not exceed \$7,500 per taxpayer in the tax year in which it was rolled provided that the rolled-over amount was not previously deducted in computing Arkansas taxable income in a prior year.

For Tuition Savings Programs established in other states, a deduction of up to \$3,000 is allowed if the amount is not deducted on the other state's income taxes. Qualified withdrawals from a tuition savings account established under the Arkansas Tax Deferred Tuition Savings Program or a tax-deferred tuition savings program established by another state will be exempt from Arkansas income tax with respect to the designated beneficiary's income.

## LINE 3

Contribution to a Traditional Individual Retirement Account (IRA). If you contributed to your own IRA, certain limitations may apply to the amount you may use as an adjustment to income. If neither you nor your spouse was covered by an employer provided retirement plan, the entire contribution is deductible up to \$7,000 each for all filing statuses. If either you or your spouse was covered by such a plan, the amount of the deduction depends on the amount of your Adjusted Gross Income (AGI) before the IRA deduction, as shown in the table on page 19 of the booklet. Use this table along with your Arkansas AGI to determine your allowable deduction. Individuals who turned 50 before the close of the tax year may increase the maximum permitted annual contribution by up to \$1,000.

## LINE 4

Contribution to an Archer Medical Savings Account (MSA). An MSA is a trust or custodial account that is created or organized exclusively for the purpose of paying the qualified medical expenses of the taxpayer (account holder) and the taxpayer's spouse and/or dependents. To be eligible, a taxpayer must have had insurance coverage under a High Deductible Health Plan (HDHP) only.

A HDHP will have the following deductions and limitations: (1) for self-only coverage, the minimum deductible is \$2,850, maximum deductible is \$4,300 and the maximum out of pocket expense is \$5,700, and (2) for family coverage, the minimum deductible is \$5,700, maximum deductible is \$8,550 and the maximum out of pocket expense is \$10,500. The contribution limitation for any month is the amount equal to 1/12 of 65% of the annual deductible for an individual with self-only coverage and 1/12 of 75% of the annual deductible for family coverage. New Archer MSAs may not be established after 2007 but contributions can be made to existing accounts.

## LINE 5

Contribution to a Health Savings Account (HSA). To be eligible, a taxpayer must have had insurance coverage under a HDHP only. A HDHP will have the following deductions and limitations: (1) for self-only coverage, the minimum deductible is \$1,650 and the maximum out of pocket expense is \$8,300, and (2) for family coverage, the minimum deductible is \$3,300 and the maximum out of pocket expense is \$16,600. You can make pre-tax contributions of up to \$4,300 each year (\$8,550 for families) to cover health care costs. Individuals who reached age 55 by the end of the tax year can increase their annual contribution by \$1,000 for 2025. Maximum contributions allowed to an HSA are reduced by any contributions made to an Archer MSA. Attach federal Form 8889.

## LINE 6

You may take an adjustment for interest paid on student loans if all of the following apply:

1. You paid interest in 2025 on a qualified student loan.
2. Your filing status is any status other than married filing separately on different returns (status 5).
3. Your AGI is less than: \$100,000 if filing status 1, 3, or 6; \$200,000 if filing status 2 or 4. Status 4 filers, note that this is a combined income amount.
4. You are not claimed as a dependent on another taxpayer's 2025 tax return.

Figure your allowable deduction using the worksheet on page 19 of the booklet. **Do not enter more than \$2,500 on AR1000ADJ.**

## LINE 7

Contributions made to a long-term intergenerational trust. This is a trust established for an individual under age 18 to provide funds for the minor's retirement. The trustee must be a resident of Arkansas and cannot distribute any of the trust funds to the beneficiary until the beneficiary reaches age 55. Contributions are limited to \$4,000 per year.



## INSTRUCTIONS FOR FORM AR1000ADJ (cont.)

### LINE 8

Employees and self-employed persons can deduct certain moving expenses incurred in 2025.

You can take this deduction if you moved for your job or business and added at least fifty (50) miles to the distance from your old home to your old workplace. If you had no former workplace, your new workplace must be at least 50 miles from your old home. (Attach a completed copy of Form AR3903.)

If you were reimbursed for any moving expenses and the amount was included on your W-2, report this amount as income on Form AR1000F/AR1000NR, line 8.

### LINE 9

If you were self-employed and had a net profit for 2025, you may be able to deduct part of the amount paid for health insurance for yourself, your spouse, and/or dependents. Complete the worksheet on page 20 of the booklet to determine your deduction.

### LINE 10

If you were self-employed and contributed to a "Keogh", H.R. 10 retirement plan, or a SIMPLE plan, enter the total contributions. The amount of the deduction depends upon the type of plan. For a detailed breakdown of the deduction limits, please consult IRS Publication 560.

### LINE 11

Enter the total penalties paid for early withdrawal of certificates of deposit.

### LINE 12

If you paid alimony or separate maintenance as the result of a court order, enter the total amount. Enter the name and Social Security Number of the person you paid.

### LINE 13

If you have an individual with disabilities who qualifies you can take an adjustment from income of \$500 for each individual with disabilities. Attach a Form AR1000DC for each individual.

### LINE 14

If you paid unreimbursed expenses for yourself or one of your dependents related to the donation of an organ you may take a tax deduction up to \$10,000. The deduction does not apply to organs harvested from a deceased donor. For more details, see Form AR1000-OD. If you qualify, complete and attach Form AR1000-OD.

### LINE 15

If you have military reserve expenses, enter the total amount.

### LINE 16

If you have reforestation deductions, enter the total amount.

### LINE 17

If you are a teacher and have unreimbursed expenses for your classroom, you may be able to claim an adjustment to your total income. For more details, see Form AR1000CE. If you qualify, complete and attach Form AR1000CE for each taxpayer claiming an adjustment.

### LINE 18

ABLE Contributions. If you made contributions to a disability savings account established under the Achieving A Better Life Experience Program (ABLE) enter here. The deductible contribution cannot exceed more than \$5,000 per taxpayer in a tax year. If you contribute more than \$5,000 in a tax year, you can carry forward the amount over \$5,000 to the next 4 succeeding tax years.

### LINE 19

Total Adjustments. Add lines 1 through 18 and enter on this line and on Forms AR1000F or AR1000NR, line 24.