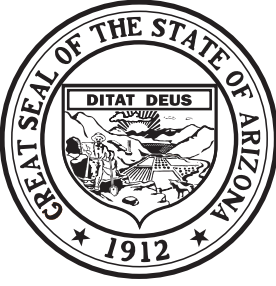


# 2018



## Arizona Form 140 Resident Personal Income Tax Booklet

### This Booklet Contains:

- Form 140 – Resident Personal Income Tax Return
- Form 140 Schedule A – Itemized Deduction Adjustments
- Form 204 – Extension Request

## Where's my Refund?

Check your refund status at  
[www.AZTaxes.gov](http://www.AZTaxes.gov)

### Who can use Arizona Form 140?

You, and your spouse if married filing a joint return, may file Form 140 only if you are full year residents of Arizona.

You must use Form 140 rather than Form 140A or Form 140EZ to file for 2018 if any of the following apply to you.

- Your Arizona taxable income is **\$50,000 or more**.
- You received active duty military pay as a member of the U.S. Armed Forces.
- You received pay for active service as a reservist or a National Guard member.
- You are making adjustments to income.
- You itemize deductions.
- You claim tax credits other than the family income tax credit, the property tax credit or the credit for increased excise taxes.
- You are claiming estimated payments.

## View your 1099-G online at [AZTaxes.gov](http://AZTaxes.gov)

1099-Gs will no longer be mailed; print a copy of your 1099-G online at [AZTaxes.gov](http://AZTaxes.gov)

Before using paper,  
consider



### FILE ONLINE!

**Fast:** Faster processing of your refund and money in your account sooner.

**Accurate:** Fewer errors than paper forms. Online programs make it easy to ensure you don't miss anything important.

**Affordable:** If you qualify, it's free.

**Paperless:** Help the environment by reducing the paper usage.



### Pay your taxes by credit card!

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### CAUTION

The federal adjusted gross income that you use on your Arizona return may not be the same as the federal adjusted gross income from your federal tax return. Also, the federal Schedule A deductions used on the Arizona return may be different from the federal Schedule A deductions taken on your federal return.

Each year the Arizona State Legislature considers if they will adopt changes made

to the federal tax law during the prior year. These forms assume the Legislature will adopt all federal law changes made after January 1, 2018. If you use the amounts from your 2018 federal tax return to complete your Arizona return and the Legislature does not adopt the 2018 federal changes, you may have to amend your return at a later date for any difference between Arizona and federal law. For more details, visit [www.azdor.gov](http://www.azdor.gov) and click on the link for 2018 conformity.

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## Notice

As a rule, the starting point for your Arizona return is your federal adjusted gross income. To take itemized deductions, you must start with the amount shown on the federal Schedule A. This is the case for 2018, except for changes Congress made to the federal tax code during 2017 and 2018 and the following apply.

1. The changes affect how you figure your federal adjusted gross income.

### **AND/OR**

2. The changes affect how you figure your itemized deductions.

When federal changes are made, Arizona legislature must adopt those changes if the Arizona starting points are to be kept the same. The legislature will address this issue when it is in session during 2019. We must publish these forms before this issue will be addressed by the legislature. When we went to print, Arizona had not yet adopted any federal tax law changes made after January 1, 2018.

**What does this mean to you? It means that if any of the federal law changes made in 2017 and 2018 apply to your 2018 return, you can opt to file your 2018 return using one of the following methods.**

1. You can wait and file your 2018 return after this issue has been addressed.

To do this, you may need to ask for a filing extension. You must pay 90% of the tax due by the due date of the return before any extension.

2. You can file your 2018 return assuming that the federal law changes will be adopted. The 2018 tax forms make this assumption.

**If you opt for method 2, one of the following will apply.**

- If Arizona adopts those changes, you do not have to do anything more.
- If Arizona does not adopt all those changes, you may need to amend your 2018 Arizona return. Your amended return will have to show the difference between the Arizona law and the federal law. If this happens, we will post more details on our conformity webpage.

Go to: <https://azdor.gov/legal/conformity-irc>

- Generally, no penalties or interest will be assessed on these amended returns, if you follow the Department's instructions and pay any tax due when you file your original 2018 return and you file and pay the required amended return by the extended due date of your 2018 return.

3. You can file your 2018 return assuming that we will not adopt the federal law changes. If you opt for this method, you will have to do the following.

- You will have to research all of the federal changes made after January 1, 2018.
- You will have to figure out if any of those changes apply to you.
- You will have figure out how to make adjustments for those changes on your return.

**If you opt for method 3, one of the following will apply.**

- If Arizona does not adopt those changes, you do not have to do anything more.
- If Arizona adopts those changes, you may need to amend your 2018 Arizona return. Your amended return will have to show the difference between what you reported and what you should have reported. If this happens, we will post more details on our conformity webpage.

Go to: <https://azdor.gov/legal/conformity-irc>

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## Due date for calendar year filers

Your 2018 individual income tax return is due by midnight on April 15, 2019. If you file under a valid extension, your extended due date is October 15, 2019, to file your income tax return.

## 2018 Individual Income Tax Brackets Adjusted for Inflation

For 2018, the Arizona individual income tax brackets were adjusted for inflation. For specific amounts, see the Optional Tax Table and Tax Table X & Y.

## 2018 Arizona Standard Deduction Amount Adjusted for Inflation

For 2018, the Arizona standard deduction amounts were adjusted for inflation.

- \$5,312 for a single taxpayer or a married taxpayer filing a separate return
- \$10,613 for a head of household or a married couple filing a joint return

## 2018 Arizona Personal Exemption Amounts Adjusted for Inflation

For 2018, the Arizona personal exemption amounts were adjusted for inflation.

If your filing status is:	Personal Exemption Amount is:
• Single	\$2,200
• Married filing joint a return and claiming no dependents	\$4,400
• Married filing a joint return and claiming at least one dependent excluding persons who did not qualify as a dependent on your federal return	\$6,600
• Head of household and you are not married	\$4,400
• Head of household and you are a married person who qualifies to file as head of household	\$3,300, or complete Form 202*
• Married filing a separate return with neither spouse claiming any dependents	\$2,200, or complete Form 202*
• Married filing a separate return with one spouse claiming at least one dependent excluding persons listed who did not qualify as a dependent on your federal return	\$3,300 or complete Form 202*

\*Personal Exemption Allocation Election

## Change to Credit Form 321 (Contributions To Qualifying Charitable Organizations) and Credit Form 352 (Contributions to Qualifying Foster Care Charitable Organizations).

Beginning 2018, the department requires the taxpayer to enter, on the credit form, the five-digit code assigned to the qualifying charitable organization for which the taxpayer is claiming a tax credit. If the donor contributes through an umbrella organization, the taxpayer must enter the code assigned to the Umbrella Charitable Organization fund. For more information see the instructions for Forms 321 and 352.

## Change to Credit Form 322 (Contributions Made or Fees Paid to Public Schools)

Beginning 2018, the department requires the taxpayer to enter, on the credit form; the CTDS code assigned to each public and charter school. The CTDS code is a nine (9) digit number and stands for *County Code, Type Code, District Code & Site Number*. For more information see the instructions for Form 322.

## Credit for Contributions to Private School Tuition Organizations (Arizona Form 323)

The allowable current year credit for contributions to private school tuition organizations was adjusted for inflation purposes. For 2018, the maximum current year credit is:

- \$555 for single and head of household taxpayers
- \$1,100 for married taxpayers filing a joint return

## Credit for Contributions Made to Certified School Tuition Organization (Arizona Form 348)

The allowable current year credit for contributions to a certified school tuition organization was adjusted for inflation purposes. For 2018, the maximum current year credit is:

- \$552 for single and head of household taxpayers
- \$1,103 for married taxpayers filing a joint return

## Credit for Donations to the Military Family Relief Fund (Arizona Form 340)

On April 23, 2018, Gov. Doug Ducey approved House Bill 2191, amending Arizona Revised Statute § 41-608.04 regarding the Military Family Relief Fund (MFRF) program. The amendment extended the fund to 2026 and expanded the MFRF program to include Pre-9/11 applicants who meet all three of the qualifying MFRF criteria. Form 340 was modified to include the pre-9/11 donations.

In addition to specifying that all of their tax credit donations be applied toward either the “Post-9/11” or the “Pre-9/11” program fund (\$200 for single, \$400 for married, filing jointly), MFRF donors now have an option to designate half of their MFRF tax credit contribution (\$100 of \$200 or \$200 of \$400) to either the “Post-9/11” or the “Pre-9/11” program fund.

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**2018 Resident Personal Income Tax Return**

**For information or help, call one of the numbers listed:**

Phoenix (602) 255-3381  
From area codes 520 and 928, toll-free (800) 352-4090

**Tax forms, instructions, and other tax information**

If you need tax forms, instructions, and other tax information, go to the department's website at [www.azdor.gov](http://www.azdor.gov).

**Income Tax Procedures and Rulings**

These instructions may refer to the department's income tax procedures and rulings for more information. To view or print these, go to our website and click on *Reports and Legal Research* then click on *Legal Research* and select a document and a category type from the drop down menus.

**Publications**

To view or print the department's publications, go to our website and click on *Reports and Legal Research* and then click on *Publications*.

***e-file* Leave the Paper Behind - *e-file!***

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- **Accurate**
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No more paper, math errors, or mailing delays when you *e-file!*

Get your refund quicker with direct deposit.

*E-file* today, pay by April 15, 2019, to avoid penalties and interest.

*E-file* through an authorized IRS/DOR *e-file* provider or by using your personal computer and the Internet.

Visit our website at [www.azdor.gov](http://www.azdor.gov) for a listing of approved *e-file* providers and on-line filing sources.

\*\* For free *e-file* requirements, check out our website at [www.azdor.gov](http://www.azdor.gov).

**Who Must Use Form 140?**

You (and your spouse, if married filing a joint return) may file Form 140 only if both of you are full year residents of Arizona.

You **must** use Form 140 rather than Form 140A or Form 140EZ to file for 2018 if any of the following apply to you:

- Your Arizona **taxable income** is \$50,000 or more, regardless of filing status.
- You are making adjustments to income.
- You itemize deductions.
- You claim tax credits other than the family income tax credit, the credit for increased excise taxes, or the property tax credit.
- You are claiming estimated payments.

**Do You Have to File?**

<b>Arizona Filing Requirements</b> These rules apply to all Arizona taxpayers.		
You must file if you are:	and your Arizona adjusted gross income is at least:	or your gross income is at least:
● Single	\$ 5,500	\$15,000
● Married filing joint	\$11,000	\$15,000
● Married filing separate	\$ 5,500	\$15,000
● Head of household	\$ 5,500	\$15,000

If you are an Arizona resident, you must report income from **all** sources including **out-of-state** income.

To see if you have to file, figure your gross income the same as you would figure your gross income for federal income tax purposes. Then, you should exclude income Arizona law does not tax. Income Arizona law does not tax includes:

- interest from U.S. Government obligations,
- social security retirement benefits received under Title II of the Social Security Act,
- benefits received under the Railroad Retirement Act, tier 1 or tier 2 railroad retirement benefits, railroad disability benefits reported on federal forms RRB-1099 and RRB-1099-R, railroad unemployment benefits and railroad sickness payments paid by the Railroad Retirement Board, or
- pay received for active service as a member of the Reserves, National Guard or the U.S. Armed Forces.

You can find your Arizona adjusted gross income on line 43 of Arizona Form 140.

**NOTE:** *Even if you are not required to file, you must still file a return to get a refund of any Arizona income tax withheld.*

**Do You Have to File if You Are an American Indian?**

You must file if you meet the Arizona filing requirements unless **all** the following apply to you:

- You are an enrolled member of an Indian tribe.
- You live on the reservation established for that tribe.
- You earned **all** of your income on that reservation.

For information on the Arizona tax treatment of American Indians, see the department's ruling, ITR 96-4, *Income Taxation of Indians and Spouses*.

## Do You Have to File if You Are the Spouse of an American Indian and You Are Not an Enrolled Indian?

You must file if you meet the Arizona filing requirements. For more information, see the department's ruling, ITR 96-4, *Income Taxation of Indians and Spouses*.

## Do You Have to File if You Are in the Military?

You must file if you meet the Arizona filing requirements unless **all** of the following apply to you:

- You are an active duty member of the United States armed forces.
- Your only income for the taxable year is pay received for active duty military service.
- There was no Arizona tax withheld from your active duty military pay.

If Arizona tax was withheld from your active duty military pay, you must file an Arizona income tax return to claim any refund you may be due from that withholding.

You must also file an Arizona income tax return if you have any other income besides pay received for active duty military service.

If you were an Arizona resident when you entered the service, you remain an Arizona resident, no matter where stationed, until you establish a new domicile.

As an Arizona resident, you must report all of your income to Arizona, no matter where stationed. You must include your military pay, but using Form 140, you may subtract all pay received for active duty military service; to the extent it is included in your federal adjusted gross income.

If you are **not** an Arizona resident, but stationed in Arizona, the following applies to you:

- You are not subject to Arizona income tax on your military pay.
- You must report any other income you earn in Arizona. Use Form 140NR, *Nonresident Personal Income Tax Return*, to report this income.

To find out more, see the department's publication, Pub. 704, *Taxpayers in the Military*.

## If You Included Your Child's Unearned Income on Your Federal Return, Does Your Child Have to File an Arizona Return?

No. In this case, the child should not file an Arizona return. The parent must include that same income in his or her Arizona taxable income.

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## Determining Residency Status

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If you are not sure if you are an Arizona resident for state income tax purposes, we may be able to help. For more information, see the department's procedure, ITP 92-1, *Procedure For Determining Residency Status*.

## Residents

You are a resident of Arizona if your domicile is in Arizona. Domicile is the place where you have your permanent home. It is where you intend to return if you are living or working temporarily in another state or country. If you leave Arizona for a temporary period, you are still an Arizona resident while gone. A resident is subject to tax on all income no matter where the income is earned.

## Part-Year Residents

If you are a part-year resident, you must file Arizona Form 140PY, *Part-Year Resident Personal Income Tax Return*. You are a part-year resident if you did **either** of the following during 2018:

- You moved into Arizona with the intent of becoming a resident.
- You moved out of Arizona with the intent of giving up your Arizona residency.

## Nonresidents

If you are a nonresident, you must file Arizona Form 140NR, *Nonresident Personal Income Tax Return*.

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## What if a Taxpayer Died?

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If a taxpayer died before filing a return for 2018, the taxpayer's spouse or personal representative may have to file and sign a return for that taxpayer. A personal representative can be an executor, administrator, or anyone who is in charge of the deceased taxpayer's property.

If the deceased taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund.

The person who files the return should use the form the taxpayer would have used. The person who files the return should print the word "deceased" after the decedent's name. Also enter the date of death after the decedent's name.

If your spouse died in 2018 and you did not remarry in 2018 or if your spouse died in 2019 before filing a return for 2018, you may file a joint return. If your spouse died in 2018, the joint return should show your spouse's 2018 income before death and your income for all of 2018. If your spouse died in 2019, before filing the 2018 return, the joint return should show all of your income and all of your spouse's income for 2018. Print "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign the return.

## Are Any Other Returns Required?

You may also have to file a fiduciary income tax return (Form 141AZ). For details about filing a fiduciary income tax return, call the department at (602) 255-3381.

## Claiming a Refund for a Deceased Taxpayer

If you are claiming a refund for a deceased taxpayer, you **must** complete Arizona Form 131, *Claim for Refund on Behalf of Deceased Taxpayer*. Place the completed Form 131 on top of the **front** of the return.



## What are the Filing Dates and Penalties?

### When Should You File?

Your 2018 calendar year tax return is due no later than midnight, April 15, 2019. File your return as soon as you can after January 1, 2019, but no later than April 15, 2019.

If you are a fiscal year filer, your return is due on the 15th day of the fourth month following the close of your fiscal tax year.

### What if You Cannot File on Time?

You may request an extension if you know you will not be able to file on time.

**NOTE:** *An extension does not extend the time to pay your income tax. See the instructions for Arizona Form 204.*

### To get a filing extension, you can either

- Apply for a state extension (Arizona Form 204). To apply for a state extension, file Form 204 by April 15, 2019. See Form 204 for details. You do not have to include a copy of the extension with your return when you file, but make sure that you check box **82F** (above your name) on page 1 of the return. If you must make a payment, use Arizona Form 204, or visit [www.AZTaxes.gov](http://www.AZTaxes.gov) to make an electronic payment.
- Use your federal extension (federal Form 4868). File your Arizona return by the same due date. You do not have to include a copy of your federal extension with your return, but make sure that you check box **82F** (above your name) on page 1 of the return.

### When Should You File if You Are a Nonresident Alien?

The due date for your Arizona return is not the same as the due date for your federal return. Your Arizona return is due by April 15, 2019, even though your federal return is due on June 17, 2019. If you want to file your Arizona return after April 15, 2019, you must ask for a filing extension. You must file this request by April 15, 2019. Arizona will allow up to a 6-month extension. This will allow you to file your return by October 15, 2019. See Form 204 for extension filing details.

If you have a federal 6-month extension, you can file your Arizona return under that extension. If you file using your federal extension, Arizona will also allow you an extra 6 months.

Because we will allow only 6 months, the due date for your Arizona return is not the same as the due date for your federal return. In this case, your Arizona return will be due by October 15, 2019, even though your federal return will not be due until December 16, 2019. If you file your 2018 Arizona calendar year return after October 15, 2019, your return will be late.

If you are a fiscal year filer, your return is due on the 15th day of the fourth month following the close of your fiscal year.

## What if You File or Pay Late?

If you file or pay late, we will charge you interest and penalties on the amount you owe. If the U.S. Post Office postmarks your 2018 calendar year return by April 15, 2019, your return will not be late. You may also use certain private delivery services designated by the Internal Revenue Service (IRS) to meet the “timely mailing as timely filed” rule. For more information, see “*Mailing Your Return*” at the end of these instructions.

### Late Filing Penalty

If you file late, we will charge you a late filing penalty. This penalty is 4½% (.045) of the tax required to be shown on the return for each month or fraction of a month the return is late. This penalty cannot exceed 25% (.25) of the tax found to be remaining due.

### Late Payment Penalty

If you pay your tax late, we will charge you a late payment penalty. This penalty is ½ of 1% (.005) of the amount shown as tax for each month or fraction of a month for which the failure continues. We charge this penalty from the original due date of the return until the date you pay the tax. This penalty cannot exceed a total of 10% (.10) of the unpaid tax.

### Extension Underpayment Penalty

If you file your return under an extension, you must pay 90% (.90) of the tax shown on your return by the return's original due date. If you do not pay this amount, we will charge you a penalty. This penalty is ½ of 1% (.005) of the tax not paid for each 30 day period or fraction of a 30 day period. We charge this penalty from the original due date of the return until the date you pay the tax. This penalty cannot exceed 25% (.25) of the unpaid tax. If we charge you the extension underpayment penalty, we will not charge you the late payment penalty under Arizona Revised Statutes (A.R.S.) § 42-1125(D).

**NOTE:** *If you are subject to two or more of the above penalties, the total cannot exceed 25%.*

### Interest

We charge interest on any tax not paid by the due date. We will charge you interest even if you have an extension. If you have an extension, we will charge you interest from the original due date until the date you pay the tax. The Arizona interest rate is the same as the federal rate.

## When Should You Amend a Return?

If you need to make changes to your return after you have filed, **do not** file a new return using Form 140. You must file Arizona Form 140X, *Individual Amended Income Tax Return*. File your amended return after your original return has processed. Generally, you have four years to amend a return to claim a refund.

If you amend your federal return for any year, you must also file an Arizona Form 140X for that year.

If the IRS makes a change to your federal taxable income for any year, you must report that change to Arizona. You must

file Form 140X within 90 days of the final determination of the IRS. You may use one of the following two options to report this change.

**Option 1**

You may file a Form 140X for that year. If you choose this option, you must amend and mail your Arizona return within 90 days of the final determination of the IRS. Include a complete copy of the federal notice with your Form 140X.

**Option 2**

You may file a copy of the final federal notice with the department within 90 days of the final determination of the IRS. If you choose this option, you must include a statement in which you must:

1. Request that the department recompute your tax.
2. Indicate if you agree or disagree with the federal notice.

If you do not agree with the federal notice, you must also include any documents that show why you do not agree. If you choose option 2, mail the federal notice and any other documents to:

Individual Income Audit  
 Arizona Department of Revenue  
 PO Box 29084  
 Phoenix, AZ 85038-9084

**Do You Need to Make Arizona Estimated Payments in 2019?**

You must make Arizona estimated income tax payments during 2019 if:

Your filing status is:	<b>AND</b> your Arizona gross income for 2018 was greater than:	<b>AND</b> your Arizona gross income for 2019 is greater than:
Married Filing Joint	\$150,000	\$150,000
Single	\$ 75,000	\$ 75,000
Head of Household	\$ 75,000	\$ 75,000
Married Filing Separate	\$ 75,000	\$ 75,000

If you met the income threshold for 2018, you must make estimated payments during 2019 unless you are sure you will not meet the threshold for 2019. As a full year resident, your Arizona gross income is your federal adjusted gross income. Your Arizona gross income is on line 12 of the 2018 Form 140.

Use the worksheet for Arizona Form 140ES to figure how much your payments should be. For more information about making estimated payments, see the department’s publication, Pub. 012, *Arizona Individual Estimated Income Tax Payments*.

**What if You Make Your Estimated Payments Late?**

We will charge you a penalty if you are late or if you fail to make any required payments. See Arizona Form 221.

**Can You Make Estimated Payments Even if You Do Not Have To?**

If you do not have to make Arizona estimated income tax payments, you may still choose to make them. For details, see Arizona Form 140ES.

**Line-by-Line Instructions**

**Tips for Preparing Your Return**

- Make sure that you enter your Social Security Number (SSN) on your return.
- Complete your return using black ink.
- You **must** round dollar amounts to the nearest whole dollar. If 50 cents or more, round up to the next dollar. If less than 50 cents, round down. Do not enter cents.
- When asked to provide your own schedule, include a separate sheet with your name and SSN at the top. Include your own schedules with your return. Include these schedules behind your return and behind your Schedule A, if itemizing.
- You must complete your federal return before you can start your Arizona return.
- Make sure you include your daytime telephone number.
- If filing a fiscal year return, fill in the period covered.


**DO YOU HAVE A COMPLICATED RETURN?**

**E-file makes filing a complex return simple!**

For a list of approved software visit [www.azdor.gov](http://www.azdor.gov)

E-file software offers:

- easy step-by-step instructions
- error detection before filing
- Easy form selection
- Maximum deductions



**Entering Your Name, Address, and SSN**

**Lines 1, 2, and 3 -**

**NOTE:** Make sure you enter your SSN on the appropriate line and your SSN is correct. If you are filing a joint return, also make sure you enter your SSNs in the same order every year.

Enter your name, address, and SSN in the space provided. If you are filing a joint return, enter your SSNs in the same order as your first names. If your name appears first on the return, make sure your SSN is the first number listed.

If you are married filing separately, enter your name and SSN on the first line 1. Enter your spouse’s name and SSN on the second line 1.

If you are a nonresident of the United States or a resident alien who does not have an SSN, use the individual taxpayer identification number (ITIN) the IRS issued to you.

Make sure that you enter your SSN on your return. Make sure that all SSNs are clear and correct. You may be subject to a penalty if you fail to include your SSN. It will take longer to process your return if SSNs are missing, incorrect, or unclear.

Use your current home address. The department will mail your refund to, or correspond with, you at that address.

For a deceased taxpayer, see page 2 of these instructions.

### Foreign Addresses

If you have a foreign address, enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. Do not abbreviate the country name.

### Last Names Used in Last 4 Prior Years

If the last name that you or your spouse are using on this return is not the same as the last name you or your spouse used on returns filed for the last 4 years, enter any other last name(s) that you or your spouse used when filing your return during the last 4 years.

### Identification Numbers for Paid Preparers

If you pay someone else to prepare your return, that person must also include an identification number where requested.

A paid preparer may use any of the following:

- his or her PTIN,
- his or her SSN, or
- the EIN for the business.

A paid preparer who fails to include the proper identification number may also be subject to a penalty.

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## Determining Your Filing Status

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The filing status that you use on your Arizona return may be different from that used on your federal return.

Use this section to determine your filing status. Check the correct box (4 through 7) on the front of Form 140.

If you qualify as married for federal purposes, you qualify as married for Arizona purposes and must file using the status of either married filing joint or married filing separate.

If you are single, you must file as single or if qualified you may file as head of household (see the instructions for box 5).

### Box 4 - Married Filing Joint Return

If you are married and filing a joint return, check box 4.

You may file a joint return if you were married as of December 31, 2018. It does not matter whether or not you were living with your spouse. You may file a joint return, even if you and your spouse filed separate federal returns.

You may file a joint return if your spouse died during 2018 and you did not remarry in 2018. See page 2 of these instructions for details.

Arizona Form 140 is for full year residents **only**. You may not file a joint income tax return on Form 140 if any of the following apply:

- Your spouse is a nonresident alien (citizen of and living in another country).
- Your spouse is a resident of another state.
- Your spouse is a part-year Arizona resident.

If filing a joint return with your nonresident spouse, you must file a joint return using Arizona Form 140NR. See Form 140NR instructions.

If filing a joint return with your part-year resident spouse, you must file a joint return using Arizona Form 140PY. See Form 140PY instructions.

**NOTE:** For more information on filing a joint tax return with your part-year resident or nonresident spouse, see the department's ruling, ITR 14-1, Filing a Joint Tax Return When a Resident Spouse is Married to a Part-Year Resident or Nonresident.

### Box 4a - Injured Spouse Protection of Joint Overpayment

Check box 4a **only** if you and your spouse are filing a joint return **and** you or your spouse qualify as an injured spouse and are requesting protection from application of any joint overpayment against the other spouse's delinquencies or debts.

**NOTE:** You cannot use Form 203 to request protection from offset for past-due federal taxes. You must contact the IRS.

You **must** complete Arizona Form 203, *Request for Injured Spouse Protection from Application of Joint Overpayment Against Spouse's Delinquencies and Debts*, and include that form with your tax return, when filed. Place the completed form on top of your income tax return. For more information, see the instructions for Form 203.

### Box 5 - Head of Household Return

If you are filing as a head of household, check box 5. Enter the name of the qualifying child or dependent in the space provided. You may file as head of household on your Arizona return, only if one of the following applies:

- You qualify to file as head of household on your federal return; or
- You qualify to file as a qualifying widow or widower on your federal return.

### Box 6 - Married Filing Separate Return

If you are filing a separate return, check box 6 and enter your spouse's name and SSN on the second line 1.

If you were married as of December 31, 2018, you may choose to file a separate return. You may file a separate return, even if you and your spouse filed a joint federal return.

Arizona is a community property state. If you file a separate return, you must figure how much income to report using community property laws. Under these laws, a separate return must reflect one-half of the community income from all sources plus any separate income.

When you file separate returns, you must account for community deductions and credits on the same basis as

community income. Both you and your spouse must either itemize or not itemize. If one of you itemizes, you both must itemize. If one of you takes a standard deduction, you both must take a standard deduction. One of you may not claim a standard deduction while the other itemizes.

If you and your spouse support a dependent child from community income, either you or your spouse may claim the dependent. Both of you cannot claim the same dependent on both returns. For more information, see the department's rulings, ITR 93-18, *Income Reporting Requirements for Married Arizona Residents Who File Separate Arizona Individual Income Tax Returns*; and ITR 93-19, *Deductions, Exemptions, and Credits for Married Taxpayers Who File Separate Arizona Individual Income Tax Returns*.

**NOTE:** *In some cases you may treat community income as separate income. For more information, see the department's ruling, ITR 93-22, When Community Income May Be Treated as Separate Income.*

If one spouse is a resident and the other spouse is not, other special rules may apply when filing a separate return. See the department's ruling, 93-20, *Income Reporting Requirements of Resident and Nonresident Spouses Who File Separate Arizona Individual Income Tax Returns*; and see the department's publication, Pub. 200, *Income Tax Issues Affecting Married and Divorced Taxpayers*.

### Box 7 - Single Return

If you are filing as single, check box 7.

Use this filing status if you were single on December 31, 2018. You are single if any of the following apply to you:

- You have never been married.
- You are legally separated under a decree of divorce or of separate maintenance.
- You were widowed before January 1, 2018, and you did not remarry in 2018, and you do not qualify to file as a qualifying widow or widower with dependent children on your federal return.

**NOTE:** *If you got divorced during the year, see the department's ruling, ITR 14-2, Reporting Income, Deductions, Exemptions, and Withholding for Divorced Individuals for the Year of Divorce; and publication, Pub. 200, Income Tax Issues Affecting Married and Divorced Taxpayers.*

### Exemptions

Enter the number of exemptions you are claiming in boxes 8, 9, 10, and 11. **Do not put a check mark.** You may lose the exemption if you put a checkmark in these boxes. You may lose the dependent exemption if you do not complete the Dependent Section, on page 1.

You may lose the exemption for qualifying parents and grandparents if you do not complete the Dependent Section on page 1.

### Box 8 - Age 65 or Over

**NOTE:** *If a taxpayer's 65<sup>th</sup> birthday was January 1, 2019 (born 1/1/1954), that person is considered to be age 65 at the end of 2018 for federal income tax purposes and likewise for Arizona income tax purposes.*

- If you are single or filing as head of household, enter "1" in box 8 if you were 65 or older in 2018 and not claimed as a dependent by another taxpayer.
- If you are married filing a joint return, enter "1" in box 8 if you were 65 or older and not claimed as a dependent by another taxpayer or your spouse was 65 or older in 2018 and not claimed as a dependent by another taxpayer. Enter "2" in box 8 if both you and your spouse were 65 or older in 2018 and neither of you are claimed as a dependent by another taxpayer.
- If you are married and filing a separate return, enter "1" in box 8 if you were 65 or older and not claimed by another taxpayer. You cannot take an exemption for your spouse. Your spouse, if 65 or older and not claimed by another taxpayer, may take this exemption on his/her own separate return.

### Box 9 - Blind

If you or your spouse were partially blind as of December 31, 2018, you must get a statement certified by your eye doctor or registered optometrist that:

- You cannot see better than 20/200 in your better eye with glasses or contact lenses.
- Your field of vision is 20 degrees or less.

If your eye condition is not likely to improve beyond the conditions listed above, you can get a statement certified by your eye doctor or registered optometrist to that effect instead. You must keep the statement for your records.

- If you are single or filing as head of household, enter "1" in box 9 if you are totally or partially blind.
- If you are married filing a joint return, enter "1" in box 9 if you **or** your spouse is totally or partially blind.

Enter "2" in box 9 if both you **and** your spouse are totally or partially blind.

- If you are married and filing a separate return, you may take an exemption for yourself if you are totally or partially blind. You may only claim an exemption for your spouse if (1) your spouse is totally or partially blind, (2) has no Arizona adjusted gross income for the calendar year, and (3) is not the dependent of another taxpayer.

Enter "1" in box 9 if you are totally or partially blind **or** your spouse is totally or partially blind **and** your spouse meets the above criteria.

Enter "2" in box 9 if you are totally or partially blind **and** your spouse is totally or partially blind **and** your spouse meets the above criteria.

**Box 10 - Dependents**

**NOTE:** *If a person who qualifies as your dependent is also a qualifying parent or grandparent, you may claim that person as a dependent in box 10, or you may claim that person as a qualifying parent or grandparent in box 11. You may not claim that same person in both box 10 and box 11.*

You must complete the Dependent Section on page 1 (and page 3, if needed) of your return before you can total your dependent exemptions. You may claim only the following as a dependent:

- A person that qualifies as your dependent on your federal return.

**NOTE:** *If you do not claim a dependent exemption for a student on your federal return in order to allow the student to claim a federal education credit on the student's federal return, you may still claim the exemption on your Arizona return.*

*For more information, see the department's ruling, ITR 05-2, Will Arizona Allow a Dependent Exemption When a Taxpayer Does Not Claim Federal Exemption in Order to Claim the Education Credit?*

- A person who is age 65 or over (related to you or not) that does not qualify as your dependent on your federal return, but one of the following applies:
  1. In 2018, you paid more than one-fourth of the cost of keeping this person in an Arizona nursing care institution, an Arizona residential care institution, or an Arizona assisted living facility. Your cost must be more than \$800.
  2. In 2018, you paid more than \$800 for either Arizona home health care or other medical costs for the person.

**NOTE:** *If a taxpayer's 65<sup>th</sup> birthday was January 1, 2019 (born 1/1/1954), that person would be considered to be age 65 at the end of 2018 for federal income tax purposes and likewise for Arizona income tax purposes.*

- A stillborn child if the following apply:
  1. The stillbirth occurred during 2018.
  2. You received a certificate of birth resulting in stillbirth from the Arizona Department of Health Services.
  3. The child would have otherwise been a member of your household.

**Box 11 - Qualifying Parents and Grandparents**

**NOTE:** *If a person who is a qualifying parent or grandparent also qualifies as your dependent, you may claim that person as a dependent in box 10, or you may claim that person as a qualifying parent or grandparent in box 11. You may not claim the same person in both box 10 and box 11.*

You must complete the qualifying parent and grandparent section on page 1 (and page 3, if needed) before you can total your exemptions for qualifying parents and grandparents.

A qualifying parent or grandparent may be any one of the following:

- Your parent, grandparent or great-grandparent, etc.
- If married filing a joint return, your spouse's parent, grandparent, or great-grandparent, etc.

You may claim this exemption if **all** of the following apply:

1. The parent, grandparent or great-grandparent was 65 years old or older during 2018.
2. The parent, grandparent, or great-grandparent lived in your principal residence for the entire taxable year.

If your parent or grandparent died during the taxable year, this requirement will still be met if he or she lived with you for the entire part of the year in which he or she was alive. Temporary absences by the parent or grandparent for special circumstances, such as a hospital stay or care in a hospice facility, count as time lived in the taxpayer's principle residence.

3. You paid more than one-half of the support and maintenance costs of the parent or grandparent during the taxable year.

To help you determine if you paid more than one-half of your parent or grandparent's support during the taxable year, it is recommended that you review the department's procedure, ITP 14-1, *Procedure for Determining Support for Purposes of the Parents and Grandparents Exemption Allowed under A.R.S. § 43-1023(C)* and complete the worksheet. Keep the worksheet for your records.

4. The parent or grandparent required assistance with activities of daily living.

The term "activities of daily living" means two or more of the listed categories. Activities of daily living include both basic activities of daily living and instrumental activities of daily living. The categories of activities of daily living are dressing, eating, ambulating, toileting, medicating and hygiene, shopping, housekeeping, managing personal finances, basic communication, food-preparation and transportation.

For more information regarding what the term "activities of daily living" means when determining an Arizona resident taxpayer's eligibility for this exemption, see the department's ruling, ITR 14-3, *"Activities of Daily Living" for the Purpose of the Exemption Allowed Under A.R.S. § 43-1023(C)*.

To help you determine if your parent or grandparent required assistance with activities of daily living to meet this requirement, it is recommended that you review the department's procedure, ITP 14-2, *Procedure for Determining Whether a Parent or Grandparent Requires Assistance with Activities of Daily Living for Purposes of the Exemption Allowed under A.R.S. § 43-1023(C)* and complete the checklist. Keep the checklist for your records.

## Dependents

### Completing the Dependent Section

If you need additional lines to list all of your dependents, including qualifying parents and grandparents, **complete page 3, *Dependent Information – Continuation Sheet***, and include this page with your return. **Be sure to check the box on page 1 indicating you are completing page 3.**

Do **not** include page 3 with your return if you do not use it.

### Dependent information: children and other dependents

Enter the following in columns (a) through (f):

- The dependent's name. If you are claiming an exemption for a stillborn child and the child was not named, enter "stillborn child" in place of a name.
- The dependent's SSN. If you are claiming an exemption for a stillborn child, enter the certificate number from the certificate of birth resulting in stillbirth.
- The dependent's relationship to you.
- The number of months the dependent lived in your home during 2018. If you are claiming an exemption for a stillborn child, enter the date of birth resulting in the stillbirth.

**Temporary absences:** Your child or dependent is considered to have lived with you during periods of time when temporarily absent due to special circumstances such as: illness; education; business; or vacation. Your child is also considered to have lived with you during any required hospital stay following birth, as long as the child would have lived with you during that time but for the hospitalization.

- Check the box if this person did not qualify as a dependent on your federal return.
- Check the box if you did not claim this person (student) as an dependent on your federal return in order to allow that student to claim a federal education credit on the student's federal return.

You may lose the exemption if you do not furnish this information. Enter the total **number** of dependents listed in box 10.

### Qualifying parents and grandparents

Enter the following in columns (a) through (f):

- The name of the qualifying parent or grandparent.
- The SSN of the qualifying parent or grandparent.
- The qualifying parent's or grandparent's relationship to you, or your spouse if filing a joint return.
- The number of months the qualifying parent or grandparent lived in your home during 2018.

**Temporary absences:** Temporary absences by the parent or grandparent for special circumstances, such as a hospital stay or care in a hospice facility, count as time lived in the taxpayer's principal residence.

e) Check the box if this person is age 65 or older.

f) Check the box if this person died in 2018.

You may lose the exemption if you do not furnish this information. Enter the total **number** of qualifying parents and/or grandparents listed in box 11.

## Totaling Your Income

### Line 12 - Federal Adjusted Gross Income

You must complete your federal return before you enter an amount on line 12. You must complete a 2018 federal return to determine your federal adjusted gross income, even if you are not filing a federal return.

Arizona uses federal adjusted gross income as a starting point to determine Arizona taxable income. Your federal adjusted gross income is your Arizona gross income.

**NOTE:** *Be sure to use your federal adjusted gross income and not your federal taxable income.*

If the amount on line 12 is more than \$75,000 (\$150,000 if filing a joint return), you may need to make estimated payments. See "*Do You Need to Make Estimated Payments in 2019?*" on page 4.

### Additions to Income

#### Line 13 - Non-Arizona Municipal Interest

Enter the amount of interest income from non-Arizona municipal bonds that you did not include as income on your federal return.

You may exclude any expenses incurred to purchase or carry the obligation. Reduce the interest income by the amount of those expenses that you could not deduct on your federal return.

If you received tax exempt interest from municipal bonds, include a schedule listing the payors and the amount received from each payor. You may also want to include supporting documents for amounts received from Arizona municipal bonds that are exempt from Arizona income tax. These may be items such as bank statements, brokerage statements, etc.

#### Line 14 - Partnership Income Adjustment (Positive)

Complete line 14 if line 3, of your Arizona Form 165 Schedule K-1, shows a difference between federal and state distributable income.

If the difference reported on line 3, of your Form 165 Schedule K-1, is a positive number, enter that difference as an addition on line 14.

**NOTE:** *If the difference reported on line 3, of your Form 165 Schedule K-1, is a negative number, enter that difference on line 27.*

#### Line 15 - Total Federal Depreciation

Enter the total amount of depreciation deducted on your federal return. If you make an entry here, you should also take a subtraction on line 26. To figure how much you should subtract, see the instructions for line 26.

**Line 16 - Net Capital (Loss) from Exchange of one kind of legal tender for another kind of legal tender**

To determine if you are required to make this addition to income, you must net **all** gains and (losses) from all exchanges of kind of legal tender for another kind of legal tender including amounts shown on Form 165 Schedule K-1, Form 120S Schedule K-1, and Form 141AZ, Schedule K-1.

For taxable years beginning from and after December 31, 2017, enter the amount of any net capital (loss) included in Arizona gross income for the taxable year that is derived from the exchange of one kind of legal tender for another kind of legal tender.

**NOTE:** If the amount from all sources results in a **net capital gain** from the exchange of one kind of tender for another kind of tender, enter that amount on line 25.

For the purposes of this paragraph:

(a) "Legal tender" means a medium of exchange, including specie, that is authorized by the United States Constitution or Congress for the payment of debts, public charges, taxes and dues.

(b) "Specie" means coins having precious metal content.

**Line 17 - Other Additions to Income**

Use line 17 if any of the special circumstances below apply. Complete and include the schedule with your return explaining any amounts entered here.

You may either add (on line 17) or subtract (on line 36) items A and B below, depending on your situation.

**A. Married Persons Filing Separate Returns**

If you file a separate Arizona return, you must report the following income on that return:

- one-half of the community income from all sources, and
- all of your separate income.

If you and your spouse file a joint federal return but separate Arizona returns, you must make sure that each separate return reflects the correct income. If you begin your Arizona return with only the income that you earned during the year, you will have to adjust this income.

If you file separate federal returns, each of your federal returns should already reflect the correct income. Since your separate Arizona returns will begin with the federal adjusted gross income, you will not have to adjust your income.

If you have to adjust your income, include a schedule showing how you figured your adjustment. For more information, see the department's publication, Pub. 200, *Income Tax Issues Affecting Married and Divorced Taxpayers*.

**B. Fiduciary Adjustment**

A fiduciary uses Arizona Form 141AZ Schedule K-1, to report to you your share of the fiduciary adjustment from the trust or estate.

Line 3 of Form 141AZ Schedule K-1, shows your share of the fiduciary adjustment from the estate or trust. If the amount reported on line 3 of your Form 141AZ Schedule K-1, is a positive number, include that amount on line 17.

**NOTE:** If the amount reported on line 3 of your Form 141AZ Schedule K-1, is a negative number, enter that amount as an Other Subtraction on line 36.

**C. Ordinary Income Portion of Lump-Sum Distributions Excluded on Your Federal Return**

Make this adjustment if you use federal averaging for lump-sum distributions from your pension or profit-sharing plan.

Arizona law does not provide for averaging. Enter the amount of the distribution that you treated as ordinary income on your federal return. If you choose to treat the capital gain portion of the distribution as ordinary income, you must also include that amount.

For more information, see the department's ruling, ITR 93-5, *Arizona's Income Tax Treatment of the Capital Gain Portion of a Lump Sum Distribution from a Qualified Retirement Plan*.

**D. Items Previously Deducted for Arizona Purposes**

Arizona statutes prohibit a taxpayer from deducting items more than once. If your Arizona taxable income includes items previously deducted for Arizona purposes, you must add such amounts to your Arizona gross income.

**E. Claim of Right Adjustment for Amounts Repaid in 2018**

You must make an entry here if **all** of the following apply:

1. During 2018, you were required to repay amounts held under a claim of right.
2. The amount required to be repaid during 2018 was more than \$3,000.
3. You took a deduction for the amount repaid on your 2018 federal income tax return.

If the above apply, enter the amount deducted on your federal income tax return here. For more information on the Arizona claim of right provisions, see the department's procedure, ITP 16-1, *Procedure for Individuals Who Restore Substantial Amounts Held Under a Claim of Right*.

**F. Claim of Right Adjustment for Amounts Repaid in Prior Taxable Years**

You must make an entry here if **all** of the following apply:

1. During a year prior to 2018 you were required to repay amounts held under a claim of right.
2. You computed your tax for that prior year under Arizona's claim of right provisions.
3. A net operating loss or capital loss was established due to the repayment made in the prior year.
4. You are entitled to take that net operating loss or capital loss carryover into account when computing your 2018 Arizona taxable income.
5. The amount of the loss carryover included in your federal income is more than the amount allowed to be taken into account for Arizona purposes.

Include the amount by which the loss carryover included in your federal adjusted gross income is more than the amount allowed for the taxable year under Arizona law.

**G. Addition to S Corporation Income Due to Claiming Pass-through Credits**

Shareholders of an S corporation who claim a credit passed through from an S corporation must make an addition to income for the amount of expenses disallowed by reason of claiming the credit.

An S corporation that passes the following credits through to its shareholders must notify each shareholder of his or her *pro rata* share of the adjustment. You must include an amount on this line when claiming any of the following Arizona credits:

- Environmental Technology Facility Credit (Form 305)
- Agricultural Water Conservation System Credit (Form 312)
- Pollution Control Credit (Form 315)
- Credit for Employment of TANF Recipients (Form 320)
- Agricultural Pollution Control Equipment Credit (Form 325)

**H. Wage Expense for Employers of TANF Recipients**

If you claim a credit on Form 320 for employing TANF recipients, you cannot deduct any wage expense for which you claim the credit.

If you take this credit, include the amount of such expenses that you deducted on your federal return.

**I. Adjusted Basis in Property for Which You Have Claimed a Credit for Investment in Qualified Small Businesses**

If you claim a credit on Form 338 for an investment in a qualified small business, you must adjust your basis in the investment by the amount of the credit claimed. You must report this difference in basis on the Arizona return that you file for the taxable year in which you sell or otherwise dispose of the investment. If you sold or otherwise disposed of the investment during the 2018 taxable year, on line 17, include the amount by which the adjusted basis computed under the IRC with respect to that property exceeds the adjusted basis of the property computed under A.R.S. § 43-1074.02.

**J. Nonqualified Withdrawals from 529 College Savings Plans**

You must make an addition to income if **both** of the following apply to you:

- You received a nonqualified withdrawal from a 529 college savings plan.
- You did not include the amount of the withdrawal in your federal adjusted gross income.

The amount that you must include on line 17 is the amount withdrawn, but no more than the difference between the amount of contributions subtracted in prior years and the amount added in any prior years.

A nonqualified withdrawal is a withdrawal other than any of the following:

- A qualified withdrawal. A qualified withdrawal is a withdrawal from an account to pay the qualified higher education expenses of the designated beneficiary of the account.

- A withdrawal made as the result of the death or disability of the designated beneficiary of an account.
- A withdrawal that is made on the account of a scholarship, or the allowance or payment described in IRC § 135(d)(1)(B) or (C), and that is received by the designated beneficiary, but only to the extent of the amount of this scholarship, allowance or payment.
- A rollover or change of designated beneficiary.

**K. Original Issue Discount (OID) on Reacquisition of Debt Instrument**

For federal purposes, when a taxpayer made the special election to defer discharge of indebtedness (DOI) income under IRC § 108(i) (for 2009 or 2010), the taxpayer was not allowed to take a deduction with respect to the portion of any OID that accrued with respect to that DOI income during the income deferral period. In this case, the taxpayer had to deduct the aggregate amount of the OID deductions disallowed ratably over a 5 year period, beginning with the period in which the income was includible in federal adjusted gross income. Arizona did not adopt the federal provisions requiring a taxpayer to defer the OID deduction in cases where the taxpayer federally deferred the DOI income. For Arizona purposes, you had to report the DOI income from a debt reacquisition in the year in which you reacquired the debt, and you were allowed to subtract any OID related to that DOI income in the year the OID accrued. If your federal adjusted gross income includes a deduction for any accrued OID that you have already subtracted for Arizona purposes, you must make an addition to Arizona income for the amount of deferred OID deducted on your federal return. Generally, this addition will apply to taxable years 2014 through 2018.

On line 17, include the amount of any previously deferred OID that you deducted in computing your 2018 federal adjusted gross income, to the extent that the amount was previously subtracted from Arizona gross income.

**L. Sole Proprietorship Loss of an Arizona Nonprofit Medical Marijuana Dispensary included in Federal Adjusted Gross Income**

If you are registered as an Arizona sole proprietorship with the Arizona Department of Health Services to operate in this state as a nonprofit medical marijuana dispensary, you are required to add the amount of the loss from the dispensary that is included in the computation of your federal adjusted gross income. Include the amount of the loss on line 17.

**NOTE:** *If the Arizona nonprofit medical marijuana dispensary is registered with the Arizona Department of Health Services as anything other than a sole proprietorship, this addition does not apply.*

**M. Federal Net Operating Loss (NOL) Carryforward from Non-Arizona Sources Accrued While a Non-Resident**

An individual cannot include a federal NOL carryforward deduction incurred from non-Arizona sources while the taxpayer was an Arizona nonresident in the Arizona taxable



income of a return filed for a taxable year in which the taxpayer is an Arizona resident.

The taxpayer must make an addition (include on line 17) to Arizona gross income on the full-year Arizona resident return for the amount of the NOL carryforward deduction included in the taxpayer's federal adjusted gross income. For more information, see the department's ruling, ITR 13-5, *Can A Net Operating Loss Incurred as a Non-Resident Be Used to Offset Income In A Year In Which the Taxpayer Is A Resident?*

**NOTE:** For a non-Arizona source loss incurred while the taxpayer was an Arizona nonresident, the taxpayer would not be allowed to amend a prior year resident Arizona income tax return to claim the NOL carry back deduction.

#### **N. Federal Capital Loss Carryforward Deduction Incurred from Non-Arizona sources prior to Arizona Residency**

An individual cannot include a capital loss carryforward deduction, incurred from non-Arizona sources while the taxpayer was an Arizona nonresident, in the Arizona taxable income of a return filed for a taxable year in which the taxpayer is an Arizona resident. Therefore, a capital loss incurred from non-Arizona sources while the taxpayer was an Arizona nonresident cannot be carried forward to a taxpayer's Arizona resident return when the loss carryover is reflected in the taxpayer's federal adjusted gross income.

The taxpayer must make an addition (include on line 17) to Arizona gross income on the full-year Arizona resident return for the amount of such capital loss carryforward deduction included in the computation of the taxpayer's federal adjusted gross income.

For more information, see the department's ruling, ITR 13-6, *Can A Capital Loss Incurred as a Non-Resident Be Used to Offset Income In A Year In Which the Taxpayer Is A Resident?*

#### **O. Americans with Disabilities Act - Access Expenditures**

If a subtraction is taken on line 36, *Other Subtractions from Income* (Item Q), for the full amount of eligible business access expenditures paid or incurred during the taxable year to comply with the Americans with Disabilities Act of 1990 or A.R.S Title 41, chapter 9, article 8; you must make an addition to Arizona gross income for any amount that is included in the computation of federal adjusted gross income for the current year, plus any federally amortized amounts.

#### **P. Other Adjustments**

Other special adjustments may be necessary. You may need to make an addition for depreciation or amortization. You may also need to make an addition if you claimed certain tax credits. Call one of the numbers listed on page 1 of these instructions if any of the following apply:

- You claimed the Pollution Control Credit. (Form 315)
- You claimed the Agricultural Pollution Control Equipment Credit. (Form 325)
- You elected to amortize the cost of a child care facility under Arizona law in effect before 1990 and you are still

deducting amortization or depreciation for that facility on your federal income tax return.

#### **Line 18 - Subtotal**

Add lines 12 through 17 and enter the total.

#### **Subtractions from Income**

You may only subtract those items for which statutory authority exists. You cannot take a subtraction without such authority.

You may not subtract any amount that is allocable to income excluded from your Arizona taxable income.

If you have any questions concerning subtractions from income, call one of the numbers listed on page 1 of these instructions.

#### **Lines 19 through 23 - Net Capital Gain or (Loss)**

**NOTE:** If you enter an amount on line 18, you must complete lines 19 and 20. If you are taking a subtraction on line 23 for any net long-term capital gain from assets acquired after December 31, 2011, you must also complete line 22. If you do not complete lines 19 through 22, you cannot take the subtraction.

You may subtract 25% (.25) of any net long-term capital gain included in your federal adjusted gross income that is derived from an investment in an asset acquired after December 31, 2011.

Use the worksheet on page 30 of these instructions, *Worksheet for Net Long-Term Capital Gain Subtraction for Assets Acquired after December 31, 2011*, to determine the allowable subtraction. Keep the worksheet for your records.

**NOTE:** If you do not have any net capital gain or (loss) to report, enter zero, "0" on lines 19-21.

#### **Line 19 - Total Net Capital Gain or (Loss)**

If you reported a net capital gain or (loss) on your federal income tax return, enter the total net capital gain or (loss) reported on the *Capital Gain or (Loss)* line on page 1 of your federal return. This amount should be reported in your federal adjusted gross income.

#### **Line 20 - Total Net Short-Term Capital Gain or (Loss)**

Enter the total amount of net short-term capital gain or (loss) reported on the *Capital Gain or (Loss)* line on page 1 of your federal return. This amount should be reported in your federal adjusted gross income.

**NOTE:** If you are not required to report dividend distributions and/or short-term capital gains from mutual funds on federal Form Schedule D, do not include the short-term capital gain distributed by the mutual fund on line 20.

#### **Line 21 - Total Net Long-Term Capital Gain or (Loss)**

If you did not complete the worksheet on page 29, subtract line 20 from line 19 and enter the difference.

If you completed the worksheet on page 29, enter the amount from the worksheet, line 14, column (a).

**Line 22 - Net Long-Term Capital Gain from Assets Acquired After December 31, 2011**

If you did not complete the worksheet on page 29 and you have no net long-term capital gain from assets acquired after December 31, 2011, enter zero, "0".

If you completed the worksheet on page 29, enter the amount from the worksheet, line 14, column (c).

Only include net long-term capital gains on this line if it can be verified that the asset was acquired after December 31, 2011. For purposes of this line, an asset acquired by gift or inheritance is considered acquired on the date it was acquired by the gift-giver or the deceased individual.

**Line 23 - Net Long-Term Capital Gain Subtraction From Income for Assets Acquired After December 31, 2011.**

Multiply the amount on line 22 by 25% and enter the result.

**CAUTION:** *If you take a subtraction on line 24 or line 25 that includes any long-term capital gain from an investment made after December 31, 2011, you cannot include those portions of the net capital gain in your computation of the allowable subtraction for any net long-term capital gain from assets acquired after December 31, 2011, and included in federal adjusted gross income (line 23). For more information, see the instructions on page 31 for the amounts to enter on lines 13a, 13b, and 13c, of the net long-term capital gain worksheet.*

**Line 24 - Net Capital Gain from Investment in an Arizona Qualified Small Business**

To take the subtraction for a net capital gain from investment in an Arizona qualified small business, you must net **all** gains and (losses) from investments in Arizona qualified small businesses including amounts shown on Form 165 Schedule K-1, Form 120S Schedule K-1, and Form 141AZ, Schedule K-1.

You may subtract the amount of any **net** capital gain included in federal adjusted gross income for the taxable year derived from investment in a qualified small business as determined by the Arizona Commerce Authority (ACA) pursuant to A.R.S. § 41-1518.

To qualify for this subtraction, your investment in the qualified small business must have been made *after* the ACA certified the company as a qualified small business and *before* the company's certification expiration date. An investment made prior to certification or after the expiration of certification does not qualify for this subtraction. See the ACA's website, *Small Business Incentives: Angel Investment*, for a list of certified businesses and their certification dates. On line 24, enter the amount of the allowable subtraction.

**Line 25 - Net Capital Gain from Exchange of one kind of legal tender for another kind of legal tender**

To take this subtraction you must net **all** gains and (losses) from all exchanges of kind of legal tender for another kind of legal tender including amounts shown on Form 165 Schedule K-1, Form 120S Schedule K-1, and Form 141AZ, Schedule K-1.

For taxable years beginning from and after December 31, 2017, enter the amount of any **net** capital gain included in Arizona gross income for the taxable year that is derived from the exchange of one kind of legal tender for another kind of legal tender.

**NOTE:** *If the amount from all sources results in a **net capital (loss)** from the exchange of one kind of tender for another kind of tender, enter that amount on line 16.*

For the purposes of this subtraction:

(a) "Legal tender" means a medium of exchange, including specie, that is authorized by the United States Constitution or Congress for the payment of debts, public charges, taxes and dues.

(b) "Specie" means coins having precious metal content.

**Line 26 - Recalculated Arizona Depreciation**

**NOTE:** *For more information and examples of how to calculate Arizona bonus depreciation, see the department's procedure, ITP 16-2, Procedure for Individuals who Claim Federal and/or Arizona Bonus Depreciation.*

**For assets placed in service in taxable years beginning before December 31, 2012,** enter the total amount of depreciation allowable pursuant to IRC § 167(a) for the taxable year calculated as if you had elected not to claim bonus depreciation for eligible properties for federal purposes.

**For assets placed in service during taxable years beginning from and after December 31, 2012 through December 31, 2013,** the amount of the subtraction for these assets depends on the method used to compute the depreciation for these assets.

**For assets placed in service in taxable years beginning from and after December 31, 2013 through December 31, 2015,** enter the total amount of depreciation allowable pursuant to IRC § 167(a) for the taxable year calculated as if the bonus depreciation is 10% of the amount of federal bonus depreciation pursuant to IRC § 168(k).

**For assets placed in service in taxable years beginning from and after December 31, 2015 through December 31, 2016,** enter the total amount of depreciation allowable pursuant to IRC § 167(a) for the taxable year calculated as if the bonus depreciation is 55% of the amount of federal bonus depreciation pursuant to IRC § 168(k).

**For assets placed in service in taxable years beginning from and after December 31, 2016,** enter the total amount of depreciation allowable pursuant to IRC § 167(a) for the taxable year calculated as if the bonus depreciation had been the full amount (100%) of federal bonus depreciation pursuant to IRC § 168(k).

**Line 27 - Partnership Income Adjustment (Negative)**

Use this adjustment if line 3, of your Arizona Form 165 Schedule K-1, shows a difference between federal and state distributable income.

If the difference reported on line 3, of your Arizona Form 165 Schedule K-1, is a negative number, enter that difference on line 27. **Do not include a minus sign or use parenthesis.**

**NOTE:** *If the difference reported on line 3, of your Arizona Form 165 Schedule K-1, is a positive number, enter that difference as an addition on line 14.*

### Line 28 - Interest on U.S. Obligations

Enter the amount of interest income from U.S. Government obligations included as income on your federal return. U.S. Government obligations include obligations such as savings bonds and treasury bills. You cannot deduct any interest or other related expenses incurred to purchase or carry the obligations. If such expenses are included in your Arizona gross income, you must reduce the subtraction by such expenses. If you are itemizing deductions on your Arizona return, you must exclude such expenses from the amount deducted.

**NOTE:** *Do not subtract interest earned on Fannie Mae (FNMA) or Ginnie Mae (GNMA) bonds since this interest is taxable by Arizona.*

*For details, see the department's ruling, ITR 06-1, Obligations of the United States Government, Federal Agencies, and United States Territories.*

Do not subtract any amount received from a qualified pension plan that invests in U.S. Government obligations. Do not subtract any amount received from an IRA that invests in U.S. Government obligations. These amounts are not interest income. For details, see the department's rulings, ITR 96-2, *Pension Plan Distributions Derived from Investment in U.S. Government Obligations*; and ITR 96-3, *Distributions Comprised of Income Earned by the IRA*.

### Line 29 - Exclusion for U.S. Government, Arizona State or Local Government Pensions

If you receive pension income from any of the sources listed below, subtract the amount you received or \$2,500, whichever is less. Include only the amount you reported as income on your federal return. If both you and your spouse receive such pension income, each spouse may subtract the amount received or \$2,500, whichever is less.

#### Public pensions from the following sources qualify for this subtraction:

- the United States Government Service Retirement and Disability Fund,
- the United States Foreign Service Retirement and Disability System,
- retired or retainer pay of the uniformed services of the United States,
- any other retirement system or plan established by federal law,

**NOTE:** *This applies only to those retirement plans authorized and enacted into the U.S. Code. This does not apply to a retirement plan that is only regulated by federal law (i.e., plans which must meet certain federal criteria to be qualified plans).*

- the Arizona State Retirement System,
- the Arizona State Retirement Plan,
- the Corrections Officer Retirement Plan,

- the Public Safety Personnel Retirement System,
- the Elected Officials' Retirement Plan,
- a retirement plan established for employees of a county, city, or town in Arizona, and
- an optional retirement program established by the Arizona Board of Regents under Arizona Revised Statutes, and an optional retirement program established by an Arizona community college district.

**NOTE:** *Public retirement pensions from states other than Arizona do not qualify for this subtraction.*

### Line 30 - Arizona State Lottery Winnings

You may subtract up to \$5,000 of winnings received in 2018 for Arizona lottery prizes.

If you subtract Arizona lottery winnings here, you may have to adjust the amount of gambling losses claimed as an itemized deduction. See instructions for Arizona Form 140 Schedule A, *Itemized Deduction Adjustments*.

### Line 31 - U.S. Social Security Benefits or Railroad Retirement Benefits

Arizona does not tax the following:

- social security benefits received under Title II of the Social Security Act, or
- railroad retirement benefits received from the Railroad Retirement Board under the Railroad Retirement Act, tier 1 or tier 2 railroad retirement benefits, railroad disability benefits reported on federal forms RRB-1099 and RRB-1099-R, railroad unemployment benefits and railroad sickness payments paid by the Railroad Retirement Board.

For more information, see the department's ruling, ITR 16-1, *Railroad Retirement Benefits, Railroad Disability Benefits, Railroad Unemployment Benefits and Railroad Sickness Payments*.

If you included such social security or railroad retirement benefits as income on your federal return, use line 31 to subtract this income.

**NOTE:** *Enter only the taxable amount (the amount that was subject to federal income tax). Do not include any amount that was not subject to federal income tax.*

### Line 32 - Certain Wages of American Indians

Enrolled members of American Indian tribes may subtract wages earned while living and working on their tribe's reservation. The federal government must recognize these tribes. For more information, see the department's ruling, ITR 96-4, *Income Taxation of Indians and Spouses*.

### Line 33 - Pay Received for Active Service as a Member of the Reserves, National Guard or the U.S. Armed Forces

Members of the U.S. armed forces may subtract pay received for active duty military service. On line 33, enter the amount of that income included in your federal adjusted gross income.

Members of the reserves or the National Guard may subtract pay received for active service as a reservist or as a National Guard member. This includes pay received for weekend or two-week training periods. On line 33 enter the amount of that income included in your federal adjusted gross income.

### **Military Technician (dual status)**

You may **not** subtract any income you received for full-time civil service employment as a “military technician (dual status).” Compensation received by a “military technician (dual status)” for federal civil service employment for the National Guard or for the United States Reserves, is not income received for active service as a National Guard member or a Reserve member even though the employee may be required to wear a military uniform while at work.

For more information, see the department’s ruling, ITR 12-2, *Compensation Received by a National Guard member or a member of the United States Reserves*.

**NOTE:** *You may not subtract pay received for active duty service as a member of the U.S. Public Health Service or NOAA. For more information, see the department’s ruling, ITR 10-1, Does the subtraction, for armed forces personnel, under A.R.S. § 43-1022 apply to Arizona residents who are active duty service members of the commissioned corps of the United States Public Health Service or the National Oceanic and Atmospheric Administration?*

### **Line 34 - Net Operating Loss Adjustment**

Arizona did not adopt the special federal net operating loss rules for losses incurred during 2008 or 2009. For Arizona purposes, you must deduct a net operating loss as if the loss was computed under IRC §172 in effect prior to the enactment of those special rules. If you made an election to deduct your 2008 or 2009 federal net operating loss under IRC § 172(b)(1)(H), you may have to enter an amount here. Figure how much of the net operating loss carry forward would have been allowed as a deduction on your 2018 federal income tax return, if the election described in IRC § 172(b)(1)(H) had not been made in the year of the loss. On line 34, enter the amount that exceeds the actual net operating loss carry forward that was deducted in arriving at federal adjusted gross income.

**NOTE:** *This subtraction applies to only those individuals who made an election under the special federal net operating loss rules for 2008 and 2009. Under the special rules for 2008 and 2009, you could have elected to carry the net operating loss back for 3, 4 or 5 years, instead of the normal 2 years. This election would have been allowed under IRC § 172(b)(1)(H) as amended by the American Recovery and Reinvestment Act of 2009 or the Worker, Homeownership, and Business Assistance Act of 2009.*

### **Line 35 - Contributions to 529 College Savings Plans**

You may subtract amounts you contributed to 529 college savings plans during the taxable year. You may subtract the amount you contributed during the year up to a total of \$2,000 (\$4,000 for a married couple filing a joint return.) If you are

married filing separate returns, either you or your spouse may take the subtraction, or you may divide it between you, but the total subtraction taken by both of you cannot be more than \$4,000.

If you contribute more than \$2,000 (\$4,000 if married) during the year, your total subtraction is still limited to \$2,000 (\$4,000 if married.)

**For example:** Jorge and Kate are married and have two children. During 2018, Jorge and Kate contributed \$2,500 to a 529 plan for Child 1 and \$2,500 to a 529 plan for Child 2. Even though Jorge and Kate contributed a total of \$5,000 during 2018, they may subtract only \$4,000 on their 2018 return.

You may take a subtraction for a contribution that you made during 2018 to a plan that existed before 2018. You may take a subtraction for a contribution that you made during 2018 to a plan established in another state. You may take a subtraction for a contribution that you made in 2018 to any 529 college savings plan. This could be a plan established for a child, grandchild, niece, nephew, or any other person for whom a plan has been established.

You cannot take a subtraction for an amount transferred from one college savings plan to a different college savings plan (a rollover).

### **Line 36 - Other Subtractions from Income**

Use line 36 if any of the following special circumstances apply. Include your own schedule with your return explaining any amounts entered here. Include your schedule with the return. **Do not include on line 36 any amounts already excluded in the computation of your federal adjusted gross income**

#### **A. Fiduciary Adjustment**

A fiduciary uses Form 141AZ Schedule K-1 to report to you your share of the fiduciary adjustment from the trust or estate. Line 3 of Form 141AZ Schedule K-1 shows your share of the fiduciary adjustment from the estate or trust. If the amount reported on line 3 of your Arizona Form 141AZ Schedule K-1, is a negative number, include that amount as an *Other Subtraction* on line 36.

**NOTE:** *If the amount reported on line 3 of your Arizona Form 141AZ Schedule K-1, is a positive number, enter that amount as an Other Addition on line 17.*

#### **B. Federally Taxable Arizona Municipal Interest as Evidenced by Bonds**

Include the amount of any interest income received on obligations of the State of Arizona, or any political subdivisions of Arizona, as evidenced by bonds, and is included in your Arizona gross income. Do not enter any Arizona municipal interest that is exempt from federal taxation and not included in your federal adjusted gross income. For more information, see the department’s ruling, ITR 15-1, *Arizona Municipal Interest that is Included in Federal Adjusted Gross Income*.

**C. Adoption Expenses**

You may take this subtraction only in the year the final adoption order is granted. Include the lesser of the total of the following adoption expenses or \$3,000. When figuring your subtraction, you may include expenses incurred in prior years.

The following expenses are qualified adoption expenses:

- unreimbursed medical and hospital costs,
- adoption counseling,
- legal and agency fees, and
- other nonrecurring costs of adoption.

If you are married and filing separately, you may take the entire subtraction or you may divide the subtraction with your spouse. However, the total subtraction taken by both you and your spouse cannot exceed \$3,000.

**D. Qualified Wood Stove, Wood Fireplace, or Gas-Fired Fireplace**

Arizona law provides a subtraction for converting an existing fireplace to one of the following:

- a qualified wood stove,
- a qualified wood fireplace, or
- a gas fired fireplace and non-optional equipment directly related to its operation.

You may subtract up to \$500 of the costs incurred for converting an existing fireplace on your property located in Arizona. When you figure your subtraction, do not include taxes, interest, or other finance charges.

A qualified wood stove or a qualified wood fireplace is a residential wood heater that was manufactured on or after July 1, 1990, or sold at retail on or after July 1, 1992. The residential wood heater must also meet the U.S. Environmental Protection Agency's July 1990 particulate emissions standards.

A qualified gas fired fireplace is any device that burns natural or liquefied petroleum gas as its fuel through a burner system that is permanently installed in the fireplace. The conversion of an existing wood burning fireplace to noncombustible gas logs that are permanently installed in the fireplace also qualifies as a gas fired fireplace.

**E. Claim of Right Adjustment for Amounts Repaid in Prior Taxable Years**

You must make an entry here if **all** of the following apply:

- During a year prior to 2018 you were required to repay amounts held under a claim of right.
- You computed your tax for that prior year under Arizona's claim of right provisions.
- A net operating loss or capital loss was established due to the repayment made in the prior year.
- You are entitled to take that net operating loss or capital loss carryover into account when computing your 2018 Arizona taxable income.
- The amount of the loss carryover allowed to be taken into account for Arizona purposes is more than the amount included in your federal income.

Include the amount by which the loss carryover allowed for the taxable year under Arizona law is more than the amount included in your federal adjusted gross income.

**F. Certain Expenses Not Allowed for Federal Purposes**

You may subtract some expenses that you cannot deduct on your federal return when you claim certain federal tax credits. These federal tax credits include the following:

- the Federal Work Opportunity Credit
- the Empowerment Zone Employment Credit
- the credit for employer-paid social security taxes on employee cash tips
- the Indian Employment Credit.

If you received any of the above federal tax credits for 2018, include the portion of wages or salaries you paid or incurred during the taxable year equal to the amount of those federal tax credits you received.

**G. Qualified State Tuition Program Distributions**

If you are a beneficiary of a qualified state tuition program, you may subtract some of the amount distributed from the program for qualified education expenses. Include the amount of the distribution that you had to include in your federal adjusted gross income. A qualified state tuition program is a program that meets the requirements of IRC § 529.

**H. Subtraction for World War II Victims**

You may subtract distributions made to you for your persecution or the persecution of your ancestors by Nazi Germany or any other Axis regime for racial, religious or political reasons. If you are the first recipient of such distributions, include the amount of the distributions that you had to include in your federal adjusted gross income.

You may also subtract items of income that are attributable to, derived from, or related to assets that were stolen or hidden from or lost to you if you were persecuted by Nazi Germany or any other Axis regime for racial, religious, or political reasons before, during or immediately after World War II. If you are the first recipient of such income, include the amount of income that you had to include in your federal adjusted gross income.

**I. Installment Sale Income from Another State Taxed by the Other State in a Prior Taxable Year**

You may subtract income from an installment sale if **both** of the following apply:

- The income from the sale is subject to Arizona income tax in 2018.
- You paid income tax to another state on that income in a **prior** tax year.

Include the amount of such income that you included in your Arizona gross income for 2018.

Do not include any amount that is subject to tax by both Arizona and another state in 2018. In this case, you may be eligible for a tax credit. See Arizona Form 309 for details.

**J. Agricultural Crops Given to Arizona Charities**

Arizona law allows a subtraction for qualified crop gifts made during 2018 to one or more charitable organizations. To take this subtraction, **all** of the following must apply:

- You must be engaged in the business of farming or processing agricultural crops.
- The crop must be grown in Arizona.
- You made your gift to a charitable organization located in Arizona that is exempt from Arizona income tax.

The subtraction is the larger of the wholesale market price or the most recent sale price for the contributed crop. The amount of the subtraction cannot include any amount deducted pursuant to IRC § 170 with respect to crop contribution that exceeds the cost of producing the contributed crop. To determine if your crop gift qualifies for this subtraction, see the department's procedure, ITP 12-1, *Establishing an Income Tax Subtraction for Agricultural Crops Contributed to Charitable Organizations*.

**K. Basis Adjustment for Property Sold or Otherwise Disposed of During the Taxable Year**

With respect to property that is sold or otherwise disposed of during the taxable year by a taxpayer who has complied with the requirement to add back all depreciation with respect to that property on tax returns for all taxable years beginning from and after December 31, 1999, include the amount of depreciation that has been allowed pursuant to IRC § 167(a) to the extent that the amount has not already reduced Arizona taxable income in the current or prior years. (Note: The practical effect of this is to allow a subtraction for the difference in basis for any asset for which bonus depreciation has been claimed on the federal return.)

**L. Previously Deferred Discharge of Indebtedness (DOI) Income Adjustment**

Generally, when a loan is settled for less than the amount owed, DOI income is realized by the debtor and usually must be included in the debtor's gross income. The amount of DOI income is generally equal to the amount of loan forgiveness. DOI income also occurs when a debtor repurchases his or her own debt at a discount (a price lower than the adjusted basis issue price of the debt instrument). In debt repurchase transactions, the amount of DOI income is generally equal to the difference between the adjusted issue price and the price paid for the debt instrument.

For federal purposes, a taxpayer may have made a special election for taxable years 2009 or 2010 to include DOI income in connection with the reacquisition of a business debt instrument, ratably over a 5 year period. A taxpayer that made this election will generally include this income in federal adjusted gross income beginning with the 2014 taxable year. A taxpayer would have made the federal election under IRC § 108(i) as added by the American Recovery and Reinvestment Act of 2009. Arizona did not adopt the special federal DOI income deferral provisions for the 2009 or 2010 taxable year. For Arizona purposes, if you made the federal election to defer the inclusion of DOI income under IRC § 108(i), you were

required to add the amount of deferred DOI income to Arizona income for the year for which you made the election.

If you made the required addition to Arizona income on the Arizona return filed for the year in which you reacquired the debt instrument (2009 or 2010), Arizona will not tax that DOI income twice. In the year in which you include that deferred DOI income in your federal adjusted gross income, you may take a subtraction for the amount included for that year.

Usually this subtraction will apply to taxable years 2014 through 2018. On line 36, include the amount of previously deferred DOI income that you included in your federal adjusted gross income for the current taxable year to the extent that the amount was previously added to your Arizona income.

**M. Original Issue Discount (OID) on Reacquisition of Business Debt Instrument**

For federal purposes, when a taxpayer made the special election to defer DOI income under IRC § 108(i), the taxpayer was not allowed to take a deduction with respect to the portion of any OID that accrued with respect to that DOI income, during the income deferral period. In this case, the taxpayer must deduct the aggregate amount of the OID deductions disallowed ratably over a 5 year period, beginning with the period in which the income is includible in federal adjusted gross income.

Arizona did not adopt the federal provisions requiring a taxpayer to defer the OID deduction in cases where the taxpayer federally deferred the DOI income under IRC § 108(i). For Arizona purposes, you were required to add the amount of deferred DOI income to Arizona income on the return filed for the year in which you reacquired the debt instrument.

Since Arizona taxed the federally deferred DOI income for 2009 or 2010 on your 2009 or 2010 Arizona return, you may subtract the amount of OID that accrued during the taxable year with respect to that DOI income.

On line 36, include the amount of any OID that was deferred and not allowed to be deducted in computing your federal adjusted gross income for 2018 under IRC § 108(i).

**N. Sole Proprietorship Income of an Arizona Nonprofit Medical Marijuana Dispensary included in Federal Adjusted Gross Income**

If you are registered as an Arizona sole proprietorship with the Arizona Department of Health Services to operate in this state as a nonprofit medical marijuana dispensary, you may subtract the amount of the income from the dispensary that is included in the computation of your federal adjusted gross income. Include the amount of the income on line 36.

**NOTE:** *If the Arizona nonprofit medical marijuana dispensary is registered with the Arizona Department of Health Services as anything other than a sole proprietorship, this subtraction does not apply.*

**O. Long-Term Care Insurance Premiums**

You may subtract the amount of premium costs for long-term care insurance for qualified long-term care services.

Qualified long-term care services are necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, rehabilitative services, and maintenance and personal care services.

You may take this subtraction only if you are *not* claiming itemized deductions for the taxable year. Include the allowable subtraction on line 36.

An individual, who claims itemized deductions, may *not* take this subtraction.

**P. Americans with Disabilities Act Access Expenditures**

For taxable years beginning from and after December 31, 2017, a subtraction is allowed for eligible business access expenditures paid or incurred during the taxable year to comply with the requirements of the Americans with disabilities act of 1990 or A.R.S. Title 41, chapter 9, article 8 by retrofitting developed real property that was originally placed in service at least ten years before the current taxable year. (A.R.S. §§ 43-1022 and 43-1024) On line 36, include the amount of eligible expenditures paid or incurred during the tax year.

“Eligible business access expenditures” include reasonable and necessary amounts paid or incurred to:

- Remove any barriers that prevent a business from being accessible to or usable by individuals with disabilities.
- Provide qualified interpreters or other methods of making audio materials available to hearing-impaired individuals.
- Provide qualified readers, taped texts and other effective methods of making visually delivered materials available to individuals with visual impairments.
- Acquire or modify equipment or devices for individuals with disabilities.
- Provide other similar services, modifications, materials or equipment.

**NOTE:** A taxpayer who has been cited for noncompliance with the Americans with disabilities act of 1990 or title 41, chapter 9, article 8 by either federal or state enforcement officials is ineligible for a subtraction under this section for any expenditure required to cure the cited violation.

**Q. Other Adjustments**

Another special adjustment may be necessary. Call one of the numbers on page 1 of these instructions if you deferred exploration expenses determined under IRC § 617 in a taxable year ending before January 1, 1990, and you have not previously taken a subtraction for those expenses.

**Line 37 -**

Subtract lines 23 through 36 from line 18. Enter the difference.

**Line 38 -**

Enter the amount from page 1, line 37.

**Exemptions - Lines 39 through 42**

**Line 39 - Age 65 or Over**

Multiply the number in box 8 on the front of your return by \$2,100 and enter the result.

**Line 40 - Blind**

Multiply the number in box 9 on the front of your return by \$1,500 and enter the result.

**Line 41 - Dependents**

Multiply the number in box 10 on the front of your return by \$2,300 and enter the result.

**Line 42 - Qualifying Parents and Grandparents**

Multiply the number in box 11 on the front of your return by \$10,000 and enter the result.


**Line 43 - Arizona Adjusted Gross Income**

Subtract lines 39 through 42 from line 38 and enter the difference.

**Figuring Your Tax**

**Line 44 - Standard or Itemized Deductions**

You must decide whether to take the standard deduction or to itemize your deductions. Your Arizona income tax will be less if you take the larger of your standard deduction or your itemized deductions.

 When you *e-file*, the software completes the math for you.

**Your Standard Deduction**

If you take the standard deduction, check box 44S.

If your filing status is:	Your standard deduction is:
• Single	\$5,312
• Married filing separate	\$5,312
• Married filing joint	\$10,613
• Head of household	\$10,613

**Your Itemized Deductions**

If you itemize your deductions, check box 44I.

You may claim itemized deductions on your Arizona return even if you take a standard deduction on your federal return. For the most part, you may claim those deductions allowable as itemized deductions under the IRC.

In some cases, the amount allowed for some deductions may not be the same as the amount allowable for federal purposes.

You may have to adjust the amounts shown on your completed federal Form 1040 Schedule A.

See Arizona Form 140 Schedule A, *Itemized Deduction Adjustments*, to figure if you have to make any adjustments.

To figure your itemized deductions, you must complete a federal Form 1040 Schedule A. Then, if required, complete Arizona Form 140, Schedule A, *Itemized Deduction Adjustments*.

If you do not have to complete Form 140 Schedule A, *Itemized Deduction Adjustments*; enter the amount from federal Form 1040 Schedule A, on Form 140, line 44.

You must include a copy of the completed federal Schedule A with your Arizona return.

**Line 45 - Personal Exemptions**

The amount you may claim as a personal exemption depends on your filing status. If married, the amount you may claim as a personal exemption also depends on whether you or your spouse claim dependents. You may use the following chart to figure your personal exemption.

If married, you may also use Arizona Form 202, *Personal Exemption Allocation Election*, to figure your personal exemption.

**NOTE:** *If married taxpayers file separate returns and one spouse claims more than one-half of the personal exemption amount, each spouse is required to complete and include Form 202, Personal Exemption Allocation Election, with his and her tax return.*

<b>Personal Exemption Chart (continued on next column)</b>	
<b>If you checked filing status:</b>	<b>Enter:</b>
• Single (Box 7)	\$2,200
• Married filing joint return (Box 4) and claiming no dependents (Box 10)	\$4,400
• Married filing joint return (Box 4) and claiming at least one dependent (Box 10) excluding persons listed who did not qualify as a dependent on your federal return [Box 10, column (e)].	\$6,600
• Head of household and you are not married (Box 5)	\$4,400
• Head of household and you are a married person who qualifies to file as head of household (Box 5)	\$3,300, or complete Form 202
• Married filing separate return (Box 6) with neither spouse claiming any dependents (Box 10)	\$2,200, or complete Form 202
• Married filing separate return (Box 6) with one spouse claiming at least one dependent (Box 10) excluding persons listed who did not qualify as a dependent on your federal return [Box 10, column (e)].	\$3,300, or complete Form 202

A married couple who does not claim any dependents may take one personal exemption of \$4,400. If the husband and wife file separate returns, either spouse may take the entire \$4,400 exemption, or the spouses may divide the \$4,400 between them. You and your spouse must complete Form 202 if either you or your spouse claim a personal exemption of more than \$2,200. If you and your spouse do not complete Form 202, you may take an exemption of only \$2,200 (one-half of the total \$4,400).

A married couple who claims at least one dependent may take one personal exemption of \$6,600. If the husband and wife file separate returns, either spouse may take the entire \$6,600 exemption, or the spouses may divide the \$6,600 between them. You and your spouse must complete Form 202 if either you or your spouse claims a personal exemption of more than \$3,300. If you and your spouse do not complete Form 202, you may take an exemption of only \$3,300 (one-half of the total \$6,600).

If you are a married person who qualifies to file as a head of household, you may take the entire \$6,600 personal exemption or you may divide the exemption with your spouse. You and your spouse must complete Form 202 if either you or your spouse claims a personal exemption of more than \$3,300. If you and your spouse do not complete Form 202 you may take an exemption of only \$3,300 (one-half of the total \$6,600).

The spouse who claims more than one-half of the total personal exemption must include the original Form 202 with his or her return. The spouse who claims less than one-half of the total personal exemption must include a copy of the completed Form 202 with his or her return.

**Line 46 - Arizona Taxable Income**

Subtract lines 44 and 45 from line 43 and enter the difference. If less than zero, enter "0". Use this amount to calculate your tax using Tax Table X or Y or the Optional Tax Tables.

**Line 47 - Tax Amount**

Enter the tax from either Tax Table X or Y or the Optional Tax Tables. If your taxable income is less than \$50,000, use the Optional Tax Table. If your taxable income is \$50,000 or more, use Tax Table X or Y.


**Line 48 - Tax from Recapture of Credits from Arizona Form 301**

Enter the amount of tax due from recapture of the credits from Arizona Form 301, Part 2, line 36.

**Line 49 - Subtotal of Tax**

Add lines 47 and 48 and enter the total.

**Line 50 - Family Income Tax Credit**

 **E-file** software will let you know if you are eligible and will figure the credit for you.

**NOTE:** *The family income tax credit will only reduce your tax and cannot be refunded.*

You may claim this credit if your income does not exceed the maximum income allowed for your filing status.

- Complete Steps 1, 2, and 3 to see if you qualify for this credit.
- If you qualify to take this credit, complete Worksheet II in Step 4.



**Step 1**

<b>Worksheet I</b>		
1. Enter the amount from Form 140, line 43		\$
2. Enter the amount from Form 140, line 39.	\$	
3. Enter the amount from Form 140, line 40.	\$	
4. Enter the amount from Form 140, line 41.	\$	
5. Enter the amount from Form 140, line 42.	\$	
6. Add the amounts on lines 2 through 5.	\$	
7. Add lines 1 and 6.		\$

**Step 2**

Look at the following tables. Find your filing status.

- Use Table I if married filing a joint return.
- Use Table II if head of household.
- Use Table III if single or married filing separate return.

**Step 3**

- Look at column (a) and find the number of dependents you are claiming (Form 140, page 1, box 10 excluding persons listed who did not qualify as a dependent on your federal return).
- Find the maximum income [in column (b)] for the number of dependents you are claiming.
- Compare that income [the amount in column (b)] with the income listed in Step 1 on Worksheet I, line 7.

If the amount entered in Step 1 on Worksheet I, line 7 is equal to or less than the maximum income allowed for the number of dependents you are claiming on Form 140, page 1, box 10, excluding persons listed who did not qualify as your dependent on your federal return, you qualify to claim this credit. To figure your credit, complete Step 4.

<b>Table I Married Filing Joint Return</b>	
<b>Column (a)</b>	<b>Column (b)</b>
Number of dependents you are claiming on Form 140, page 1, box 10 excluding persons listed who did not qualify as a dependent on your federal return [Box 10, column (e)].	Maximum Income
• 0 or 1	\$20,000
• 2	\$23,600
• 3	\$27,300
• 4 or more	\$31,000

<b>Table II Head of Household</b>	
<b>Column (a)</b>	<b>Column (b)</b>
Number of dependents you are claiming on Form 140, page 1, box 10, excluding persons listed who did not qualify as a dependent on your federal return [Box 10, column (e)].	Maximum Income

• 0 or 1	\$20,000
• 2	\$20,135
• 3	\$23,800
• 4	\$25,200
• 5 or more	\$26,575

<b>Table III Single or Married Filing Separate Return</b>	
<b>Column (a)</b>	<b>Column (b)</b>
Number of dependents you are claiming on Form 140, page 1, box 10 excluding persons listed who did not qualify as a dependent on your federal return [Box 10, column (e)].	Maximum Income
• 0 or more	\$10,000

**Step 4**

If you qualify to claim the credit, complete Worksheet II.

<b>Worksheet II You must complete Steps 1 through 3 before you complete Worksheet II</b>	
1. Enter the number of dependents you entered on Form 140, page 1, box 10, excluding persons listed who did not qualify as a dependent on your federal return [Box 10, column (e)].	
2. Enter the number of personal exemptions. If you checked filing status 4, enter the number 2 here. If you checked filing status 5, 6, or 7, enter the number 1 here.	
3. Add lines 1 and 2. Enter the total.	
4. Multiply the amount on line 3 by \$40. Enter the result.	\$
5. If you checked filing status 4 or 5, enter \$240 here. If your checked filing status 6 or 7, enter \$120 here.	\$
6. Enter the lesser of line 4 or line 5. Also, enter this amount on Form 140, line 50.	\$

**Line 51 - Nonrefundable Credits from Arizona Form 301**

Complete line 51 if you claim any of the following credits. Also make sure that you complete and include Form 301 and the appropriate credit form or forms with your return.

**Enterprise Zone Credit.** The enterprise zone credit for individuals was repealed. All credits for enterprise zones that were properly established can be carried forward for the respective five year carry forward period. See Form 304 for more information.

**Environmental Technology Facility Credit.** You may qualify for this credit if your business incurred expenses in constructing a qualified environmental technology manufacturing facility. Use Form 305 to figure this credit.

**Military Reuse Zone Credit.** The military reuse zone credit expired. All credits that were properly established can be

carried forward for the respective five year carry forward period. Use Form 306 to figure this credit.

**Credit for Increased Research Activities - Individuals.** You may qualify for this credit if you incurred qualified research expenses for research conducted in Arizona. Use Form 308-I to figure this credit. Be sure to include **only** the nonrefundable portion on Form 140, line 51.

**Credit for Taxes Paid to Another State or Country.** You may qualify for this credit if you paid tax to Arizona and another state or country on the same income. Use Form 309 to figure your credit.

**Credit for Solar Energy Devices.** You may qualify for this credit if you installed a solar energy device in your residence located in Arizona. Use Form 310 to figure this credit.

**Agricultural Water Conservation System Credit.** You may qualify for this credit if you incurred expenses to purchase and install an agricultural water conservation system in Arizona. Use Form 312 to figure this credit.

**Pollution Control Credit.** You may qualify for this credit if you purchased depreciable property used in a trade or business to reduce or prevent pollution. Use Form 315 to figure this credit.

**Credit for Solar Hot Water Heater Plumbing Stub Outs and Electric Vehicle Recharge Outlets.** The credit for solar hot water heater plumbing stub outs and electric vehicle recharge outlets has expired. All credits that were property established can be carried forward for the respective five year carry forward period. Use Form 319 to figure this credit.

**Credit for Employment of TANF Recipients.** You may qualify for this credit if you employed TANF recipients during the taxable year. Use Form 320 to figure this credit.

**Credit for Contributions to Qualifying Charitable Organizations.** You may qualify for this credit if you made contributions to qualifying charitable organizations. Use Form 321 to figure this credit.

**Credit for Contributions Made or Fees Paid to Public Schools.** You may qualify for this credit if you made contributions or paid certain fees to public schools in Arizona. Use Form 322 to figure this credit.

**Credit for Contributions to Private School Tuition Organizations.** You may qualify for this credit if you made contributions to a school tuition organization that provides scholarships or grants to qualified schools. Use Form 323 to figure this credit.

**Agricultural Pollution Control Equipment Credit.** You may qualify for this credit if you are involved in commercial agriculture and incurred expenses to purchase tangible personal property that is primarily used in your trade or business to control or prevent pollution. Use Form 325 to figure this credit.

**Credit for Donation of School Site.** You may qualify for this credit if you donated real property and improvements to a school district or a charter school for use as a school or as a

site for the construction of a school. Use Form 331 to figure this credit.

**Credit for Employment by a Healthy Forest Enterprise.** You may qualify for this credit if you had net increases in qualified employment positions in a healthy forest enterprise. Use Form 332 to figure this credit.

**Credit for Employing National Guard Members.** You may qualify for this credit if you are an employer who has an employee that is a member of the Arizona National Guard if the employee is placed on active duty. Use Form 333 to figure this credit.

**Credit for Business Contributions by an S Corporation to School Tuition Organizations - Individual.** S corporations that make qualifying contributions of \$5,000 or more may pass-through the credit to its individual shareholders on a *pro rata* basis. See Form 335-I for more information.

**Credit for Solar Energy Devices - Commercial and Industrial Applications.** This credit is available to taxpayers that installed solar energy devices for commercial, industrial, or other nonresidential applications located in Arizona. Use Form 336 to figure this credit.

**Credit for Investment in Qualified Small Businesses.** You may qualify for this credit if you made an investment in a qualified small business. Use Form 338 to figure this credit.

**Credit for Donations to the Military Family Relief Fund.** You may qualify for this credit if you made a cash contribution to the Arizona Military Family Relief Fund during the taxable year. Use Form 340 to figure this credit.

**Credit for Business Contributions by an S Corporation to School Tuition Organizations for Displaced Students or Students with Disabilities - Individual.** S corporations that make qualifying contributions of \$5000 or more may pass-through the credit to its individual shareholders on a *pro rata* basis. See Form 341-I for more information.

**Renewable Energy Production Tax Credit.** You may qualify for this credit if you produced electricity using a qualified energy resource. Use Form 343 to figure this credit.

**Credit for New Employment.** For taxable years beginning from and after June 30, 2011, you may qualify for this credit if your business had a net increase in qualified employment positions. Use Form 345 to figure this credit.

**Additional Credit for Increased Research Activities for Basic Research Payments.** You may qualify for this credit for qualified basic research payments for research conducted in Arizona. Approval by the Department of Revenue is required prior to claiming this credit. Use Form 346 to figure this credit.

**Credit for Contributions to Certified School Tuition Organization (for the amounts that exceed the allowable credit on AZ Form 323).** You may qualify for this credit if you made contributions to school tuition organization(s) that exceed the allowable credit amount on Arizona Form 323. Use Form 348 to figure this credit.

DO NOT STAPLE ANY ITEMS TO THE RETURN.

82F Check box 82F if filing under extension OR FISCAL YEAR BEGINNING MM, DD, 2018 AND ENDING MM, DD, 20YY 66F

1 Your First Name and Middle Initial Last Name Enter your SSN(s) Your Social Security Number

1 Spouse's First Name and Middle Initial (if box 4 or 6 checked) Last Name Spouse's Social Security No.

2 Current Home Address - number and street, rural route Apt. No. Daytime Phone (with area code) 94

3 City, Town or Post Office State ZIP Code Last Names Used in Last Four Prior Year(s) (if different) 97

4 Married filing joint return 4a Injured Spouse Protection of Joint Overpayment
5 Head of household: Enter name of qualifying child or dependent on next line:
6 Married filing separate return: Enter spouse's name and Social Security Number above.
7 Single
Enter the number claimed. Do not put a check mark.

REVENUE USE ONLY. DO NOT MARK IN THIS AREA. 88

8 Age 65 or over (you and/or spouse)
9 Blind (you and/or spouse)
10 Dependents: Do not include self or spouse.
11 Qualifying parents and grandparents
If completing lines 8 through 11, also complete lines 39 through 42. 81 PM 80 RCVD

Table with 6 columns: (a) FIRST AND LAST NAME, (b) SOCIAL SECURITY NO., (c) RELATIONSHIP, (d) NO. OF MONTHS LIVED IN YOUR HOME IN 2018, (e) if this person did not qualify as a dependent on your federal return, (f) if you did not claim this person on your federal return due to educational credits. Rows 10a, 10b, 10c.

Table with 6 columns: (a) FIRST AND LAST NAME, (b) SOCIAL SECURITY NO., (c) RELATIONSHIP, (d) NO. OF MONTHS LIVED IN YOUR HOME IN 2018, (e) if age 65 or over, (f) if died in 2018. Rows 11a, 11b.

Table with 3 columns: Line number, Description, Amount. Rows 12-18: Federal adjusted gross income, Non-Arizona municipal interest, Partnership Income adjustment, Total federal depreciation, Net capital (loss) derived from the exchange of legal tender, Other Additions to Income, Subtotal.

Table with 3 columns: Line number, Description, Amount. Rows 19-37: Total net capital gain or (loss), Total net short-term capital gain or (loss), Total net long-term capital gain or (loss), Net long-term capital gain from assets acquired after December 31, 2011, Multiply line 22 by 25% (.25) and enter the result, Net capital gain derived from investment in qualified small business, Net capital gain derived from the exchange of legal tender, Recalculated Arizona depreciation, Partnership Income adjustment, Interest on U.S. obligations such as U.S. savings bonds and treasury bills, Exclusion for federal, Arizona state or local government pensions, Arizona state lottery winnings included as income on your federal return, U.S. Social Security or Railroad Retirement Act benefits included as income on your federal return, Certain wages of American Indians, Pay received for active service as a member of the reserves, national guard or the U.S. armed forces, Net operating loss adjustment, Contributions to 529 College Savings Plans, Other Subtractions from Income, Subtract lines 23 through 36 from line 18 and enter the difference.

Place any required federal and AZ schedules or other documents after Form 140.

Your Name (as shown on page 1) \_\_\_\_\_ Your Social Security Number \_\_\_\_\_

Exemptions	38	Enter the amount from page 1, line 37 .....	38		00	
	39	Age 65 or over: Multiply the number in box 8 by \$2,100.....	39		00	
	40	Blind: Multiply the number in box 9 by \$1,500 .....	40		00	
	41	Dependents: Multiply the number in box 10 by \$2,300 .....	41		00	
	42	Qualifying parents and grandparents: Multiply box 11 by \$10,000 .....	42		00	
	43	<b>Arizona adjusted gross income:</b> Subtract lines 39 through 42 from line 38 and enter the difference .....	43		00	
Balance of Tax	44	<b>Deductions: Check box and enter amount.</b> See instructions..... <b>44I</b> <input type="checkbox"/> <b>ITEMIZED</b> <b>44S</b> <input type="checkbox"/> <b>STANDARD</b>	44		00	
	45	Personal exemptions: See instructions.....	45		00	
	46	Arizona taxable income: Subtract lines 44 and 45 from line 43. If less than zero, enter "0" .....	46		00	
	47	Compute the tax using amount on line 46 and Tax Table X, Y or Optional Tax Tables.....	47		00	
	48	Tax from recapture of credits from Arizona Form 301, Part 2, line 36 .....	48		00	
	49	Subtotal of tax: Add lines 47 and 48 and enter the total .....	49		00	
	50	Family income tax credit (from the worksheet - see instructions) .....	50		00	
	51	Nonrefundable Credits from Arizona Form 301, Part 2, line 69.....	51		00	
	52	<b>Balance of tax:</b> Subtract lines 50 and 51 from line 49. If the sum of lines 50 and 51 is greater than line 49, enter "0".....	52		00	
	Total Payments and Refundable Credits	53	2018 AZ income tax withheld.....	53		00
54		2018 AZ estimated tax payments.. <b>54a</b> <input type="text" value="00"/> Claim of Right <b>54b</b> <input type="text" value="00"/> Add 54a and 54b..	<b>54c</b>		00	
55		2018 AZ extension payment (Form 204) .....	55		00	
56		Increased Excise Tax Credit (from the worksheet - see instructions) .....	56		00	
57		Property Tax Credit from Form 140PTC .....	57		00	
58		Other refundable credits: Check the box(es) and enter the total amount..... <b>581</b> <input type="checkbox"/> 308-I <b>582</b> <input type="checkbox"/> 349	58		00	
59		<b>Total payments and refundable credits:</b> Add lines 53 through 58 and enter the total .....	59		00	
Tax Due or Overpayment	60	<b>TAX DUE:</b> If line 52 is larger than line 59, subtract line 59 from line 52 and enter amount of tax due. Skip lines 61, 62 and 63.....	60		00	
	61	<b>OVERPAYMENT:</b> If line 59 is larger than line 52, subtract line 52 from line 59 and enter amount of overpayment.....	61		00	
	62	Amount of line 61 to be applied to 2019 estimated tax.....	62		00	
	63	Balance of overpayment: Subtract line 62 from line 61 and enter the difference .....	63		00	
Voluntary Gifts	<b>64 - 74 Voluntary Gifts to:</b>					
		Solutions Teams Assigned to Schools..... <b>64</b>	<input type="text" value="00"/>	Arizona Wildlife..... <b>65</b>	<input type="text" value="00"/>	
	Child Abuse Prevention..... <b>66</b>	<input type="text" value="00"/>	Domestic Violence Shelter <b>67</b>	<input type="text" value="00"/>	Political Gift..... <b>68</b>	<input type="text" value="00"/>
	Neighbors Helping Neighbors.. <b>69</b>	<input type="text" value="00"/>	Special Olympics..... <b>70</b>	<input type="text" value="00"/>	Veterans' Donations Fund <b>71</b>	<input type="text" value="00"/>
	I Didn't Pay Enough Fund..... <b>72</b>	<input type="text" value="00"/>	Sustainable State Parks and Road Fund..... <b>73</b>	<input type="text" value="00"/>	Spay/Neuter of Animals.. <b>74</b>	<input type="text" value="00"/>
	<b>75</b> Political Party (if amount is entered on line 68 - check only one): <b>751</b> <input type="checkbox"/> Democratic <b>752</b> <input type="checkbox"/> Green Party <b>753</b> <input type="checkbox"/> Libertarian <b>754</b> <input type="checkbox"/> Republican					
	76	Estimated payment penalty .....	76		00	
	77	<b>771</b> <input type="checkbox"/> Annualized/Other <b>772</b> <input type="checkbox"/> Farmer or Fisherman <b>773</b> <input type="checkbox"/> Form 221 included				
78	Add lines 64 through 74 and 76; enter the total.....	78		00		
Refund or Amount Owed	79	<b>REFUND:</b> Subtract line 78 from line 63. If less than zero, enter amount owed on line 80 .....	79		00	
	<b>Direct Deposit of Refund: Check box 79A</b> if your deposit will be ultimately placed in a <b>foreign account</b> ; see instructions. <b>79A</b> <input type="checkbox"/>					
	<input type="checkbox"/> <b>C</b> <input type="checkbox"/> Checking or <input type="checkbox"/> <b>S</b> <input type="checkbox"/> Savings	ROUTING NUMBER <input type="text"/>	ACCOUNT NUMBER <input type="text"/>			
80	<b>AMOUNT OWED:</b> Add lines 60 and 78. Make check payable to Arizona Department of Revenue; write your SSN on payment, and include with your return .....	80		00		

Under penalties of perjury, I declare that I have read this return and any documents with it, 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.

**PLEASE SIGN HERE**

YOUR SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_ OCCUPATION \_\_\_\_\_

SPOUSE'S SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_ SPOUSE'S OCCUPATION \_\_\_\_\_

PAID PREPARER'S SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_ FIRM'S NAME (PREPARER'S IF SELF-EMPLOYED) \_\_\_\_\_

PAID PREPARER'S STREET ADDRESS \_\_\_\_\_ PAID PREPARER'S TIN \_\_\_\_\_

PAID PREPARER'S CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_ PAID PREPARER'S PHONE NUMBER \_\_\_\_\_

If you are sending a payment with this return, mail to Arizona Department of Revenue, PO Box 52016, Phoenix, AZ 85072-2016. Include the payment with Form 140.

If you are expecting a refund or owe no tax, or owe tax but are not sending a payment, mail to Arizona Department of Revenue, PO Box 52138, Phoenix, AZ 85072-2138.

Your Name (as shown on page 1)	Your Social Security Number
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## Dependent Information - Continuation Sheet from Page 1 Dependents

Include with your return **only** if listing additional dependents.

Complete this form *only* if you need additional space from page 1 to list your dependents.  
If you do not list **all** dependents claimed on page 1 of your income tax return, you may lose the exemptions.

**Children and other dependents, continued from page 1.**

	(a) FIRST AND LAST NAME (Do not list yourself or spouse.)	(b) SOCIAL SECURITY NO.	(c) RELATIONSHIP	(d) NO. OF MONTHS LIVED IN YOUR HOME IN 2018	(e) ✓ if this person did not qualify as a dependent on your federal return	(f) ✓ if you did not claim this person on your federal return due to educational credits
10d					<input type="checkbox"/>	<input type="checkbox"/>
10e					<input type="checkbox"/>	<input type="checkbox"/>
10f					<input type="checkbox"/>	<input type="checkbox"/>
10g					<input type="checkbox"/>	<input type="checkbox"/>
10h					<input type="checkbox"/>	<input type="checkbox"/>
10i					<input type="checkbox"/>	<input type="checkbox"/>
10j					<input type="checkbox"/>	<input type="checkbox"/>
10k					<input type="checkbox"/>	<input type="checkbox"/>
10l					<input type="checkbox"/>	<input type="checkbox"/>
10m					<input type="checkbox"/>	<input type="checkbox"/>
10n					<input type="checkbox"/>	<input type="checkbox"/>
10o					<input type="checkbox"/>	<input type="checkbox"/>
10p					<input type="checkbox"/>	<input type="checkbox"/>
10q					<input type="checkbox"/>	<input type="checkbox"/>
10r					<input type="checkbox"/>	<input type="checkbox"/>
10s					<input type="checkbox"/>	<input type="checkbox"/>
10t					<input type="checkbox"/>	<input type="checkbox"/>
10u					<input type="checkbox"/>	<input type="checkbox"/>

**Qualifying parents and grandparents, continued from page 1.**

	(a) FIRST AND LAST NAME (Do not list yourself or spouse.)	(b) SOCIAL SECURITY NO.	(c) RELATIONSHIP	(d) NO. OF MONTHS LIVED IN YOUR HOME IN 2018	(e) ✓ if age 65 or over	(f) ✓ if died in 2018
11c					<input type="checkbox"/>	<input type="checkbox"/>
11d					<input type="checkbox"/>	<input type="checkbox"/>
11e					<input type="checkbox"/>	<input type="checkbox"/>
11f					<input type="checkbox"/>	<input type="checkbox"/>
11g					<input type="checkbox"/>	<input type="checkbox"/>
11h					<input type="checkbox"/>	<input type="checkbox"/>
11i					<input type="checkbox"/>	<input type="checkbox"/>
11j					<input type="checkbox"/>	<input type="checkbox"/>

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**Include with your return.**

Your Name as shown on Form 140	Your Social Security Number
Spouse's Name as shown on Form 140 (if filing joint)	Spouse's Social Security Number

To itemize on your Arizona return, you must first complete a federal Schedule A. Use Form 140, Schedule A, to adjust the amount shown on the federal Schedule A. Complete Form 140, Schedule A, **only if you are making changes** to the amount shown on the federal Schedule A. See instructions for details.

**Adjustment to Medical and Dental Expenses**

1 Medical and dental expenses .....	<b>1</b>		00	
2 Medical expenses allowed to be taken as a federal itemized deduction .....	<b>2</b>		00	
3 If line 1 is the same as or more than line 2, subtract line 2 from line 1; otherwise, go to line 4 .....	<b>3</b>		00	
4 If line 2 is more than line 1, subtract line 1 from line 2 .....	<b>4</b>		00	

**Adjustment to Interest Deduction**

5 If you received a federal credit for interest paid on mortgage credit certificates (from federal Form 8396), enter the amount of mortgage interest you paid for 2018 that is equal to the amount of your 2018 federal credit.....	<b>5</b>		00	
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**Adjustment to Gambling Losses**

6 Wagering losses allowed as a federal itemized deduction .....	<b>6</b>		00	
7 Total gambling winnings included in your federal adjusted gross income .....	<b>7</b>		00	
8 Arizona lottery subtraction from Form 140, page 1, line 30.....	<b>8</b>		00	
9 Maximum allowable gambling loss deduction: Subtract line 8 from line 7.....	<b>9</b>		00	
10 If line 9 is less than line 6, subtract line 9 from line 6; otherwise enter "0".....	<b>10</b>		00	

**Adjustment to Charitable Contributions**

11 Amount of charitable contributions for which you are claiming a credit under Arizona law .....	<b>11</b>		00	
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**Other Adjustments**

12 Amount allowed as a federal itemized deduction that relates to income not subject to Arizona tax .....	<b>12</b>		00	
---	-----------	--	----	--

**Adjusted Itemized Deductions**

13 Add the amounts on lines 3 and 5 .....	<b>13</b>		00	
14 Add the amounts on lines 4, 10, 11 and 12 .....	<b>14</b>		00	
15 Total federal itemized deductions allowed to be taken on federal return.....	<b>15</b>		00	
16 Enter the amount from line 13 above .....	<b>16</b>		00	
17 Add lines 15 and 16.....	<b>17</b>		00	
18 Enter the amount from line 14 above .....	<b>18</b>		00	
19 Arizona itemized deductions: Subtract line 18 from line 17. Enter the result here and on Form 140, page 2, line 44.....	<b>19</b>		00	



**You must include a copy of federal Form 1040, Schedule A with your return if you itemize your deductions.**

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DO NOT STAPLE ANY ITEMS TO THE RETURN.

For the calendar year 2018 or fiscal year beginning MM,DD,YY 2,0,1,8 and ending MM,DD,YY 2,0,Y,Y. **66**

<b>1</b> Your First Name and Middle Initial	Last Name	<b>Enter your SSN(s).</b> Your Social Security Number
<b>1</b> Spouse's First Name and Middle Initial (if filing joint)	Last Name	Spouse's Social Security No.
<b>2</b> Current Home Address - number and street, rural route	Apt. No.	Daytime Phone (with area code) <b>94</b>
<b>3</b> City, Town or Post Office	State	ZIP Code

**REVENUE USE ONLY. DO NOT MARK IN THIS AREA.**

**88**

**81** PM      **80** RCVD

- Resident Personal Income Tax Forms – Check only one box:**
- 140     140A     140EZ     140PTC     140ET
- Part-Year Resident Personal Income Tax, Form 140PY
- Nonresident Personal Income Tax, Form 140NR
- Nonresident Composite, Form 140NR

All extension requests must be postmarked on or before the original due date of the return, unless the original due date falls on a Saturday, Sunday, or legal holiday. In that case, your request must be postmarked on or before the business day following that Saturday, Sunday, or legal holiday. If you are a calendar year filer, your request for a 2018 filing extension must be postmarked on or before April 15, 2019.

An Arizona extension cannot be granted for more than six months beyond the original due date of the return. Arizona will grant an automatic six-month extension to individuals filing Forms 140, 140A, 140EZ, 140NR, 140PY, 140PTC or 140ET. Arizona will accept a valid federal extension for the period covered by the federal extension. This includes the automatic six-month individual federal filing extension.

**CHECK ONE BOX:**

	Fiscal Tax Year Ending	Return Due Date
<input type="checkbox"/> <b>Individual Calendar Year Filers:</b>		
This is a request for an automatic 6-month filing extension .....		October 15, 2019
<input type="checkbox"/> <b>Individual Fiscal Year Filers:</b>		
Enter taxable year end date and 6-month extended due date .....	<u>MM,DD,YY,YY</u>	<u>MM,DD,YY,YY</u>

A federal extension will be used to file this tax return. This form is being used to transmit the Arizona extension payment.

1 Tax liability for 2018. You may estimate this amount .....	<b>1</b>		00
2 Arizona income tax withheld during 2018 .....	<b>2</b>	00	
3 Arizona estimated tax payments for 2018 .....	<b>3</b>	00	
4 Credits you will claim on your 2018 return. See Arizona Form 301 for a list of credits. 4	<b>4</b>	00	
5 Add lines 2 through 4 .....	<b>5</b>		00
6 <b>Balance of Tax:</b> Subtract line 5 from line 1 .....	<b>6</b>		00
7 Enter amount of payment enclosed with this extension..... PAYMENT ENCLOSED ▶	<b>7</b>		00

- Make check payable to Arizona Department of Revenue; **write your SSN and tax year on your payment.**
- **Include your payment with this form.**
- For **Nonresident Composite returns**, write "Composite 140NR" on payment and include the taxable year end and entity's EIN.

• **IMPORTANT:** If you are filing under a federal extension but are making an Arizona extension *payment by credit card or electronic payment*, **do not mail Form 204** to us. We will apply your extension tax payment to your account.

• If you **are** sending a payment with this request, mail to Arizona Department of Revenue, PO Box 29085, Phoenix, AZ 85038-9085.

• If you are **not** sending a payment with this request, mail to Arizona Department of Revenue, PO Box 52138, Phoenix, AZ 85072-2138.

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# 2018 Form 140 Schedule A Itemized Deduction Adjustments

## For Full-Year Residents Only

You may itemize on your Arizona return, even if you do not itemize on your federal return. In order to itemize on your Arizona return, you must first complete a federal Schedule A.

Use Form 140; Schedule A, *Itemized Deduction Adjustments*, to adjust the amount shown on the federal Schedule A. Complete Form 140, Schedule A, **only** if you are making changes to the amount shown on the federal Schedule A. You must include the federal Form 1040, Schedule A, with this form.

**You must complete Form 140, Schedule A, only if any of the following items apply to you:**

1. You are deducting medical and dental expenses.
2. You are claiming a federal credit (from federal Form 8396) for interest paid on mortgage credit certificates.
3. You are deducting gambling losses while taking a subtraction for Arizona lottery winnings.
4. Your deductions claimed on the federal Schedule A include expenses related to income not subject to Arizona tax.
5. You are claiming an Arizona credit for any amount allowed as a charitable contribution.

If any of the above items apply to you, complete federal Form 1040 Schedule A, and then complete Form 140 Schedule A, as instructed below.

**Do not complete Form 140, Schedule A, if the above items do not apply to you.**

If you do not have to complete Form 140 Schedule A, enter the amount from federal Form 1040 Schedule A, on Arizona Form 140, page 2, line 44.

## Line-by-Line Instructions

### Lines 1 through 4 - Medical and Dental Expenses

*Skip lines 1 through 4 if you are **not** deducting medical and dental expenses.*

In most cases, the deduction allowed on the Arizona return will be larger than the deduction allowed on the federal return. On your Arizona return, you do not have to reduce your medical expenses by a percentage of your federal adjusted gross income.

In most cases, you may deduct more medical expenses on your Arizona return than you can deduct on your federal return. Complete lines 1 through 4 to deduct those expenses that were less than 7.5% of your federal adjusted gross income.

#### Line 1 -

Enter the total of your medical and dental expenses. Do not include any expenses that were paid by insurance or other sources.

Do not include the following amounts you paid through an employer-sponsored health insurance plan (cafeteria plan) unless your employer included the amounts in Box 1 of your Form W-2.

- Insurance premiums you paid through the plan.
- Other medical and dental expenses paid by the plan.

If you are self-employed, do not include any amount that you paid for health insurance that you deducted in computing your federal adjusted gross income.

For details about what types of expenses you may deduct, see federal Form 1040 Schedule A.

#### Lines 2 through 4 -

Complete lines 2 through 4 as instructed on the form.

#### Line 5 - Interest Paid on Mortgage Credit Certificates

*Skip line 5 if you are **not** claiming a federal credit for interest paid on mortgage credit certificates on your federal return.*

If you claimed this credit on your federal return (using federal Form 8396), you may deduct the amount of mortgage interest you paid in 2018 that is equal to the amount of that credit. Enter the amount of that interest on line 7.

#### Lines 6 through 10 - Gambling Losses

*Skip lines 6 through 10 if you are **not** deducting gambling losses.*

You can deduct wagering losses only to the extent of your wagering gains. You must complete lines 6 through 10 if **both** of the following apply:

1. You took a subtraction for Arizona lottery winnings.
2. You are claiming a deduction for gambling losses.

Complete lines 6 through 10 as instructed on the form.

#### Line 11 - Gifts to Charity

*Skip line 11 if you are **not** claiming an Arizona credit for any amount allowed as a charitable contribution.*

You cannot claim both a deduction and a credit for the same charitable contributions. Enter the amount of charitable contributions for which you are claiming a credit.

For Example: (table continued on page 2)		
If you claimed a credit on AZ Form:	For:	You must make an entry on line 11 if you deducted the amount contributed as an itemized deduction on federal Form 1040 Schedule A.
321	Contributions to Qualifying Charitable Organizations	
322	Contributions Made or Fees Paid to Public Schools	
323	Contributions to Private School Tuition Organization	
331	Donation of School Site	
335-I	Contributions made by an S Corporation to a School Tuition Organization - Individual	

340	Donations to the Military Family Relief Fund	
341-I	Contributions made by an S Corporation to a School Tuition Organization for Displaced Students or Students with Disabilities - Individual	
348	Contributions to Certified School Tuition Organization - Individual	
352	Contributions to Qualifying Foster Care Charitable Organizations	

If you claimed a credit on your 2017 return for a contribution that you made during 2018 (see Arizona Forms 321, 322, 323, 348 and 352), you must make this adjustment on your 2018 return, even though you claimed the credit on your 2017 return.

If you are claiming a credit on your 2018 return for a contribution made during 2019 (see Arizona Forms 321, 322, 323, 348 and 352), you must make this adjustment on your 2019 return, even though you are claiming the credit on your 2018 return.

**Line 12 - Other Adjustments**

You may not deduct any expense that relates to income not subject to Arizona tax. You must complete line 12 if your federal Schedule A includes such expenses. Such expenses include:

1. Interest or other related expenses incurred to purchase or carry U.S. obligations, when the income is not subject to Arizona tax.
2. State taxes paid to other states for prior years if you were not an Arizona resident for that prior year.
3. Employee business expenses that relate to income not subject to Arizona tax.

This list is not complete. There may be other items included in your federal Schedule A that you cannot deduct on the Arizona return.

Enter the amount of expenses deductible on federal Schedule A that are allocable to income that is not subject to Arizona income tax.

**Lines 13 through 19 - Adjusted Itemized Deductions**

Complete lines 13 through 19 as instructed on the form.

## 2018 Filing Extension For Individuals

### For information or help, call one of the numbers listed:

Phoenix (602) 255-3381  
From area codes 520 and 928, toll-free (800) 352-4090

### Tax forms, instructions, and other tax information


If you need tax forms, instructions, and other tax information, go to the department's website at [www.azdor.gov](http://www.azdor.gov).

### Income Tax Procedures and Rulings

These instructions may refer to the department's income tax procedures and rulings for more information. To view or print these, go to our website and click on *Reports and Legal Research* then click on *Legal Research* and select a *document* and *category* type from the drop down menus.

### Publications

To view or print the department's publications, go to our website and click on *Reports and Legal Research* then click on *Publications*.

 Leave the paper behind and *e-file* your Arizona extension request.

Visit [www.azdor.gov](http://www.azdor.gov) for e-file requirements.

## Purpose of Form 204

Use Arizona Form 204 to apply for an extension of time to file Arizona Forms 140, 140A, 140EZ, 140ET, 140PTC, 140PY, or 140NR. Individuals use this form to apply for an automatic 6-month extension.

If you are using Form 204 to request a filing extension for an Arizona Form 140NR composite return, enter the partnership or S corporation's employer identification number (EIN) in the area designated for an individual's Social Security Number (SSN).

Also, use Form 204 to remit an extension payment whether you are requesting an Arizona extension or using a valid federal extension. However, if you are filing under a federal extension, but making an electronic extension payment or making an extension payment using a credit card, you do not need to mail in Form 204.

Arizona will accept your federal extension for the period covered by the federal extension.

### Foreign Address

If you have a foreign address, enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. Do not abbreviate the country name.

## When to File Form 204

All extension requests must be postmarked on or before the original due date of the return, unless the original due date falls on a Saturday, Sunday, or legal holiday.

In that case, your request must be postmarked on or before the business day following that Saturday, Sunday or legal holiday.

Calendar year filers have until Monday, April 15, 2019, to file the request for an extension. This will allow you to file your return by October 15, 2019.

Complete Form 204 to request an automatic 6-month extension. Write **2018 Extension Request** on the **front** of your envelope.

If you are **including a payment** with this request, mail the form to:

Arizona Department of Revenue  
PO Box 29085  
Phoenix, AZ 85038-9085

If you are **not including a payment** with your request, mail the form to:

Arizona Department of Revenue  
PO Box 52138  
Phoenix, AZ 85072-2138

The department will not return a copy of the Form 204 to you. Be sure to keep a copy of the completed Form 204.

**An extension does not extend the time to pay your income tax.** You must still pay your tax liability by April 15, 2019, or by the original due date of your return.

If you do not pay at least 90% (.90) of the income tax liability disclosed by your return by the return's original due date, you will be subject to the extension underpayment penalty. We charge interest from the original due date to the date of payment.

**Extension Underpayment Penalty:** We impose this penalty if you do not pay at least 90% (.90) of the income tax liability shown on your return filed under an extension by the return's original due date. The extension underpayment penalty is ½ of 1% (.005) of the income tax not paid for each 30-day period or fraction of a 30-day period. We impose this penalty from the original due date of the return until you pay the tax. The extension underpayment penalty cannot exceed 25% (.25) of the unpaid income tax. If we charge you the extension underpayment penalty, we will not charge you the late payment penalty under Arizona Revised Statutes § 42-1125(D).

## Nonresident Aliens

The due date for your Arizona return is not the same as the due date for your federal return. Your Arizona return is due by April 15, 2019, even though your federal return is due on June 17, 2019. If you want to file your 2018 Arizona return after April 15, 2019, you must ask for a filing extension.

Arizona will allow up to a 6-month extension. This will allow you to file your return by October 15, 2019.

If you have a federal 6-month extension, you can file your Arizona return under that extension. If you file using your federal extension, Arizona will also allow you an extra 6 months.

Because we will allow only 6 months, the due date for your Arizona return is not the same as the due date for your federal return. In this case, your Arizona return will be due by

October 15, 2019, even though your federal return will not be due until December 16, 2019. If you file your 2018 Arizona calendar year return after October 15, 2019, your return will be late.

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## Making Your Payment

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Individuals may make extension payments by check, electronic check, money order, or credit card.

Partnerships or S corporations making an extension payment on behalf of nonresidents participating in the filing of an Arizona Form 140NR composite return must make that payment by check or money order.

### Check or money order

If paying by check or money order, make your check or money order payable to Arizona Department of Revenue.

**Write your SSN (or EIN) and 2018 Extension Request** on the **front** of your check or money order.

Include your check or money order with Form 204.

### Electronic payment from your checking or savings account

You can make an electronic payment from your checking or savings account to pay your balance due for 2018. There is no fee to use this method. To make an electronic payment, go to [www.AZTaxes.gov](http://www.AZTaxes.gov) and click on the "Make a Payment" link.

Be sure to enter the correct routing number and account number for your checking or savings account. You will be charged a \$50 NSF (non-sufficient funds) fee if you provide an incorrect routing number or an incorrect account number. Check with your financial institution to get the correct routing and account numbers.

The "E-Check" option in the "Payment Method" drop-down box will debit the amount from the checking or savings account that you specify. If you make an electronic payment from your checking or savings account, you will receive a confirmation number. **Please keep this confirmation number as proof of payment.**

**NOTE:** *You may not make an electronic payment from your checking or savings account if the payment will ultimately be coming from a foreign account. In this case, you must pay by check or money order.*

### Credit card payment

You can pay with your Visa, MasterCard, Discover, or American Express credit card. Go to [www.AZTaxes.gov](http://www.AZTaxes.gov) and click on the "Make a Payment" link and choose the credit card option. This will take you to a third party vendor site (provider). The provider **will charge** you a convenience fee based on the amount of your tax payment. The provider will tell you what the fee is during the transaction; you will have the option to continue or cancel the transaction. If you complete the credit card transaction, you will receive a confirmation number. **Please keep this confirmation number as proof of payment.**

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## Instructions Before Mailing

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Make sure that you have completed all of the information requested on the **front** of the form.

To avoid an extension underpayment penalty, make sure you pay at least 90% (.90) of your Arizona tax liability.

**Credit for Renewable Energy Investment & Production for Self-Consumption by International Operations Centers.** You may qualify for this tax credit if you made an investment in new renewable energy facilities that produce energy for self-consumption using renewable energy resources if the power will be used primarily for an international operations center. Use Form 351 to figure this credit.

**Credit for Contributions to Qualifying Foster Care Charitable Organizations.** You may qualify for this credit if you made contributions to qualifying foster care charitable organizations. Use Form 352 to figure this credit.

Compute your credit(s) on the appropriate form(s). Complete Arizona Form 301 and enter the amount from Form 301, Part 2, line 69 on Form 140, line 51. The total amount of credits on line 51 cannot reduce your tax below zero. These credits are nonrefundable credits.

Include Form 301 and completed tax credit forms, along with any supporting documents, with your return.

#### Line 52 - Balance of Tax

Subtract lines 50 and 51 from line 49. Enter the difference. If the sum of lines 50 and 51 is greater than line 49, enter "0".

### Totaling Payments and Refundable Credits

#### Line 53 - 2018 Arizona Income Tax Withheld

Enter the Arizona income tax withheld shown on Form(s) W-2 from your employer(s). Also enter the Arizona income tax withheld shown on your Form(s) 1099-R (distributions from pensions, annuities, etc.). Do not include any income tax withheld for another state. Include Form(s) W-2 and 1099-R after the last page of your return.

**NOTE:** You should receive your Form(s) W-2 no later than January 31. If you did not receive a Form W-2 or you think your Form W-2 is wrong, contact your employer.

#### Line 54 (Boxes a, b, and line 54c) - 2018 Arizona Estimated Tax Payments including Amount Applied from Your 2017 Return; and Arizona Claim of Right

Use this line if you did any of the following:

- made 2018 estimated income tax payments to Arizona;
- applied any of your refund from your 2017 Arizona tax return to 2018 estimated taxes for Arizona; or recomputed a prior year's tax under Arizona's Claim of Right provisions.

You must also complete and include the Arizona Claim of Right-Individual form(s) with your income tax return. If you fail to complete and include the form(s), the amount of your claim may be denied. The form is available on the department's website at [www.azdor.gov](http://www.azdor.gov).

**Box 54a:** Enter the total amount of *estimated taxes* paid and/or applied to your 2018 taxes.

**NOTE:** If you are married and made joint Arizona estimated payments for 2018, but are filing separate 2018 Arizona income tax returns, see the department's ruling, ITR 02-3, Allocating Joint Estimated Payments to Separate Returns.

**Box 54b:** Enter the amount from your *Arizona Claim of Right-Individual* form, line 8.

If you completed more than one Claim of Right form for the current taxable year, add all amounts on line 8 and enter the total in box 54b.

**NOTE:** For more information on Arizona's claim of right provisions, see the department's procedure, ITP 16-1, Procedure for Individuals Who Restore Substantial Amounts Held Under a Claim of Right.

**Line 54c:** Add the amounts in box 54a and box 54b. Enter the total on line 54c.

#### Line 55 - 2018 Arizona Extension Payment (Form 204)

Use this line to report the payment you sent with your 2018 extension request (Arizona Form 204) or the electronic extension payment you made using [www.AZTaxes.gov](http://www.AZTaxes.gov).

#### Line 56 - Increased Excise Tax Credit

You may claim this credit if you meet **all** of the following:

- You **must** have a SSN that is valid for employment.
- You meet the income threshold for your filing status.
  - If you are married filing a joint return, or a head of household, you may claim this credit if the amount on Form 140, page 1, line 12, is \$25,000 or less.
  - If you are single or married filing a separate return, you may claim this credit if the amount on Form 140, page 1, line 12 is \$12,500 or less.
- You are not claimed as a dependent by any other taxpayer.
- You were not sentenced for at least 60 days of 2018 to a county, state, or federal prison.

**NOTE:** If you are filing a joint return with your spouse and your spouse was sentenced for at least 60 days during 2018 to a county, state or federal prison, you may claim the Excise Tax Credit if you otherwise qualify to claim the credit, but you cannot claim the credit for your spouse. If your spouse has a valid SSN, but you do not, neither you nor your spouse can claim this credit.

For more information on how incarceration affects this credit, see the department's publication, Pub. 709, *Excise Tax Credit - How Does Incarceration Affect Eligibility?*

If you are filing a joint return with your spouse, you may also claim this credit for your spouse if your spouse has either a valid SSN or an ITIN.

If you also claim a credit for qualifying children, your qualifying children **must** have either a valid SSN or an ITIN.

To figure your credit, complete the following worksheet.

**NOTE:** Do not complete the following worksheet if you are claiming the property tax credit on Arizona Form 140PTC. Use Form 140PTC to figure both the credit for increased excise taxes and the property tax credit.

If you are claiming both the credit for increased excise taxes and the property tax credit, enter the increased excise tax credit from Form 140PTC, page 1, line 17, on line 56; and

enter the property tax credit from Form 140PTC, page 1, line 15, on line 57.

Credit for Increased Excise Taxes Worksheet		
If you checked filing status 4 or 5, is the amount on Form 140, page 1, line 12, \$25,000 or less? If you checked filing status 6 or 7, is the amount on Form 140, line 12, \$12,500 or less?	Check One	
	Yes	No
<b>If you checked no, STOP. You do not qualify for this credit. If you checked yes, complete the rest of this worksheet.</b>		
1. Enter the number of dependents you entered on Form 140, page 1, box 10, excluding persons listed who did not qualify as a dependent on your federal return [Box 10, column (e)]. Also exclude any dependent that is not an Arizona resident.		
2. Number of personal exemptions. If you checked filing status 4, enter the number 2 here. If you checked filing status 5, 6, or 7, enter the number 1 here.		
3. Add lines 1 and 2. Enter the total.		
4. Multiply the amount on line 3 by \$25. Enter the result.	\$	
5. Maximum credit.	\$ 100	00
6. Enter the smaller of line 4 or line 5 here and also enter on Form 140, line 56.	\$	00

**NOTE:** The credit cannot exceed \$100 per household. Do not claim this credit if someone else in your household has already claimed \$100 of the credit. If someone else in your household has claimed less than \$100, you may claim the credit as long as all credit claims filed from your household do not exceed \$100.

**Line 57 - Property Tax Credit**

You may claim the property tax credit if you meet **all** of the following:

- You were either 65 or older in 2018 or, if under age 65, you were receiving SSI Title 16 income from the Social Security Administration.

**NOTE:** SSI Title 16 income is not the normal Social Security disability.

- You were an Arizona resident for the full year in 2018.
- You paid property tax on your Arizona home in 2018. You paid rent on taxable property for the entire year or you did a combination of both.
- If you lived alone, your total household income was under \$3,751. If you lived with others, the total household income was under \$5,501. To see what income is included in household income, see the Form 140PTC instructions.

Complete Form 140PTC to figure your credit. Enter the amount from Form 140PTC, page 1, line 15. Include Form 140PTC with your return.

**TAX TIP:** To claim a property tax credit, you must file your claim or extension request by April 15, 2019. You cannot claim this credit on an amended return if you file the amended return after the due date of your return.

**Line 58 - Other Refundable Credits**

Enter the total amount of refundable credits you are claiming from any of the following:

- Credit for Increased Research Activities - Individuals (Form 308-I)
- Credit for Qualified Facilities (Form 349)

If you enter an amount on this line, be sure you check the box or boxes to show which credit(s) you are claiming. Also, be sure to include the credit form(s) with your return.

**Credit for Increased Research Activities - Individuals (Form 308-I)**

A portion of this credit may be refundable. You may qualify for the refundable increased research activities credit if you incurred qualified research expenses for research conducted in Arizona. For more information about this credit, and to see whether you may claim a refund of this credit, see Arizona Form 308-I.

You must include a copy of your "Certificate of Qualification" from the Arizona Commerce Authority (ACA), Form 301, and Form 308-I with your return to claim this credit.

If you are claiming a refund of the increased research activities credit from Form 308-I, enter the amount from Form 308-I, Part 5, line 32.

**Credit for Qualified Facilities (Form 349)**

You may qualify for the refundable qualified facilities credit if you expanded or located a qualified facility in Arizona. This credit is refundable in five equal installments. Pre-approval and post-approval are required through the ACA. For more information, see Arizona Form 349.

You must include a copy of your "Certificate of Qualification" from the ACA and Form 349 with your tax return to claim this credit. If you are claiming a refund of the qualified facilities credit from Form 349, enter the amount from Form 349, Part 8, line 20.

**If you are claiming more than one of the refundable tax credits,** check the appropriate boxes and add the amounts from the credit forms together and enter the total on line 58. You may use the table to figure the amount to enter on line 58.

2018 - Refundable Credit Worksheet	
1. Enter the refundable credit from Form 308-I, Part 5, line 32.	
2. Enter the refundable credit from Form 349, Part 8, line 20.	
3. Add the amounts on lines 1 and 2. Enter the total here and on line 58.	

**Line 59 - Total Payments and Refundable Credits**

Line 59 is the total payments and refundable credits claimed. Add lines 53 through 58 and enter the total.



**Arizona's Claim of Right Provision**

**NOTE:** *An Arizona Claim of Right amount is now reported on line 54. See line 54 for instructions.*

**Figuring Your Tax Due or Overpayment****Line 60 - Tax Due**

If line 52 is more than line 59, you have tax due. Subtract line 59 from line 52 and enter the amount of tax due. Skip lines 61, 62, and 63.

**Line 61 - Overpayment**

If line 59 is more than line 52, you have an overpayment. Subtract line 52 from line 59 and enter the difference. Complete lines 62 and 63.

**Line 62 - Amount of Line 61 to Apply to 2019 Estimated Tax**

If you want all or part of your overpayment applied to next year's estimated taxes, enter that amount on line 62.

**NOTE:** *If you apply any of the amount shown on line 61 to 2019, you cannot use that amount to pay any tax that is later found to be due for 2018. You also may not claim a refund for that amount until you file your 2019 return.*

**Line 63 - Balance of Overpayment**

Subtract line 62 from line 61 to determine your overpayment balance before voluntary gifts and any estimated payment penalty.

**Making Voluntary Gifts**

You can make voluntary gifts to each of the funds shown below. A gift will reduce your refund or increase the amount due with your return.

**NOTE:** *If you make a gift, you cannot change the amount of that gift later on an amended return.*

**Line 64 - Solutions Teams Assigned to Schools Fund**

You may give some or all of your refund to the Solutions Teams Assigned to Schools Fund. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 80. Enter the amount you want to donate on line 64.

Gifts go to the Arizona Assistance for Education Fund. The Arizona Board of Education will distribute money to the Arizona Department of Education to fund solutions teams assigned to schools.

**Line 65 - Arizona Wildlife Fund**

You may give some or all of your refund to the Arizona Wildlife Fund. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 80. Enter the amount you want to donate on line 65.

Your gift to the Arizona Wildlife Fund helps protect wildlife in the state. Many species like bald eagles, Apache trout and black-footed ferrets benefit from your gifts to this fund. Gifts are also used to improve areas for watching wildlife statewide.

**Line 66 - Child Abuse Prevention Fund**

You may give some or all of your refund to the Arizona Child Abuse Prevention Fund. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 80. Enter the amount you want to donate on line 66.

Gifts go to the Arizona Child Abuse Prevention Fund. This fund provides financial aid to community agencies for child abuse prevention programs.

**Line 67 - Domestic Violence Shelter Fund**

You may give some or all of your refund to the Domestic Violence Shelter Fund. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 80. Enter the amount you want to donate on line 67.

Gifts go to the Domestic Violence Shelter Fund. This fund provides financial aid to shelters for victims of domestic violence.

**Line 68 - Political Gift**

You may give some or all of your refund to a political party. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 80. Enter the amount you want to donate on line 68. If you donate to a political party, complete line 75.

Gifts go to one of the following political parties:

- Democratic
- Green Party
- Libertarian
- Republican

**Line 69 - Neighbors Helping Neighbors Fund**

You may give some or all of your refund to the Neighbors Helping Neighbors Fund. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 80. Enter the amount you want to donate on line 69.

Gifts go to the Neighbors Helping Neighbors Fund. This fund provides eligible recipients with emergency aid in paying utility bills, conserving energy and weatherization.

**Line 70 - Special Olympics Fund**

You may give some or all of your refund to the Special Olympics Fund. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 80. Enter the amount you want to donate on line 70.

Gifts go to the Special Olympics Fund. This fund helps provide programs of the Arizona Special Olympics.

**Line 71 - Veterans' Donations Fund**

You may give some or all of your refund to the Veterans' Donations Fund. You may also give more than your entire refund. If you send in additional money with your return,

include that amount on line 80. Enter the amount you want to donate on line 71.

Gifts go to the Veterans' Donations Fund, which may be used for veterans in Arizona.

**Line 72 - I Didn't Pay Enough Fund**

You may give some or all of your refund to the I Didn't Pay Enough Fund. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 80. Enter the amount you want to donate on line 72.

Gifts that you make to the I Didn't Pay Enough Fund will aid the state by going to the Arizona general fund.

**Line 73 - Sustainable State Parks and Roads Fund**

You may give some or all of your refund to the Sustainable State Parks and Roads Fund. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 80. Enter the amount you want to donate on line 73.

Gifts that you make to the Sustainable State Parks and Roads Fund will aid the state to operate, maintain and make capital improvements to buildings, roads, parking lots, highway entrances and any related structure used to operate state parks.

**Line 74 - Spaying and Neutering of Animals Fund**

You may give some or all of your refund to the Spaying and Neutering of Animals Fund. You may also give more than your entire refund. If you send in additional money with your return, include that amount on line 80. Enter the amount you want to donate on line 74.

Gifts that you make to the Spaying and Neutering of Animals Fund will help to reduce pet overpopulation by sterilizing, at minimal or no cost, dogs and cats in this state, including those that are impounded and sterilized.

**Line 75 - Political Party**

If you entered an amount on line 68, check the box for the political party to which you wish to give. Select only one party. If you do not select a political party, the department will return the amount on line 68.

**Line 76 - Estimated Payment Penalty**

You must have made Arizona estimated income tax payments during 2018 if:		
Your filing status is:	<b>AND</b> Your Arizona gross income for 2017 was greater than:	<b>AND</b> Your Arizona gross income for 2018 was greater than:
Married Filing Joint	\$150,000	\$150,000
Single	\$75,000	\$75,000
Head of Household	\$75,000	\$75,000
Married Filing Separate	\$75,000	\$75,000

**NOTE:** Do not complete Arizona Form 221, Underpayment of Estimated Tax by Individuals, if the amount on Form 140, line 53, is more than the amount on Form 140, line 52.

An individual who fails to make the required estimated payments is subject to penalty on any estimated tax payment that is late or underpaid.

Complete and include Form 221, to determine if any penalty is due. Enter the total penalty from Form 221.

**If you report as a farmer or fisherman for federal purposes,** you were not required to make estimated payments during 2018 if the following apply:

- You are a calendar year filer. You file your Arizona return by March 1, 2019. You pay in full the amount stated on your return as owed.
- You are a fiscal year filer. You file your Arizona return by the first day of the third month after the end of your fiscal year. You pay in full the amount stated on your return as owed.

**If the above applies, check Box 772 on line 77 and do not complete Form 221.**

**Line 77 - Box 771 through 773**

**Box 771:** check if any of the following applies to you:

1. You checked the box on line 1 of Form 221.
2. You completed the annualized income worksheet on Form 221.
3. You elected to be treated as a nonresident alien on your federal income tax return. You made three estimated payment installments. Your first installment equaled 50% of the total of all of your required installments.

**Box 772:** check if you are an individual who for federal purposes reports as a farmer or fisherman.

**Box 773:** check if you completed and are including Form 221.

**Line 78 -**

Add lines 64 through 74 and 76. Enter the total.

**Figuring Your Refund or Amount Owed**

**e-file** You can get your refund quicker when you e-file and use direct deposit.

**Line 79 - Refund**

Subtract line 78 from line 63. Enter your refund on line 79 and skip line 80. If less than zero, enter amount owed on line 80.

If you owe money to any Arizona state agency, court, county, incorporated city or town and certain federal agencies, your refund may go to pay some of that debt. If so, the department will let you know by letter.

**Tax Tip:** If you change your address before you get your refund, let the department know. Write to: Refund Desk, Arizona Department of Revenue, PO Box 29216, Phoenix, AZ 85038-9216. Include your SSN in your letter.

**Direct Deposit of Refund**

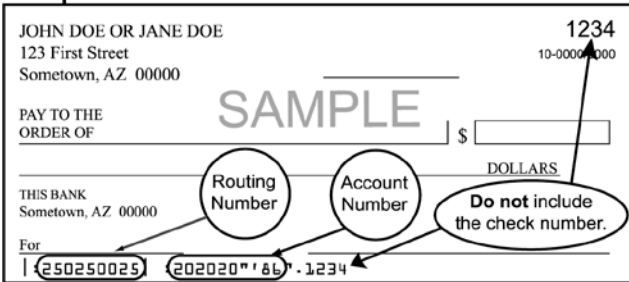
Complete the direct deposit line if you want us to directly deposit the amount shown on line 79 into your account at a bank or other financial institution (such as a mutual fund, brokerage firm or credit union) instead of sending you a check.

**NOTE:** Check the box on line 79A if the direct deposit will ultimately be placed in a foreign account. If you check box 79A, do not enter your routing or account numbers. If this box is checked, we will not direct deposit your refund. We will mail you a check instead.

**Why use Direct Deposit?**

- You will get your refund fast - even faster if you e-file!
- Payment is more secure - there is no check to get lost.

**Sample Check**



**Note:** The routing and account numbers may be in different places on your check.

- It is more convenient - no trip to the bank to deposit your check.
- It saves tax dollars. A refund by direct deposit costs less to process than a check.

**NOTE:** We are not responsible for a lost refund if you enter the wrong account information. Check with your financial institution to get the correct routing and account numbers and to make sure your direct deposit will be accepted.

**Routing Number**

**MAKE SURE YOU ENTER THE CORRECT ROUTING NUMBER**

The routing number must be nine digits. The first 2 digits must be 01 through 12 or 21 through 32. Otherwise, the direct deposit will be rejected and a check will be mailed instead. On the sample check, the routing number is 250250025.

Your check may state that it is payable through a financial institution different from the one at which you have your checking account. If so, **do not** use the routing number on that check. Instead, contact your financial institution for the correct routing number to enter.

**Account Number**

**MAKE SURE YOU ENTER THE CORRECT ACCOUNT NUMBER.**

The account number can be up to 17 characters (both numbers and letters). **DO NOT** include hyphens, spaces, or special symbols. Enter the number from left to right and leave any unused boxes blank. On the sample check the account number is 20202086. Be sure **not** to include the check number.

**NOTE:** If the direct deposit is rejected, a check will be mailed instead.

**Line 80 - Amount Owed**

Add lines 60 and 78. Enter the amount you owe on line 80. If you are making voluntary gifts on lines 64 through 74 in excess of your overpayment, enter the difference on line 80. You may pay the amount owed only with a check or money order, electronic check, or credit card.

**Check or money order**

**NOTE:** Include your check or money order with your return. Please do not send cash.

Make your check payable to Arizona Department of Revenue. Write your SSN and tax year on the front of your check or money order. The department cannot accept checks or money orders in foreign currency. You must make payment in U.S. dollars. It may take 2-3 weeks for your payment to process.

**Electronic payment from your checking or savings account**

You can make an electronic payment from your checking or savings account to pay your balance due for 2018. There is no fee to use this method. To make an electronic payment, go to [www.AZTaxes.gov](http://www.AZTaxes.gov) and click on the "Make a Payment" link.

Be sure to enter the correct routing number and account number for your checking or savings account. You will be charged a \$50 NSF (non-sufficient funds) fee if you provide an incorrect routing number or an incorrect account number. Check with your financial institution to get the correct account and routing numbers.

The "E-Check" option in the "Payment Method" drop-down box will debit the amount from the checking or savings account that you specify. If you make an electronic payment from your checking or savings account, you will receive a confirmation number. **Please keep this confirmation number as proof of payment.**

**NOTE:** You may not make an electronic payment from your checking or savings account if the payment will ultimately be coming from a foreign account. In this case, you must pay by check or money order.

**Credit card payment**

You can pay with your American Express, Discover, Visa, or MasterCard. Go to [www.AZTaxes.gov](http://www.AZTaxes.gov) and click on the "Make a Payment" link and choose the credit card option. This will take you to a third party vendor site (provider). The provider **will charge** you a convenience fee based on the amount of your tax payment. The provider will tell you what the fee is during the transaction; you will have the option to continue or cancel the transaction. If you complete the credit card transaction, you will receive a confirmation number. **Please keep this confirmation number as proof of payment.**

**Installment payments**

If you cannot pay the full amount shown on line 80 when you file, you may request to make monthly installment payments. Complete Arizona Form 140-IA and mail the completed form to the address listed on Form 140-IA. **Do not mail Form**

**140-IA with your income tax return.** You may obtain Arizona Form 140-IA from our website.

If you cannot pay the full amount shown on line 80, you will be charged interest and may be charged a late payment penalty on the tax not paid by April 15, 2019. To limit the interest and penalty charges pay as much of the tax as possible when you file your return.

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## Sign your return

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You must sign your return. If married filing a joint return, both you and your spouse must sign even if only one had income. Form 140 is not considered a valid return unless you sign it. The department cannot mail a refund check without proper signatures on the return.

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## Instructions before mailing

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- **DO NOT STAPLE YOUR RETURN. DO NOT STAPLE ANY DOCUMENTS, SCHEDULES, OR PAYMENT TO YOUR RETURN.**
- Make sure your **NAME** is on the return.
- Make sure your **SSN** is on your return.
- Be sure you enter your daytime telephone number in the space provided on the front of your return.
- Check to make sure that your math is correct. A math error can cause delays in processing your return.
- If claiming **dependent** exemptions, enter the number of dependents claimed on the **front** of the return. On page 1 of the return, enter each dependent's name, SSN, relationship, and the number of months that he or she lived in your home. If more space is needed, complete page 3 and include it with your return.
- If claiming exemptions for **qualifying parents or grandparents**, enter the number of qualifying parents or grandparents claimed on the **front** of the return. Also enter each parent's or grandparent's name, relationship, SSN, and the number of months that he or she lived in your home. If more space is needed, complete page 3 and include it with your return.
- **Check the boxes** to make sure you filled in all required boxes.
- If you requested a filing extension, make sure that you check box **82F** (above your name) on page 1 of the return.
- Sign your return and have your spouse sign, if filing jointly.
- Write your SSN and tax year on the front of your check or money order. Include your payment with your return.  
The Department of Revenue may charge you \$50 for a check returned unpaid by your financial institution.
- If you completed Form 203, be sure to check box 4a on page 1 of your return. Place Form 203 on top of your return.
- Include all other required documents after your return. Documents you must include with your return are those items listed in numbers 1 through 6.

1. Include Form(s) W-2 after the last page of your return. Also include Form(s) 1099-R after the last page of your return if you had Arizona tax withheld from your pension or annuity.
  2. If itemizing, include Arizona Schedule A and federal Schedule A directly after page 2 (or 3) of your return. Include other forms and schedules behind the Schedules A.
  3. Include Arizona Form 301, applicable credit forms, and your own schedules after page 2 (or 3) of your return. If claiming a credit for taxes paid to another state or country include a copy of the other state's or country's filed return.
  4. If you are claiming a property tax credit, include a completed Form 140PTC and all required documents.
  5. If you are claiming a credit for taxes paid to another state or country include a copy of the other state's or country's filed return.
  6. If you have tax exempt interest income, be sure to include a schedule listing the payors and the amount received from each payor.
- Do **not** include correspondence with your return.

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## Mailing Your Return

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If you are mailing your return, make a copy of your return before mailing. Also make a copy of any forms and schedules that you are including with your return. Keep the copies for your records. Be sure that you mail the original and not a copy.

To avoid delays, if mailing more than one tax return, please use separate envelopes for each return.

### Where Should I Mail my return?

If you are **including a payment with this return**, mail the return to:

Arizona Department of Revenue  
PO Box 52016  
Phoenix, AZ 85072-2016

If you are **expecting a refund, or owe no tax, or owe tax but are not including a payment**, mail the return to:

Arizona Department of Revenue  
PO Box 52138  
Phoenix, AZ 85072-2138

### Make sure you put enough postage on the envelope

The U.S. Post Office or United States mail service must postmark your return or extension request by midnight April 15, 2019.

The term "United States mail" includes any private delivery service designated by the United States Secretary of the Treasury pursuant to IRC § 7502(f) and the term "postmark" includes any date recorded or marked by any such designated delivery service.

An income tax return that is mailed to the department is timely filed if it is delivered on or before its due date. Additionally, if the envelope or wrapper containing the return sent through the United States mail bears a postmark of the United States mail and that tax return is delivered to the department after its due date that return will be considered timely filed if **all** of the following apply:

1. The return was deposited in an official depository of the United States mail;
2. The date of the postmark is no later than the due date;
3. The return was properly addressed; and
4. The return had proper postage.

If the envelope or wrapper containing a return sent through the United States mail bears a private meter postmark made by other than the United States mail, the return is treated as timely filed if both of the following apply:

1. The private meter postmark bears a date on or before the due date for filing; and
2. The return is received no later than the time it would ordinarily have been received from the same point of origin by the same class of U.S. postage. If the return is received by the department within five business days of the private meter postmark date the department will consider this requirement satisfied.

You may also use certain private delivery services designated by the IRS to meet the “timely mailing as timely filed” rule.

For more information, see the department’s ruling, GTR 16-1, *Timely Filing of Income or Withholding Tax Returns Through the United States Mail*.

### **How long to keep your return**

You must keep your records as long as they may be needed for the administration of any provision of Arizona tax law. Generally, this means you must keep records that support items shown on your return until the period of limitations for that return runs out.

The period of limitations is the period of time in which you can amend your return to claim a credit or refund or the department can assess additional tax. A period of limitations is the limited time after which no legal action can be brought. Usually, this is four years from the date the return was due or filed.

In some cases, the limitation period is longer than four years. The period is six years from when you file a return if you under report the income shown on that return by more than 25% (.25). The department can bring an action at any time if a return is false or fraudulent, or if you do not file a return. To find out more about what records you should keep, get federal Publication 552.

2018 tax return on hand. You will need to know your SSN, your filing status, and your 5-digit ZIP Code.

### **Contacting the Department**

Your tax information on file with the department is confidential. If you want the department to discuss your tax matters with someone other than yourself, you must authorize the department to release confidential information to that person.

You may use Arizona Form 285 to authorize the department to release confidential information to your appointee. See Form 285 for details.

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### **Where’s my Refund?**

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You can check on your refund by visiting [www.azdor.gov](http://www.azdor.gov) or [www.AZTaxes.gov](http://www.AZTaxes.gov) and clicking on “Where’s my refund?” or you may call one of the numbers listed on page 1 of these instructions. Before you call, be sure to have a copy of your

**HOW MUCH INCOME CAN YOU HAVE AND PAY NO TAXES?**

**EXAMPLES**

You still have to file a return, but you pay no taxes, if your income is less than the levels shown in the chart below. **For purposes of this chart**, “income” means Arizona adjusted gross income plus the dependent exemption claimed (Form 140, page 2, line 43 plus the amount on Form 140, page 2, line 41; or Form 140A, page 1, line 17, plus the amount on Form 140A, page 1, line 15, or Form 140EZ, page 1, line 6). *To rely on this chart, you must claim the family income tax credit, if you qualify.*

FILING STATUS				
NUMBER OF DEPENDENTS	SINGLE	MARRIED FILING SEPARATE	UNMARRIED HEAD OF HOUSEHOLD	MARRIED FILING JOINT
0	\$ 9,061	\$ 9,061	N/A	\$ 18,112
1	(A) 10,000	10,931	\$ 20,000	20,000
2	12,131	13,231	20,135	23,600
3	14,431	15,531	23,800	27,300
4	16,731	17,831	25,200	(C) 31,000
5	19,031	20,131	(B) 26,575	31,000

	(A) single, \$10,000 income*, one dependent	(B) unmarried head of household, \$26,575 income*, five dependents	(C) married filing joint, \$31,000 income*, four dependents
Income*	\$ 10,000	\$ 26,575	\$ 31,000
less: Dependent exemption	-2,300	-11,500	-9,200
Standard deduction	-5,312	-10,613	-10,613
Personal exemption	-2,200	-4,400	-6,600
Net taxable income	\$ 188	\$ 62	\$4,587
Tax (optional tax table)	\$ 5	\$ 2	\$ 118
less: Family tax credit	-80	-240	-240
<b>Tax owed</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

\*For purposes of these examples, “income” means Arizona adjusted gross income plus the dependent exemption amount claimed.

## Worksheet for Net Long-Term Capital Gain Subtraction for Assets Acquired After December 31, 2011

 2018 Original return     2018 Amended return

Long-Term Capital Gain or (loss) as reported on federal Schedule D (or other form/schedule) and included in computation of federal adjusted gross income. <i>Enter the total net long-term capital gains or (losses) from the following forms in each applicable column. See page 31 for instructions.</i>		(a) Total net long-term capital gains or (losses) from all assets	(b) Net long-term capital gains or (losses) included in column (a) from assets acquired before January 1, 2012	(c) Net long-term capital gains or (losses) included in column (a) from assets acquired after December 31, 2011
1	Form(s) 8949 <i>Sales and Other Dispositions of Capital Assets; and Form(s) 1099-B, Proceeds from Broker and Barter Exchange Transactions, for long-term transactions directly reported on federal Schedule D.</i> 1			
2	Form(s) 4797 <i>Sales of Business Property</i> 2			
3	Form(s) 2439 <i>Notice to Shareholder of Undistributed Long-Term Capital Gains</i> 3			
4	Form(s) 6252 <i>Installment Sale Income</i> 4			
5	Form(s) 4684 <i>Casualties and Thefts</i> 5			
6	Form(s) 6781 <i>Gains and Losses from Sec. 1256 Contracts and Straddles</i> 6			
7	Form(s) 8824 <i>Like-Kind Exchanges</i> 7			
8	Partnerships, S corporations, estates, and trusts – from AZ 120S Schedule K-1; AZ 165 Schedule K-1; and AZ 141 Schedule K-1 8			
9	Form(s) 1099-DIV <i>Dividends and Distributions</i> 9			
10	Subtotal: for each column, combine the amounts and enter the total. 10			
11	Long-term capital loss carryover. See the instructions for the amount(s) to enter, if any, in each applicable column. 11			
12	Subtract line 11 from line 10 and enter the difference in each applicable column. 12			
13a	For amount to enter on line 13a, column (c), see the worksheet instructions. 13a			
13b	For amount to enter on line 13b, column (c), see the worksheet instructions. 13b			
13c	For amount to enter on line 13c, column (c), see the worksheet instructions. 13c			
14	<b>Net long-term capital gain or (loss) included in computation of your federal adjusted gross income.</b> For all amounts to enter on line 14, see the worksheet instructions. <ul style="list-style-type: none"> <li>Enter the amount from line 14, column (a) on Form 140, line 21.</li> <li>If the amount on line 14, column (c) is a net capital gain, enter the result on Form 140, line 22.</li> </ul> <i>If the amount in column (c), is a negative number, you have a net capital (loss). You do not qualify to take the subtraction.</i> 14			

## Instructions for completing the worksheet for the subtraction from Arizona gross income for net long-term capital gain from assets acquired after December 31, 2011.

### Purpose of the Worksheet

You may subtract a percentage of any net long-term capital gain included in your federal adjusted gross income that is from an investment in an asset acquired after December 31, 2011. For tax year 2018, the percentage is 25% (.25).

For purposes of this subtraction, “*qualified*” means an asset that was acquired *after* December 31, 2011.

To take the allowable subtraction, you must know whether the capital gain or (loss) is considered short-term or long-term. Only the net long-term capital gain from assets acquired *after* December 31, 2011, is used to compute the allowable subtraction. For more information about determining whether a gain or (loss) is short term or long term, see federal Publication 544 at [www.irs.gov](http://www.irs.gov).

If you cannot verify that the capital gain is from the sale of an asset acquired after December 31, 2011, then the capital gain should be included in column (b) of the worksheet as a capital gain from an asset acquired before January 1, 2012.

An asset acquired by gift or inheritance is considered acquired on the date it was acquired by the gift-giver or the deceased individual.

### Who Should Complete the Worksheet?

You *must* complete this worksheet to take the allowable subtraction if you have a net capital gain included in your federal adjusted gross income and the gain includes assets purchased *after* December 31, 2011.

Do *not* complete this worksheet if either of the following applies:

- You do not have any capital gains to report for the current tax year.
- You do not have any net capital gain from asset(s) acquired *after* December 31, 2011, to report for the current tax year.

### General Instructions

1. Check the box if this worksheet is for an original or an amended return.
2. Keep this worksheet for your records.

### Line-by-Line Instructions

Lines 1 through 8 lists the federal forms reported on federal Schedule D. Line 9 identifies the total capital gain distribution(s) reported on Form(s) 1099-DIV.

- **Column (a)** is the **total** amount of long-term capital gains or (losses) reported on federal Schedule D or other forms/schedules.

- **Column (b)** is the amount of long-term capital gains or (losses), included in column (a) for assets acquired *before* January 1, 2012.
- **Column (c)** is the amount of the long-term capital gains or (losses), included in column (a) for assets acquired *after* December 31, 2011.

### Lines 1 through 8 - Capital Gains or (Losses) Reported on Federal Schedule D.

Enter the long-term capital gain or (loss) from the federal form listed that was reported on your federal Schedule D and included in the computation of your federal adjusted gross income.

### Line 9 - Long-Term Capital Gains or (Losses)

Capital gains listed on a 1099-DIV are gains passed on from a fund, such as a mutual fund, from the sale of assets within the fund. Generally, such funds do not provide the information needed to determine when the asset that was sold was acquired. In this situation, the capital gains will be considered as acquired before January 1, 2012, and would not qualify for this subtraction.

Enter the total capital gain distribution(s) reported on Form(s) 1099-DIV and included in your computation of federal adjusted gross income.

**NOTE:** *Some taxpayers are not required to file federal Schedule D to report certain capital gains or (losses). In these cases, the long-term capital gains or (losses) are reported directly on the taxpayer's income tax return. Enter those items on line 9 of the worksheet.*

### Line 10 - Subtotal

For each column, combine the amounts listed on lines 1 through 9 and enter the total.

### Line 11 - Long-Term Capital Loss Carryover

- Column (a), enter the total amount of long-term capital loss carryover *actually used* on the federal return for the current table year.
- Column (b), enter the portion from column (a) that is from assets acquired before January 1, 2012.
- Column (c), enter the portion from column (a) that is from assets acquired after December 31, 2011.

### Line 12 -

Subtract line 11 from line 10 and enter the difference in each applicable column.

### Line 13a - Net Capital Gain from Investment in Qualified Small Businesses

To determine the amount to enter on line 13a, column (c), answer the following questions.

*Did you take a subtraction, on Form 140, line 24, for any net capital gain derived from investment in a qualified small business that is included in federal adjusted gross income for the taxable year?*



- If “No”, enter “0” on line 13a, column (c) and go to line 13b.
- If “Yes”, does that amount include any net long-term capital gain from an investment made *after* December 31, 2011?
  - If “No”, enter “0” on line 13a, column (c) and go to line 13b.
  - If “Yes”, enter on line 13a, column (c) the amount of any net long-term capital gain from an investment made *after* December 31, 2011, and included in the amount subtracted on Arizona Form 140, line 24. Go to line 13b.

**Lines 13b and 13c - Capital Gain or (Loss) from the Exchange of one kind of Legal Tender for Another kind of Legal Tender**

To determine the amount to enter in column (c) of lines 13b and 13c, answer the following questions.

**Question 1.** *Did you make an addition, on Form 140, line 16, for any net capital (loss) derived from the exchange of one kind of legal tender for another kind of legal tender and included in federal adjusted gross income for the taxable year?*

- If “No”, go to Question #2.
- If “Yes”, complete the following table:

(A)	(B)	(C)
Total Net Capital Loss	Net Capital Gain or (loss) from legal tender acquired <i>before</i> December 31, 2011	Net Capital Gain or (loss) from legal tender acquired <i>after</i> December 31, 2011
.00	.00	.00

- If column (C) is a net capital gain, enter the amount on line 13b, column (c).
- If column (C) is a net capital (loss), enter the amount on line 13c, column (c), as a positive. Go to line 14.

**Question 2.** *Did you take a subtraction, on Form 140, line 25, for any net capital gain from the exchange of one kind of legal tender for another kind of legal tender and included in federal adjusted gross income for the taxable year?*

- If “No”, enter “0” in column (c) of line 13c. Go to line 14.
- If “Yes”, complete the following table:

(A)	(B)	(C)
Total Net Capital Gain	Net Capital Gain or (loss) from legal tender acquired <i>before</i> December 31, 2011	Net Capital Gain or (loss) from legal tender acquired <i>after</i> December 31, 2011
.00	.00	.00

- If column (C) is a net capital gain, enter the amount on line 13b, column (c). Go to line 14.

- If column (C) is a net capital (loss), enter the amount on line 13c, column (c), as a positive. Go to line 14.

**Line 14 - Net Long-Term Capital Gain or (Loss)**

- For column (a), enter the amount from line 12, column (a).
- For column (b), enter the amount from line 12, column (b).
- For column (c), compute the following:

Line 12, column (c), minus the *sum of* lines 13a and 13b, column (c) plus line 13c, column (c).  
*[Line 12, col. (c), minus (13a + 13b) plus line 13c]*

You may use the schedule below to compute the amount to enter on line 14, column (c).

1. Enter the amount from Line 12, column (c), of the worksheet.	\$	00
2. Enter the sum of lines 13a and 13b, column (c) of the worksheet	\$	00
3. Subtract line 2 from line 1 above.	\$	00
4. Enter the amount on line 13(c), column (d).	\$	00
5. Add lines 3 and 4 above.	\$	00

- Enter the amount on line 14, column (a) on Form 140, line 21.
- If the net amount on line 14, column (c) is a positive number, you have a net long-term capital gain. Enter the result on Form 140, line 22.

This is your net long-term capital gain from assets acquired after December 31, 2011.

*If the net amount on line 14, column (c) is a negative number, you have a net capital loss. You do not qualify to take the subtraction.*

## 2018 Arizona Optional Tax Tables for Forms 140, 140A, and 140EZ

If your taxable income is less than \$50,000, use the Optional Tax Tables.

If your taxable income is \$50,000 or more, use Tax Table X or Y. Also, if your taxable income is \$50,000 or more, you cannot use Form 140EZ or Form 140A to file for 2018. In this case, you must file using Form 140.

### To Find Your Tax:

1. Read down the income column until you find your taxable income shown on your return.  
 Form 140, line 46    Form 140A, line 20    Form 140EZ, line 8
2. Read across until you find your *filing status* as shown on Form 140. Enter the tax on your return.  
 Form 140, line 47    Form 140A, line 21    Form 140EZ, line 9

### Example:

Mr. and Mrs. Timely are filing a joint return. Their taxable income is \$19,360 (Form 140, line 46). First, they find the \$19,350-\$19,400 income line. Next they find the column for married filing jointly and read down the column. The amount shown where the income lines and filing status column meet is \$502. This is the tax amount they must write on Form 140, line 47.

At Least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household
<b>Your Tax Is -</b>			
<b>19,300</b>	<b>19,350</b>	526	501
<b>19,350</b>	<b>19,400</b>	527	<b>502</b>
<b>19,400</b>	<b>19,450</b>	528	503

At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household	At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household	At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household
<b>If less than \$20 tax is 0    Your Tax Is</b>				<b>\$2,000    Your Tax Is</b>				<b>\$4,000    Your Tax Is</b>			
20	50	1	1	2,000	2,050	52	52	4,000	4,050	104	104
50	100	2	2	2,050	2,100	54	54	4,050	4,100	106	106
100	150	3	3	2,100	2,150	55	55	4,100	4,150	107	107
150	200	5	5	2,150	2,200	56	56	4,150	4,200	108	108
200	250	6	6	2,200	2,250	58	58	4,200	4,250	109	109
250	300	7	7	2,250	2,300	59	59	4,250	4,300	111	111
300	350	8	8	2,300	2,350	60	60	4,300	4,350	112	112
350	400	10	10	2,350	2,400	62	62	4,350	4,400	113	113
400	450	11	11	2,400	2,450	63	63	4,400	4,450	115	115
450	500	12	12	2,450	2,500	64	64	4,450	4,500	116	116
500	550	14	14	2,500	2,550	65	65	4,500	4,550	117	117
550	600	15	15	2,550	2,600	67	67	4,550	4,600	118	118
600	650	16	16	2,600	2,650	68	68	4,600	4,650	120	120
650	700	17	17	2,650	2,700	69	69	4,650	4,700	121	121
700	750	19	19	2,700	2,750	71	71	4,700	4,750	122	122
750	800	20	20	2,750	2,800	72	72	4,750	4,800	124	124
800	850	21	21	2,800	2,850	73	73	4,800	4,850	125	125
850	900	23	23	2,850	2,900	74	74	4,850	4,900	126	126
900	950	24	24	2,900	2,950	76	76	4,900	4,950	128	128
950	1,000	25	25	2,950	3,000	77	77	4,950	5,000	129	129
<b>\$1,000    Your Tax Is</b>				<b>\$3,000    Your Tax Is</b>				<b>\$5,000    Your Tax Is</b>			
1,000	1,050	27	27	3,000	3,050	78	78	5,000	5,050	130	130
1,050	1,100	28	28	3,050	3,100	80	80	5,050	5,100	131	131
1,100	1,150	29	29	3,100	3,150	81	81	5,100	5,150	133	133
1,150	1,200	30	30	3,150	3,200	82	82	5,150	5,200	134	134
1,200	1,250	32	32	3,200	3,250	84	84	5,200	5,250	135	135
1,250	1,300	33	33	3,250	3,300	85	85	5,250	5,300	137	137
1,300	1,350	34	34	3,300	3,350	86	86	5,300	5,350	138	138
1,350	1,400	36	36	3,350	3,400	87	87	5,350	5,400	139	139
1,400	1,450	37	37	3,400	3,450	89	89	5,400	5,450	141	141
1,450	1,500	38	38	3,450	3,500	90	90	5,450	5,500	142	142
1,500	1,550	39	39	3,500	3,550	91	91	5,500	5,550	143	143
1,550	1,600	41	41	3,550	3,600	93	93	5,550	5,600	144	144
1,600	1,650	42	42	3,600	3,650	94	94	5,600	5,650	146	146
1,650	1,700	43	43	3,650	3,700	95	95	5,650	5,700	147	147
1,700	1,750	45	45	3,700	3,750	96	96	5,700	5,750	148	148
1,750	1,800	46	46	3,750	3,800	98	98	5,750	5,800	150	150
1,800	1,850	47	47	3,800	3,850	99	99	5,800	5,850	151	151
1,850	1,900	49	49	3,850	3,900	100	100	5,850	5,900	152	152
1,900	1,950	50	50	3,900	3,950	102	102	5,900	5,950	153	153
1,950	2,000	51	51	3,950	4,000	103	103	5,950	6,000	155	155


At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household	At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household	At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household
<b>\$6,000 Your Tax Is</b>				<b>\$9,000 Your Tax Is</b>				<b>\$12,000 Your Tax Is</b>			
6,000	6,050	156	156	9,000	9,050	234	234	12,000	12,050	315	311
6,050	6,100	157	157	9,050	9,100	235	235	12,050	12,100	317	313
6,100	6,150	159	159	9,100	9,150	236	236	12,100	12,150	318	314
6,150	6,200	160	160	9,150	9,200	238	238	12,150	12,200	320	315
6,200	6,250	161	161	9,200	9,250	239	239	12,200	12,250	321	317
6,250	6,300	163	163	9,250	9,300	240	240	12,250	12,300	323	318
6,300	6,350	164	164	9,300	9,350	242	242	12,300	12,350	324	319
6,350	6,400	165	165	9,350	9,400	243	243	12,350	12,400	325	321
6,400	6,450	166	166	9,400	9,450	244	244	12,400	12,450	327	322
6,450	6,500	168	168	9,450	9,500	245	245	12,450	12,500	328	323
6,500	6,550	169	169	9,500	9,550	247	247	12,500	12,550	330	324
6,550	6,600	170	170	9,550	9,600	248	248	12,550	12,600	331	326
6,600	6,650	172	172	9,600	9,650	249	249	12,600	12,650	333	327
6,650	6,700	173	173	9,650	9,700	251	251	12,650	12,700	334	328
6,700	6,750	174	174	9,700	9,750	252	252	12,700	12,750	335	330
6,750	6,800	175	175	9,750	9,800	253	253	12,750	12,800	337	331
6,800	6,850	177	177	9,800	9,850	254	254	12,800	12,850	338	332
6,850	6,900	178	178	9,850	9,900	256	256	12,850	12,900	340	333
6,900	6,950	179	179	9,900	9,950	257	257	12,900	12,950	341	335
6,950	7,000	181	181	9,950	10,000	258	258	12,950	13,000	343	336
<b>\$7,000 Your Tax Is</b>				<b>\$10,000 Your Tax Is</b>				<b>\$13,000 Your Tax Is</b>			
7,000	7,050	182	182	10,000	10,050	260	260	13,000	13,050	344	337
7,050	7,100	183	183	10,050	10,100	261	261	13,050	13,100	346	339
7,100	7,150	185	185	10,100	10,150	262	262	13,100	13,150	347	340
7,150	7,200	186	186	10,150	10,200	264	264	13,150	13,200	348	341
7,200	7,250	187	187	10,200	10,250	265	265	13,200	13,250	350	343
7,250	7,300	188	188	10,250	10,300	266	266	13,250	13,300	351	344
7,300	7,350	190	190	10,300	10,350	267	267	13,300	13,350	353	345
7,350	7,400	191	191	10,350	10,400	269	269	13,350	13,400	354	346
7,400	7,450	192	192	10,400	10,450	270	270	13,400	13,450	356	348
7,450	7,500	194	194	10,450	10,500	271	271	13,450	13,500	357	349
7,500	7,550	195	195	10,500	10,550	273	273	13,500	13,550	359	350
7,550	7,600	196	196	10,550	10,600	274	274	13,550	13,600	360	352
7,600	7,650	197	197	10,600	10,650	275	275	13,600	13,650	361	353
7,650	7,700	199	199	10,650	10,700	276	276	13,650	13,700	363	354
7,700	7,750	200	200	10,700	10,750	278	278	13,700	13,750	364	355
7,750	7,800	201	201	10,750	10,800	279	279	13,750	13,800	366	357
7,800	7,850	203	203	10,800	10,850	281	280	13,800	13,850	367	358
7,850	7,900	204	204	10,850	10,900	282	282	13,850	13,900	369	359
7,900	7,950	205	205	10,900	10,950	284	283	13,900	13,950	370	361
7,950	8,000	207	207	10,950	11,000	285	284	13,950	14,000	371	362
<b>\$8,000 Your Tax Is</b>				<b>\$11,000 Your Tax Is</b>				<b>\$14,000 Your Tax Is</b>			
8,000	8,050	208	208	11,000	11,050	287	286	14,000	14,050	373	363
8,050	8,100	209	209	11,050	11,100	288	287	14,050	14,100	374	365
8,100	8,150	210	210	11,100	11,150	289	288	14,100	14,150	376	366
8,150	8,200	212	212	11,150	11,200	291	289	14,150	14,200	377	367
8,200	8,250	213	213	11,200	11,250	292	291	14,200	14,250	379	368
8,250	8,300	214	214	11,250	11,300	294	292	14,250	14,300	380	370
8,300	8,350	216	216	11,300	11,350	295	293	14,300	14,350	382	371
8,350	8,400	217	217	11,350	11,400	297	295	14,350	14,400	383	372
8,400	8,450	218	218	11,400	11,450	298	296	14,400	14,450	384	374
8,450	8,500	220	220	11,450	11,500	299	297	14,450	14,500	386	375
8,500	8,550	221	221	11,500	11,550	301	298	14,500	14,550	387	376
8,550	8,600	222	222	11,550	11,600	302	300	14,550	14,600	389	377
8,600	8,650	223	223	11,600	11,650	304	301	14,600	14,650	390	379
8,650	8,700	225	225	11,650	11,700	305	302	14,650	14,700	392	380
8,700	8,750	226	226	11,700	11,750	307	304	14,700	14,750	393	381
8,750	8,800	227	227	11,750	11,800	308	305	14,750	14,800	395	383
8,800	8,850	229	229	11,800	11,850	310	306	14,800	14,850	396	384
8,850	8,900	230	230	11,850	11,900	311	308	14,850	14,900	397	385
8,900	8,950	231	231	11,900	11,950	312	309	14,900	14,950	399	387
8,950	9,000	232	232	11,950	12,000	314	310	14,950	15,000	400	388

At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household	At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household	At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household
<b>\$15,000</b>		<b>Your Tax Is</b>		<b>\$18,000</b>		<b>Your Tax Is</b>		<b>\$21,000</b>		<b>Your Tax Is</b>	
15,000	15,050	402	389	18,000	18,050	488	467	21,000	21,050	575	545
15,050	15,100	403	390	18,050	18,100	490	468	21,050	21,100	576	546
15,100	15,150	405	392	18,100	18,150	491	469	21,100	21,150	577	547
15,150	15,200	406	393	18,150	18,200	492	471	21,150	21,200	579	548
15,200	15,250	407	394	18,200	18,250	494	472	21,200	21,250	580	550
15,250	15,300	409	396	18,250	18,300	495	473	21,250	21,300	582	552
15,300	15,350	410	397	18,300	18,350	497	475	21,300	21,350	583	553
15,350	15,400	412	398	18,350	18,400	498	476	21,350	21,400	585	555
15,400	15,450	413	400	18,400	18,450	500	477	21,400	21,450	586	556
15,450	15,500	415	401	18,450	18,500	501	479	21,450	21,500	587	557
15,500	15,550	416	402	18,500	18,550	503	480	21,500	21,550	589	559
15,550	15,600	418	403	18,550	18,600	504	481	21,550	21,600	590	560
15,600	15,650	419	405	18,600	18,650	505	482	21,600	21,650	592	562
15,650	15,700	420	406	18,650	18,700	507	484	21,650	21,700	593	563
15,700	15,750	422	407	18,700	18,750	508	485	21,700	21,750	595	565
15,750	15,800	423	409	18,750	18,800	510	486	21,750	21,800	596	566
15,800	15,850	425	410	18,800	18,850	511	488	21,800	21,850	598	568
15,850	15,900	426	411	18,850	18,900	513	489	21,850	21,900	599	569
15,900	15,950	428	412	18,900	18,950	514	490	21,900	21,950	600	570
15,950	16,000	429	414	18,950	19,000	515	491	21,950	22,000	602	572
<b>\$16,000</b>		<b>Your Tax Is</b>		<b>\$19,000</b>		<b>Your Tax Is</b>		<b>\$22,000</b>		<b>Your Tax Is</b>	
16,000	16,050	431	415	19,000	19,050	517	493	22,000	22,050	603	573
16,050	16,100	432	416	19,050	19,100	518	494	22,050	22,100	605	575
16,100	16,150	433	418	19,100	19,150	520	495	22,100	22,150	606	576
16,150	16,200	435	419	19,150	19,200	521	497	22,150	22,200	608	578
16,200	16,250	436	420	19,200	19,250	523	498	22,200	22,250	609	579
16,250	16,300	438	422	19,250	19,300	524	499	22,250	22,300	611	581
16,300	16,350	439	423	19,300	19,350	526	501	22,300	22,350	612	582
16,350	16,400	441	424	19,350	19,400	527	502	22,350	22,400	613	583
16,400	16,450	442	425	19,400	19,450	528	503	22,400	22,450	615	585
16,450	16,500	443	427	19,450	19,500	530	504	22,450	22,500	616	586
16,500	16,550	445	428	19,500	19,550	531	506	22,500	22,550	618	588
16,550	16,600	446	429	19,550	19,600	533	507	22,550	22,600	619	589
16,600	16,650	448	431	19,600	19,650	534	508	22,600	22,650	621	591
16,650	16,700	449	432	19,650	19,700	536	510	22,650	22,700	622	592
16,700	16,750	451	433	19,700	19,750	537	511	22,700	22,750	623	593
16,750	16,800	452	434	19,750	19,800	539	512	22,750	22,800	625	595
16,800	16,850	454	436	19,800	19,850	540	513	22,800	22,850	626	596
16,850	16,900	455	437	19,850	19,900	541	515	22,850	22,900	628	598
16,900	16,950	456	438	19,900	19,950	543	516	22,900	22,950	629	599
16,950	17,000	458	440	19,950	20,000	544	517	22,950	23,000	631	601
<b>\$17,000</b>		<b>Your Tax Is</b>		<b>\$20,000</b>		<b>Your Tax Is</b>		<b>\$23,000</b>		<b>Your Tax Is</b>	
17,000	17,050	459	441	20,000	20,050	546	519	23,000	23,050	632	602
17,050	17,100	461	442	20,050	20,100	547	520	23,050	23,100	634	604
17,100	17,150	462	444	20,100	20,150	549	521	23,100	23,150	635	605
17,150	17,200	464	445	20,150	20,200	550	523	23,150	23,200	636	606
17,200	17,250	465	446	20,200	20,250	551	524	23,200	23,250	638	608
17,250	17,300	467	447	20,250	20,300	553	525	23,250	23,300	639	609
17,300	17,350	468	449	20,300	20,350	554	526	23,300	23,350	641	611
17,350	17,400	469	450	20,350	20,400	556	528	23,350	23,400	642	612
17,400	17,450	471	451	20,400	20,450	557	529	23,400	23,450	644	614
17,450	17,500	472	453	20,450	20,500	559	530	23,450	23,500	645	615
17,500	17,550	474	454	20,500	20,550	560	532	23,500	23,550	647	617
17,550	17,600	475	455	20,550	20,600	562	533	23,550	23,600	648	618
17,600	17,650	477	456	20,600	20,650	563	534	23,600	23,650	649	619
17,650	17,700	478	458	20,650	20,700	564	535	23,650	23,700	651	621
17,700	17,750	479	459	20,700	20,750	566	537	23,700	23,750	652	622
17,750	17,800	481	460	20,750	20,800	567	538	23,750	23,800	654	624
17,800	17,850	482	462	20,800	20,850	569	539	23,800	23,850	655	625
17,850	17,900	484	463	20,850	20,900	570	541	23,850	23,900	657	627
17,900	17,950	485	464	20,900	20,950	572	542	23,900	23,950	658	628
17,950	18,000	487	466	20,950	21,000	573	543	23,950	24,000	659	629

At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household	At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household	At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household
<b>\$24,000</b>		<b>Your Tax Is</b>		<b>\$27,000</b>		<b>Your Tax Is</b>		<b>\$30,000</b>		<b>Your Tax Is</b>	
24,000	24,050	661	631	27,000	27,050	750	717	30,000	30,050	851	804
24,050	24,100	662	632	27,050	27,100	752	719	30,050	30,100	853	805
24,100	24,150	664	634	27,100	27,150	753	720	30,100	30,150	854	807
24,150	24,200	665	635	27,150	27,200	755	722	30,150	30,200	856	808
24,200	24,250	667	637	27,200	27,250	757	723	30,200	30,250	858	809
24,250	24,300	668	638	27,250	27,300	758	725	30,250	30,300	859	811
24,300	24,350	670	640	27,300	27,350	760	726	30,300	30,350	861	812
24,350	24,400	671	641	27,350	27,400	762	727	30,350	30,400	863	814
24,400	24,450	672	642	27,400	27,450	763	729	30,400	30,450	864	815
24,450	24,500	674	644	27,450	27,500	765	730	30,450	30,500	866	817
24,500	24,550	675	645	27,500	27,550	767	732	30,500	30,550	868	818
24,550	24,600	677	647	27,550	27,600	769	733	30,550	30,600	869	820
24,600	24,650	678	648	27,600	27,650	770	735	30,600	30,650	871	821
24,650	24,700	680	650	27,650	27,700	772	736	30,650	30,700	873	822
24,700	24,750	681	651	27,700	27,750	774	737	30,700	30,750	874	824
24,750	24,800	683	653	27,750	27,800	775	739	30,750	30,800	876	825
24,800	24,850	684	654	27,800	27,850	777	740	30,800	30,850	878	827
24,850	24,900	685	655	27,850	27,900	779	742	30,850	30,900	879	828
24,900	24,950	687	657	27,900	27,950	780	743	30,900	30,950	881	830
24,950	25,000	688	658	27,950	28,000	782	745	30,950	31,000	883	831
<b>\$25,000</b>		<b>Your Tax Is</b>		<b>\$28,000</b>		<b>Your Tax Is</b>		<b>\$31,000</b>		<b>Your Tax Is</b>	
25,000	25,050	690	660	28,000	28,050	784	746	31,000	31,050	884	833
25,050	25,100	691	661	28,050	28,100	785	748	31,050	31,100	886	834
25,100	25,150	693	663	28,100	28,150	787	749	31,100	31,150	888	835
25,150	25,200	694	664	28,150	28,200	789	750	31,150	31,200	889	837
25,200	25,250	695	665	28,200	28,250	790	752	31,200	31,250	891	838
25,250	25,300	697	667	28,250	28,300	792	753	31,250	31,300	893	840
25,300	25,350	698	668	28,300	28,350	794	755	31,300	31,350	895	841
25,350	25,400	700	670	28,350	28,400	795	756	31,350	31,400	896	843
25,400	25,450	701	671	28,400	28,450	797	758	31,400	31,450	898	844
25,450	25,500	703	673	28,450	28,500	799	759	31,450	31,500	900	845
25,500	25,550	704	674	28,500	28,550	800	761	31,500	31,550	901	847
25,550	25,600	706	676	28,550	28,600	802	762	31,550	31,600	903	848
25,600	25,650	707	677	28,600	28,650	804	763	31,600	31,650	905	850
25,650	25,700	708	678	28,650	28,700	805	765	31,650	31,700	906	851
25,700	25,750	710	680	28,700	28,750	807	766	31,700	31,750	908	853
25,750	25,800	711	681	28,750	28,800	809	768	31,750	31,800	910	854
25,800	25,850	713	683	28,800	28,850	811	769	31,800	31,850	911	856
25,850	25,900	714	684	28,850	28,900	812	771	31,850	31,900	913	857
25,900	25,950	716	686	28,900	28,950	814	772	31,900	31,950	915	858
25,950	26,000	717	687	28,950	29,000	816	773	31,950	32,000	916	860
<b>\$26,000</b>		<b>Your Tax Is</b>		<b>\$29,000</b>		<b>Your Tax Is</b>		<b>\$32,000</b>		<b>Your Tax Is</b>	
26,000	26,050	719	689	29,000	29,050	817	775	32,000	32,050	918	861
26,050	26,100	720	690	29,050	29,100	819	776	32,050	32,100	920	863
26,100	26,150	721	691	29,100	29,150	821	778	32,100	32,150	921	864
26,150	26,200	723	693	29,150	29,200	822	779	32,150	32,200	923	866
26,200	26,250	724	694	29,200	29,250	824	781	32,200	32,250	925	867
26,250	26,300	726	696	29,250	29,300	826	782	32,250	32,300	926	869
26,300	26,350	727	697	29,300	29,350	827	784	32,300	32,350	928	870
26,350	26,400	729	699	29,350	29,400	829	785	32,350	32,400	930	871
26,400	26,450	730	700	29,400	29,450	831	786	32,400	32,450	931	873
26,450	26,500	731	701	29,450	29,500	832	788	32,450	32,500	933	874
26,500	26,550	733	703	29,500	29,550	834	789	32,500	32,550	935	876
26,550	26,600	735	704	29,550	29,600	836	791	32,550	32,600	937	877
26,600	26,650	737	706	29,600	29,650	837	792	32,600	32,650	938	879
26,650	26,700	738	707	29,650	29,700	839	794	32,650	32,700	940	880
26,700	26,750	740	709	29,700	29,750	841	795	32,700	32,750	942	881
26,750	26,800	742	710	29,750	29,800	842	797	32,750	32,800	943	883
26,800	26,850	743	712	29,800	29,850	844	798	32,800	32,850	945	884
26,850	26,900	745	713	29,850	29,900	846	799	32,850	32,900	947	886
26,900	26,950	747	714	29,900	29,950	847	801	32,900	32,950	948	887
26,950	27,000	748	716	29,950	30,000	849	802	32,950	33,000	950	889

At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household	At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household	At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household
<b>\$33,000 Your Tax Is</b>				<b>\$36,000 Your Tax Is</b>				<b>\$39,000 Your Tax Is</b>			
33,000	33,050	952	890	36,000	36,050	1,052	977	39,000	39,050	1,153	1,063
33,050	33,100	953	892	36,050	36,100	1,054	978	39,050	39,100	1,155	1,064
33,100	33,150	955	893	36,100	36,150	1,056	979	39,100	39,150	1,157	1,066
33,150	33,200	957	894	36,150	36,200	1,057	981	39,150	39,200	1,158	1,067
33,200	33,250	958	896	36,200	36,250	1,059	982	39,200	39,250	1,160	1,069
33,250	33,300	960	897	36,250	36,300	1,061	984	39,250	39,300	1,162	1,070
33,300	33,350	962	899	36,300	36,350	1,063	985	39,300	39,350	1,163	1,072
33,350	33,400	963	900	36,350	36,400	1,064	987	39,350	39,400	1,165	1,073
33,400	33,450	965	902	36,400	36,450	1,066	988	39,400	39,450	1,167	1,074
33,450	33,500	967	903	36,450	36,500	1,068	989	39,450	39,500	1,168	1,076
33,500	33,550	968	905	36,500	36,550	1,069	991	39,500	39,550	1,170	1,077
33,550	33,600	970	906	36,550	36,600	1,071	992	39,550	39,600	1,172	1,079
33,600	33,650	972	907	36,600	36,650	1,073	994	39,600	39,650	1,173	1,080
33,650	33,700	973	909	36,650	36,700	1,074	995	39,650	39,700	1,175	1,082
33,700	33,750	975	910	36,700	36,750	1,076	997	39,700	39,750	1,177	1,083
33,750	33,800	977	912	36,750	36,800	1,078	998	39,750	39,800	1,178	1,085
33,800	33,850	979	913	36,800	36,850	1,079	1,000	39,800	39,850	1,180	1,086
33,850	33,900	980	915	36,850	36,900	1,081	1,001	39,850	39,900	1,182	1,087
33,900	33,950	982	916	36,900	36,950	1,083	1,002	39,900	39,950	1,183	1,089
33,950	34,000	984	917	36,950	37,000	1,084	1,004	39,950	40,000	1,185	1,090
<b>\$34,000 Your Tax Is</b>				<b>\$37,000 Your Tax Is</b>				<b>\$40,000 Your Tax Is</b>			
34,000	34,050	985	919	37,000	37,050	1,086	1,005	40,000	40,050	1,187	1,092
34,050	34,100	987	920	37,050	37,100	1,088	1,007	40,050	40,100	1,189	1,093
34,100	34,150	989	922	37,100	37,150	1,089	1,008	40,100	40,150	1,190	1,095
34,150	34,200	990	923	37,150	37,200	1,091	1,010	40,150	40,200	1,192	1,096
34,200	34,250	992	925	37,200	37,250	1,093	1,011	40,200	40,250	1,194	1,097
34,250	34,300	994	926	37,250	37,300	1,094	1,013	40,250	40,300	1,195	1,099
34,300	34,350	995	928	37,300	37,350	1,096	1,014	40,300	40,350	1,197	1,100
34,350	34,400	997	929	37,350	37,400	1,098	1,015	40,350	40,400	1,199	1,102
34,400	34,450	999	930	37,400	37,450	1,099	1,017	40,400	40,450	1,200	1,103
34,450	34,500	1,000	932	37,450	37,500	1,101	1,018	40,450	40,500	1,202	1,105
34,500	34,550	1,002	933	37,500	37,550	1,103	1,020	40,500	40,550	1,204	1,106
34,550	34,600	1,004	935	37,550	37,600	1,105	1,021	40,550	40,600	1,205	1,108
34,600	34,650	1,005	936	37,600	37,650	1,106	1,023	40,600	40,650	1,207	1,109
34,650	34,700	1,007	938	37,650	37,700	1,108	1,024	40,650	40,700	1,209	1,110
34,700	34,750	1,009	939	37,700	37,750	1,110	1,025	40,700	40,750	1,210	1,112
34,750	34,800	1,010	941	37,750	37,800	1,111	1,027	40,750	40,800	1,212	1,113
34,800	34,850	1,012	942	37,800	37,850	1,113	1,028	40,800	40,850	1,214	1,115
34,850	34,900	1,014	943	37,850	37,900	1,115	1,030	40,850	40,900	1,215	1,116
34,900	34,950	1,015	945	37,900	37,950	1,116	1,031	40,900	40,950	1,217	1,118
34,950	35,000	1,017	946	37,950	38,000	1,118	1,033	40,950	41,000	1,219	1,119
<b>\$35,000 Your Tax Is</b>				<b>\$38,000 Your Tax Is</b>				<b>\$41,000 Your Tax Is</b>			
35,000	35,050	1,019	948	38,000	38,050	1,120	1,034	41,000	41,050	1,220	1,121
35,050	35,100	1,021	949	38,050	38,100	1,121	1,036	41,050	41,100	1,222	1,122
35,100	35,150	1,022	951	38,100	38,150	1,123	1,037	41,100	41,150	1,224	1,123
35,150	35,200	1,024	952	38,150	38,200	1,125	1,038	41,150	41,200	1,225	1,125
35,200	35,250	1,026	953	38,200	38,250	1,126	1,040	41,200	41,250	1,227	1,126
35,250	35,300	1,027	955	38,250	38,300	1,128	1,041	41,250	41,300	1,229	1,128
35,300	35,350	1,029	956	38,300	38,350	1,130	1,043	41,300	41,350	1,231	1,129
35,350	35,400	1,031	958	38,350	38,400	1,131	1,044	41,350	41,400	1,232	1,131
35,400	35,450	1,032	959	38,400	38,450	1,133	1,046	41,400	41,450	1,234	1,132
35,450	35,500	1,034	961	38,450	38,500	1,135	1,047	41,450	41,500	1,236	1,133
35,500	35,550	1,036	962	38,500	38,550	1,136	1,049	41,500	41,550	1,237	1,135
35,550	35,600	1,037	964	38,550	38,600	1,138	1,050	41,550	41,600	1,239	1,136
35,600	35,650	1,039	965	38,600	38,650	1,140	1,051	41,600	41,650	1,241	1,138
35,650	35,700	1,041	966	38,650	38,700	1,141	1,053	41,650	41,700	1,242	1,139
35,700	35,750	1,042	968	38,700	38,750	1,143	1,054	41,700	41,750	1,244	1,141
35,750	35,800	1,044	969	38,750	38,800	1,145	1,056	41,750	41,800	1,246	1,142
35,800	35,850	1,046	971	38,800	38,850	1,147	1,057	41,800	41,850	1,247	1,144
35,850	35,900	1,047	972	38,850	38,900	1,148	1,059	41,850	41,900	1,249	1,145
35,900	35,950	1,049	974	38,900	38,950	1,150	1,060	41,900	41,950	1,251	1,146
35,950	36,000	1,051	975	38,950	39,000	1,152	1,061	41,950	42,000	1,252	1,148



At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household	At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household	At least	But less than	Single or Married Filing Separately	Married Filing Jointly or Head of Household
<b>\$42,000 Your Tax Is</b>				<b>\$45,000 Your Tax Is</b>				<b>\$48,000 Your Tax Is</b>			
42,000	42,050	1,254	1,149	45,000	45,050	1,355	1,236	48,000	48,050	1,456	1,322
42,050	42,100	1,256	1,151	45,050	45,100	1,357	1,237	48,050	48,100	1,457	1,324
42,100	42,150	1,257	1,152	45,100	45,150	1,358	1,239	48,100	48,150	1,459	1,325
42,150	42,200	1,259	1,154	45,150	45,200	1,360	1,240	48,150	48,200	1,461	1,326
42,200	42,250	1,261	1,155	45,200	45,250	1,362	1,241	48,200	48,250	1,462	1,328
42,250	42,300	1,262	1,157	45,250	45,300	1,363	1,243	48,250	48,300	1,464	1,329
42,300	42,350	1,264	1,158	45,300	45,350	1,365	1,244	48,300	48,350	1,466	1,331
42,350	42,400	1,266	1,159	45,350	45,400	1,367	1,246	48,350	48,400	1,467	1,332
42,400	42,450	1,267	1,161	45,400	45,450	1,368	1,247	48,400	48,450	1,469	1,334
42,450	42,500	1,269	1,162	45,450	45,500	1,370	1,249	48,450	48,500	1,471	1,335
42,500	42,550	1,271	1,164	45,500	45,550	1,372	1,250	48,500	48,550	1,472	1,337
42,550	42,600	1,273	1,165	45,550	45,600	1,373	1,252	48,550	48,600	1,474	1,338
42,600	42,650	1,274	1,167	45,600	45,650	1,375	1,253	48,600	48,650	1,476	1,339
42,650	42,700	1,276	1,168	45,650	45,700	1,377	1,254	48,650	48,700	1,477	1,341
42,700	42,750	1,278	1,169	45,700	45,750	1,378	1,256	48,700	48,750	1,479	1,342
42,750	42,800	1,279	1,171	45,750	45,800	1,380	1,257	48,750	48,800	1,481	1,344
42,800	42,850	1,281	1,172	45,800	45,850	1,382	1,259	48,800	48,850	1,483	1,345
42,850	42,900	1,283	1,174	45,850	45,900	1,383	1,260	48,850	48,900	1,484	1,347
42,900	42,950	1,284	1,175	45,900	45,950	1,385	1,262	48,900	48,950	1,486	1,348
42,950	43,000	1,286	1,177	45,950	46,000	1,387	1,263	48,950	49,000	1,488	1,349
<b>\$43,000 Your Tax Is</b>				<b>\$46,000 Your Tax Is</b>				<b>\$49,000 Your Tax Is</b>			
43,000	43,050	1,288	1,178	46,000	46,050	1,388	1,265	49,000	49,050	1,489	1,351
43,050	43,100	1,289	1,180	46,050	46,100	1,390	1,266	49,050	49,100	1,491	1,352
43,100	43,150	1,291	1,181	46,100	46,150	1,392	1,267	49,100	49,150	1,493	1,354
43,150	43,200	1,293	1,182	46,150	46,200	1,393	1,269	49,150	49,200	1,494	1,355
43,200	43,250	1,294	1,184	46,200	46,250	1,395	1,270	49,200	49,250	1,496	1,357
43,250	43,300	1,296	1,185	46,250	46,300	1,397	1,272	49,250	49,300	1,498	1,358
43,300	43,350	1,298	1,187	46,300	46,350	1,399	1,273	49,300	49,350	1,499	1,360
43,350	43,400	1,299	1,188	46,350	46,400	1,400	1,275	49,350	49,400	1,501	1,361
43,400	43,450	1,301	1,190	46,400	46,450	1,402	1,276	49,400	49,450	1,503	1,362
43,450	43,500	1,303	1,191	46,450	46,500	1,404	1,277	49,450	49,500	1,504	1,364
43,500	43,550	1,304	1,193	46,500	46,550	1,405	1,279	49,500	49,550	1,506	1,365
43,550	43,600	1,306	1,194	46,550	46,600	1,407	1,280	49,550	49,600	1,508	1,367
43,600	43,650	1,308	1,195	46,600	46,650	1,409	1,282	49,600	49,650	1,509	1,368
43,650	43,700	1,309	1,197	46,650	46,700	1,410	1,283	49,650	49,700	1,511	1,370
43,700	43,750	1,311	1,198	46,700	46,750	1,412	1,285	49,700	49,750	1,513	1,371
43,750	43,800	1,313	1,200	46,750	46,800	1,414	1,286	49,750	49,800	1,514	1,373
43,800	43,850	1,315	1,201	46,800	46,850	1,415	1,288	49,800	49,850	1,516	1,374
43,850	43,900	1,316	1,203	46,850	46,900	1,417	1,289	49,850	49,900	1,518	1,375
43,900	43,950	1,318	1,204	46,900	46,950	1,419	1,290	49,900	49,950	1,519	1,377
43,950	44,000	1,320	1,205	46,950	47,000	1,420	1,292	49,950	50,000	1,521	1,378
<b>\$44,000 Your Tax Is</b>				<b>\$47,000 Your Tax Is</b>				 <p><b>End of Optional Tables</b></p>			
44,000	44,050	1,321	1,207	47,000	47,050	1,422	1,293				
44,050	44,100	1,323	1,208	47,050	47,100	1,424	1,295				
44,100	44,150	1,325	1,210	47,100	47,150	1,425	1,296				
44,150	44,200	1,326	1,211	47,150	47,200	1,427	1,298				
44,200	44,250	1,328	1,213	47,200	47,250	1,429	1,299				
44,250	44,300	1,330	1,214	47,250	47,300	1,430	1,301				
44,300	44,350	1,331	1,216	47,300	47,350	1,432	1,302				
44,350	44,400	1,333	1,217	47,350	47,400	1,434	1,303				
44,400	44,450	1,335	1,218	47,400	47,450	1,435	1,305				
44,450	44,500	1,336	1,220	47,450	47,500	1,437	1,306				
44,500	44,550	1,338	1,221	47,500	47,550	1,439	1,308				
44,550	44,600	1,340	1,223	47,550	47,600	1,441	1,309				
44,600	44,650	1,341	1,224	47,600	47,650	1,442	1,311				
44,650	44,700	1,343	1,226	47,650	47,700	1,444	1,312				
44,700	44,750	1,345	1,227	47,700	47,750	1,446	1,313				
44,750	44,800	1,346	1,229	47,750	47,800	1,447	1,315				
44,800	44,850	1,348	1,230	47,800	47,850	1,449	1,316				
44,850	44,900	1,350	1,231	47,850	47,900	1,451	1,318				
44,900	44,950	1,351	1,233	47,900	47,950	1,452	1,319				
44,950	45,000	1,353	1,234	47,950	48,000	1,454	1,321				

## 2018 Arizona Tax Tables X and Y

**Full-Year Residents:**

If your taxable income is less than \$50,000, use the Optional Tax Tables to figure your tax.

If your taxable income is \$50,000 or more, you **must** use Tax Table X or Y to figure your tax.

**Note:** If your taxable income is \$50,000 or more, you cannot use Form 140EZ or Form 140A to file for 2018. In this case, you must file using Form 140.

**All Part-Year Residents and Nonresidents:**

Use Tax Tables X and Y to figure your tax.

**Table X – Use Table X if your filing status is Single or Married Filing Separate**

(a) If taxable income is:		(b) Taxable income. Enter the amount of your taxable income from Form: • 140, line 46 • 140NR, line 57 • 140PY, line 57	(c) Multiply the amount entered in column (b) by	(d) Enter the result	(e) Subtract	(f) Your tax. Round the difference and enter this amount on your tax form: • 140, line 47 • 140NR, line 58 • 140PY, line 58
Over	But not Over					
\$0	\$10,602		X .0259	=	- 0.00	=
\$10,602	\$26,501		X .0288	=	- \$31.00	=
\$26,501	\$53,000		X .0336	=	- \$158.00	=
\$53,000	\$158,996		X .0424	=	- \$624.00	=
\$158,996	and over		X .0454	=	- \$1,101.00	=

**Table Y – Use Table Y if your filing status is Married Filing Joint or Head of Household**

(a) If taxable income is:		(b) Taxable income. Enter the amount of your taxable income from Form: • 140, line 46 • 140NR, line 57 • 140PY, line 57	(c) Multiply the amount entered in column (b) by	(d) Enter the result	(e) Subtract	(f) Your tax. Round the difference and enter this amount on your tax form: • 140, line 47 • 140NR, line 58 • 140PY, line 58
Over	But not Over					
\$0	\$21,202		X .0259	=	- 0.00	=
\$21,202	\$53,000		X .0288	=	- \$61.00	=
\$53,000	\$105,998		X .0336	=	- \$316.00	=
\$105,998	\$317,990		X .0424	=	- \$1,249.00	=
\$317,990	and over		X .0454	=	- \$2,203.00	=



# Tax Credits Available

Over 100,000 eligible Arizona families failed to receive thousands of dollars in tax credits because they did not file a tax return. **You may qualify for these special credits when you file your state and federal taxes.**

Tax Year 2018 Federal Earned Income Tax Credit Eligibility Table		
Number of Qualifying Children	Earned Income (less than)	Maximum Credit
0*	\$15,270 (\$20,950 if MFJ)	\$519
1	\$40,320 (\$46,010 if MFJ)	\$3,461
2	\$45,802 (\$51,492 if MFJ)	\$5,716
3 or more	\$49,194 (\$54,884 if MFJ)	\$6,431

\*your age 25 - 64

MFJ = Married Filed Jointly

Tax Year 2018 Federal Child Tax Credit Eligibility Table	
Qualifications	Maximum Credit Amount Per Qualifying Child
Children under the age of 17 years at the end of the 2018 tax year	\$2,000 per child

Parents and children must have Social Security Number or ITIN (Individual Taxpayer Identification Number) to claim credit.

Arizona Family Tax Credit Eligibility Table	
Qualifications	Income
Eligibility depends on filing status and number of dependents	\$31,000 or less per year

Arizona Increased Excise Tax Credit Eligibility Table	
Qualifications	Income
Eligibility depends on Arizona residency and filing status	\$25,000 or less per year

## To Qualify!

You must file your state and federal taxes

## How To File!

Get your taxes prepared FREE at one of the community tax assistance sites. The sites will also e-file your taxes; that means a FREE FAST REFUND.

## Where To File!

For locations call ..... 2-1-1 within Arizona  
 From anywhere..... (877) 211-8661  
 TDD/TTY AZ Relay ..... (800) 367-8939

Website: [www.cir.org](http://www.cir.org)

## Earn it! Keep it! Save it!

- Save for a House
- Save for a Car
- Save for a College Education

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Free Federal and State Tax Preparation for taxpayers who are:

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Faster refunds when you E-File and select the Direct Deposit option!



**DO YOU QUALIFY FOR AN ARIZONA TAX CREDIT?**

You may claim the FAMILY TAX CREDIT if:  
your income is \$31,000 or less for Married Filing Joint  
your income is \$26,575 or less for Head of Household  
your income is \$10,000 or less for Single

**UP TO \$240**

You may claim the INCREASED EXCISE TAX CREDIT if:  
you are an Arizona resident  
you are not claimed as a dependent by any other taxpayer  
your federal adjusted gross income was \$ 25,000 or less (\$12,500 if single)  
you were not sentenced for at least 60 days of 2018 to a county, state or federal prison

Up to  
**\$100**  
per household

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You may use a personal computer and modem to get the forms and information you need.

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- Forms and Instructions
- Publications
- Tax Rulings and Procedures
- Other General Tax Information



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- Does the Math
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