








State of Georgia Department of Revenue 2009

Individual Income Tax 500 and 500EZ Forms and General Instructions

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	<p style="text-align: center;">CREDIT CARD PAYMENTS</p> <p style="text-align: center;">     </p> <p>The Georgia Department of Revenue accepts Visa, American Express, MasterCard, and Discover credit cards for payment of:</p> <ul style="list-style-type: none"> √ Current-year individual and corporate tax payments; √ Liabilities on Department of Revenue-issued assessment notices; √ Individual and corporate estimated tax payments.

Visit www.dor.ga.gov for more information about these and other topics of interest.

(Visite www.dor.ga.gov para más información sobre éstos y otros asuntos del interés.)



FROM THE COMMISSIONER

Did you know that if you file electronically and choose direct deposit, you can receive your refund in less than 15 business days? In 2009, taxpayers who filed their returns electronically and had their refunds direct deposited into their bank accounts received their refunds within an average of 7 to 10 business days. Refunds from paper returns can take up to 12 weeks to be issued. If you've been considering electronic filing, some of the benefits include:

- Faster and more accurate processing.
- Individual taxpayers who file electronically can receive their refund by mail or direct deposit.
- The ability to file from your home PC or have your taxes prepared by a professional electronic return originator.
- Elimination of mailing paper returns.

If you file electronically and need to make a payment, you may pay by electronic check using the Department of Revenue's e-File & e-Pay system. Visit www.dor.ga.gov/busEfileEpay.aspx or contact the Electronic Services Group at 404-417-4488, 1-888-604-9875 or efile@dor.ga.gov for additional information.

The Department of Revenue, as outlined in the Taxpayer Bill of Rights, will provide "fair, courteous and timely service" to the taxpayers of Georgia. We have implemented several initiatives to ensure we uphold that standard. Our mission is to provide the best customer service and operational performance of any state taxing authority and the IRS.

Bart L. Graham

Commissioner

bart.graham@dor.ga.gov

WHERE DO YOU FILE?

WHERE TO FILE FOR INDIVIDUAL TAXPAYERS

Form 500 Tax Returns:

Refunds:

GEORGIA DEPARTMENT OF REVENUE
PROCESSING CENTER
PO BOX 740380
ATLANTA GA 30374-0380

Payments:

GEORGIA DEPARTMENT OF REVENUE
PROCESSING CENTER
PO BOX 740399
ATLANTA GA 30374-0399

Form 500 2D Tax Returns:

Refunds:

GEORGIA DEPARTMENT OF REVENUE
PROCESSING CENTER
PO BOX 105597
ATLANTA GA 30348-5597

Payments:

GEORGIA DEPARTMENT OF REVENUE
PROCESSING CENTER
PO BOX 105613
ATLANTA GA 30348-5613

Form 500-ES Individual Estimated Tax:

GEORGIA DEPARTMENT OF REVENUE
PROCESSING CENTER
PO BOX 740319
ATLANTA GA 30374-0319

Form 525-TV Payment Voucher

GEORGIA DEPARTMENT OF REVENUE
PROCESSING CENTER
PO BOX 740323
ATLANTA GA 30374-0323

NEW DEVELOPMENTS



Customer Service Contact- For the convenience of taxpayers, the Department has established a new toll free Customer Service phone number. This allows taxpayers statewide, whether inside or outside of the metropolitan Atlanta area, to contact the department directly.

1-877-GADOR11 (877-423-6711)

Annual Update - HB 74. This bill updates and conforms Georgia's adoption of certain portions of the Internal Revenue Code ("IRC") to the IRC as amended through January 1, 2009. In addition to the "annual update", this bill also adds a new code section to make this same update applicable retroactively to the 2008 tax year. This bill thus incorporates most but not all of the provisions of the federal tax bills that were passed during 2008 for purposes of both the Georgia 2008 and 2009 tax years. Please see page 6 for more information.

Eligible Single-Family Residence Tax Credit - HB 261 This bill establishes an income tax credit against individual income tax for the purchase of an eligible single-family residence located in Georgia. Please see Form IND-CR for more information.

High Deductible Health Plans - HB 410 Sections 4 and 5 of this bill change the income tax deduction and the income tax credit for high deductible health plans that were enacted in HB 977 during the 2008 Legislative Session. Previously, the high deductible health plan had to be established and used with a health savings account. Now, the high deductible health plan only needs to be a high deductible health plan as defined in Section 223 of the Internal Revenue Code. Sections 4 and 5 of this bill are effective for tax years beginning on or after January 1, 2009.

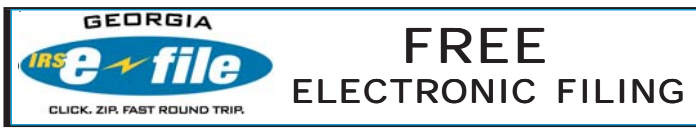
Business Tax Credit Changes - HB 439 This bill changes a number of income tax credits. The following credits were changed: the O.C.G.A. § 48-7-40 jobs tax credit; the O.C.G.A. § 48-7-40.1 jobs tax credits for business enterprises in less developed areas; the O.C.G.A. § 48-7-40.5 tax credits for approved retraining; the O.C.G.A. § 48-7-40.12 tax credit for qualified research expenses; the O.C.G.A. § 48-7-40.15 port activity tax credit; and the O.C.G.A. § 48-7-40.17 headquarters job tax credit. This bill is effective for tax years beginning on or after January 1, 2009.

Preparer Penalties - HB 444 This bill adds a new O.C.G.A. § 48-2-62 to provide for preparer penalties that are modeled after the IRS preparer penalties. This bill is effective May 4, 2009.

Clean Energy Property Tax Grant - HB 473 The portion of this bill that relates to the Department of Revenue specifies that a person receiving a grant from GEFA under O.C.G.A. § 50-23-21 shall not be eligible to claim any tax credit under O.C.G.A. § 48-7-29.14 (Clean Energy Property Tax Credit), or any other grant under O.C.G.A. § 50-23-21, with respect to the same clean energy property. This bill is effective May 22, 2009.

Qualified Education Expense Credit - HB 485 This bill has a number of provisions. The portion of the bill that relates principally to individuals is the amendment to the qualified education expense tax credit which allows preapproved taxpayers that claim the credit to file electronically. If the taxpayer files electronically, the Student Scholarship Organization's letter of confirmation does not have to be attached to the return; the taxpayer must make it available upon request by the Commissioner. This provision of the bill is effective for tax years beginning on or after January 1, 2008.

Cancer Research - SB 201 Currently individual taxpayers are allowed to contribute money on their returns to the "Breast Cancer, Prostate Cancer, and Ovarian Cancer Research program Fund". This bill changes the name of the fund to the "Cancer Research Program fund". The purpose is now to provide research for all types of cancer.



The Department of Revenue has entered into an alliance with certain software companies to offer free on-line filing services to Georgia taxpayers. Under this agreement, qualified taxpayers can prepare and file their Georgia individual income tax returns for free using approved software.

Some software companies have income limitations and other restrictions for their free services. Please review each company's offer before selecting a product. For more information, visit our website at www.etax.dor.ga.gov/inctax/efile/TSD Free Electronic Filing Program 2009.pdf.

If you do not qualify for free electronic services, you may file electronically using software produced by an approved vendor listed at www.etax.dor.ga.gov/inctax/efile/TSD Free Electronic Filing Approved vendor List 2009.pdf.

TWO-DIMENSIONAL BARCODE RETURNS

If you choose to file a paper return, we recommend using a return containing a two-dimensional (2D) barcode. A 2D barcode is similar to the one located on the back of your Georgia driver's license. Information from your return is captured by a machine-readable barcode rather than manually entered, which reduces processing errors. The 2D barcode is only visible after your return has been printed.

A list of companies that produce forms with a 2D barcode is available at www.dor.ga.gov/processingctr/taxpayers.aspx.

CREDIT CARD PAYMENTS

The Georgia Department of Revenue accepts Visa, American Express, MasterCard, and Discover credit cards as payment for current year individual income tax due on original Forms 500, 500EZ, and 500ES, as well as for liabilities presented to taxpayers via Georgia Department of Revenue assessment notices. To make a payment, use Official Payments Corporation's (OPC) secure website or call OPC toll-free at 1-800-2PAY-TAX. When calling, use Jurisdiction Code 2000.

For more information, visit our website at www.dor.ga.gov/inctax/creditcardpay.aspx.

ELECTRONIC PAYMENTS

In April 2006, the Department of Revenue implemented a system to allow taxpayers to file and pay certain business taxes electronically. Since that time, the system has been expanded to accept individual income and estimated tax payments. For information about the e-File & e-Pay System, visit our website at www.dor.ga.gov/busEfileEpay.aspx. You may also contact the Electronic Services Group at 404-417-4488, 1-888-604-9875, or efile@dor.ga.gov for assistance. To access the e-File & e-Pay System, visit our website at https://gaefile.dor.ga.gov/HelpLinks/welcome.htm.individual_tax_forms.aspx

WHERE'S MY REFUND?

You may check the status of your refund on-line at <https://www.dor.ga.gov/WMRefund/index.aspx>. You may also check the status of your refund by calling 1-877-GADOR11(1-877-423-6711).

Before making an inquiry, please allow:

- 2 weeks for returns filed electronically.
- 7 weeks for paper returns filed prior to April 1st.
- 10 weeks for paper returns filed after April 1st.

Note: A claim for refund must be made within three (3) years from the later of the date the tax was paid or the due date of the return, including extensions. For tax years prior to 2003, a claim for refund must be made within 3 years from the date taxes were paid.

REQUESTING AN EXTENSION

You have an automatic six-month extension to file your Georgia return when you receive an extension to file your Federal return. The Georgia return must be filed along with a copy of Federal Form 4868 or the IRS confirmation letter on or before the extended Federal due date. If you do not need a Federal extension, you may use Georgia Form IT 303 to request an extension to file your Georgia return.

An extension to file does not extend the date for paying the tax. Tax must be paid with Form IT 560 by the statutory due date to avoid late payment penalty and interest. The amount paid should be entered on Form 500, Line 20.

REVIEW OF ASSESSMENTS

If you are audited and it is believed that you owe additional taxes, you will generally be issued a Proposed Assessment. If the Proposed Assessment is not protested or paid within 30 days, an Official Assessment and Demand for Payment will be issued. When either of these assessments is issued, you are entitled to an administrative review upon written request. You must complete a Protest of Proposed Assessment form or Request for Administrative Appeal form. For your convenience, these forms are available on the Department's website at www.dor.ga.gov. Mail the completed forms to the below addresses:

Protest of Proposed Assessment:
Georgia Department of Revenue
Taxpayer Services Division - Protest Section
P.O. Box 105596
Atlanta, GA 30348

Request for Administrative Appeal:
Georgia Department of Revenue
Appeals Section
P.O. Box 105665
Atlanta, GA 30348-5665

RETURN FILING TIPS

- **FILE ELECTRONICALLY** - File electronically instead of using paper tax forms. If you file electronically and choose direct deposit, you can receive your refund in less than 15 business days.
- **CHECK THE IDENTIFICATION NUMBERS** - When filing a return, carefully check the identification numbers — usually Social Security numbers — for each person listed. Incorrect or illegible Social Security Numbers can delay or reduce a tax refund.
- **MAILING ADDRESS**- Make sure your mailing address is complete and accurate on your return.
- **DOUBLE-CHECK YOUR FIGURES** - You should double-check that you have correctly calculated the refund or balance due.
- **CHECK THE TAX TABLES** - If you are filing using a paper return you should double-check that you have used the right figure from the tax table.
- **SUPPORTING DOCUMENTS**- Include copies of all income statements (W-2, 1099, etc.) indicating Georgia income tax withheld. You are not required to submit 1099 forms with your Georgia return unless Georgia income tax was withheld.
- **SIGN YOUR FORM** - Taxpayers must sign and date their returns. Both spouses must sign a joint return, even if only one had income. Anyone paid to prepare a return must also sign it.
- **MAILING YOUR RETURN** –Mail your return, payment and all necessary documentation to the appropriate address listed on the return. For additional mailing addresses, please check the section called “Where Do You File?” in the tax instruction booklet. **Sending your return via certified mail or courier will not speed processing of your return and will delay your refund.**
- **ELECTRONIC PAYMENTS** - Electronic payment options are convenient, safe and secure methods for paying taxes. You can authorize an electronic funds withdrawal, or use a credit card or a debit card. For more information on electronic payment options, visit the DOR website at <https://gaefile.dor.ga.gov/AUT/Welcome.aspx> or <https://etax.dor.ga.gov/inctax/creditcardpay.aspx>.
- **MAILING A PAYMENT** – If you are filing a paper return; mail your return, 525 TV payment voucher and your payment to the address that appears on the return. The check or money order should be made payable to “Georgia Department of Revenue”. Make sure to include the Social Security number and tax year on all payments and correspondence. For faster, more accurate posting of your payment, use a payment voucher with a valid scanline from the Department of Revenue’s website at www.dor.ga.gov/inctax/individual_income_tax_forms.aspx.
- **EXTENSION TO FILE** - By the April due date, taxpayers should either file a return or request an extension of time to file. Remember, the extension of time to file is not an extension of time to pay. Please use form IT-560 to make an extension payment. Your extension can be filed via the DOR website at <https://gaefile.dor.ga.gov/AUT/Welcome.aspx>.
- **DOR WEBSITE**- Forms and publications and helpful information on a variety of tax subjects are available around the clock on the Georgia Department of Revenue Web site at www.etax.dor.ga.gov.
- **AMENDED RETURNS**- File Form 500X to correct information reported on Form 500. Do not use Form 500 to correct a previously filed return or Form 500X as an original return. Form 500X is located on the DOR website at https://etax.dor.ga.gov/inctax/individual_income_tax_forms.aspx. Please mail your completed Form 500X to Georgia Department of Revenue, PO Box 740318, Atlanta, GA 30374-0318.

FILING REQUIREMENTS

Full-year Residents

Full-year residents are taxed on all income, except tax exempt income, regardless of the source or where derived. You are required to file a Georgia income tax return if:

- You are required to file a Federal income tax return;
- You have income subject to Georgia income tax that is not subject to Federal income tax;
- Your income exceeds the standard deduction and personal exemptions as indicated below:

A. Single, Head of Household or Qualifying Widow(er)	
1. Under 65, not blind	\$ 5,000
2. Under 65, and blind	6,300
3. 65 or over, not blind	6,300
4. 65 or over, and blind	7,600
B. Married filing Joint	
1. Both under 65, not blind	\$ 8,400
2. One 65 or over, not blind	9,700
3. Both under 65, both blind	11,000
4. Both under 65, one blind	9,700
5. Both 65 or over, not blind	11,000
6. One 65 or over, and blind	11,000
7. One 65 or over, and both blind	12,300
8. Both 65 or over, and blind	13,600
C. Married filing Separate	
1. Under 65, not blind	\$ 4,200
2. Under 65, and blind	5,500
3. 65 or over, not blind	5,500
4. 65 or over, and blind	6,800

These requirements apply as long as your legal residence is Georgia, even if you are absent from or live outside the State temporarily. A credit for taxes paid to another state is allowed. See the worksheet on page 14 and the instructions for Line 17 on page 12 for more information.

Filing for Deceased Taxpayers

The surviving spouse, administrator, or executor may file a return on behalf of a taxpayer who dies during the taxable year. When filing, use the same filing status that was used on the Federal income tax return. The due date for filing is the same as for Federal purposes.

To have a refund check in the name of a deceased taxpayer reissued, mail Georgia Form 5347 and a copy of the death certificate along with the check to the address on the form.

Part-year Residents and Nonresidents

Instructions for part-year residents and nonresidents are available on pages 16 through 17.

Military Personnel

Residents. Military personnel whose home of record is Georgia or who are otherwise residents of Georgia are subject to Georgia income tax on all income regardless of the source or where earned, unless specifically exempt by Georgia law. Military personnel who serve outside of the continental U.S. may file their Georgia income tax return within six months after they come back to the continental U.S. No penalties or interest will accrue during this period.

Members of the National Guard or Air National Guard who are on active duty for a period of more than 90 consecutive days are allowed a tax credit against their individual income tax. The credit cannot exceed the amount expended for qualified life insurance premiums or the taxpayer's income tax liability and should be claimed on Form IND CR.

Nonresidents. Military personnel whose home of record is not Georgia and who are not otherwise residents of Georgia are only required to file a Georgia income tax return if they have earned income from Georgia sources other than military pay. If required, nonresident military personnel should file Georgia Form 500 and use Schedule 3 to calculate Georgia taxable income. (See pages 16-17 for instructions on completing Schedule 3.)

Combat Zone Pay. Effective tax year 2003, military income earned by a member of the National Guard or any reserve component of the armed services while stationed in a combat zone or stationed in defense of the borders of the United States pursuant to military orders is not subject to Georgia income tax. The exclusion from income is only with respect to military income earned during the period covered by such military orders. A copy of the Federal return must be enclosed with the Georgia return to claim this exclusion. The exclusion is limited to the amount included in Federal Adjusted Gross Income.

Taxpayers Required to File Form 1040NR

Individuals who are required to file Federal Form 1040NR must file Georgia Form 500. Similar to Federal income tax rules, most Georgia taxpayers are only allowed to deduct the applicable Georgia personal exemption and expenses reflected on Form 1040NR. Most taxpayers are not allowed to take the standard deduction and they are allowed only limited itemized deductions as shown on Form 1040NR, Schedule A.

Other State's Tax Return

If you claim a credit for taxes paid to another state(s), you must include a copy of your return filed with that state along with your Georgia return. No credit for taxes paid to another state will be allowed unless the other state's return is enclosed with the Georgia return.

Amended Returns

File Form 500X to correct information reported on Form 500. Do not use Form 500 to correct a previously filed return or Form 500X as an original return.

FEDERAL TAX CHANGES



On April 8, 2009, the Governor signed House Bill 74. For taxable years beginning on or after January 1, 2009, except as discussed below, Georgia has now adopted the provisions of all federal acts (as they relate to the computation of Federal Adjusted Gross income) that were enacted **on or before** January 1, 2009.

Georgia currently has not adopted any changes that occurred during 2009 including the American Recovery and Reinvestment Act of 2009, that was signed into Federal law on February 17, 2009.

For tax years beginning on or after January 1, 2009, Georgia's I.R.C. Section 179 deduction amount is **\$133,000 in 2009** and the related phase out is **\$530,000 in 2009**.

Georgia has not adopted I.R.C. Section 168(k) (the 30% and 50% bonus depreciation rules) except for I.R.C. Section 168(k)(2)(A)(i) (the definition of qualified property), I.R.C. Section 168(k)(2)(D)(i) (exceptions to the definition of qualified property), and I.R.C. Section 168(k)(2)(E) (special rules for qualified property).

Georgia has also not adopted I.R.C. Section 199 (federal deduction for income attributable to domestic production activities).

Georgia has also not adopted the following:

- New York Liberty Zone Benefits, I.R.C. Section 1400L
- 50% first year depreciation for post 8/28/2006 Gulf Opportunity Zone property, I.R.C. Section 1400N(d)(1)
- 50% bonus depreciation for most tangible property and computer software bought after May 4, 2007 and placed in service in the Kansas Disaster Area before Jan. 1, 2009 (before Jan. 1, 2010 for buildings), I.R.C. Section 1400N(d)(1)

- 50% bonus depreciation for "qualified reuse and recycling property", I.R.C. Section 168(m).
- 50% bonus depreciation in connection with disasters federally declared after 2007 and occurring before 2010, I.R.C. Section 168(n).
- Increased (\$8,000) first-year depreciation limit for passenger automobiles if the passenger automobile is "qualified property", I.R.C. Section 168(k).
- 15 year straight-line cost recovery period for certain improvements to retail space, I.R.C. Sections 168(e)(3)(E)(ix), 168(e)(8), and 168(b)(3)(l).
- Modified rules relating to the 15 year straight-line cost recovery for qualified restaurant property (allowing buildings to now be included) placed in service after Dec. 31, 2008 and before Jan. 1, 2010, I.R.C. Section 168(e)(7).
- 5 year depreciation life for most new farming machinery and equipment placed in service before January 1, 2010, I.R.C. Section 168(e)(3)(B)(vii).
- Special rules relating to Gulf Opportunity Zone public utility casualty losses, I.R.C. Section 1400N(j).
- 5 year carryback of NOLs attributable to Gulf Opportunity Zone losses, I.R.C. Section 1400N(k).
- 5 year carryback of NOLs incurred in the Kansas disaster area after May 3, 2007 and before 2010, I.R.C. Section 1400N(k).
- 5 year carryback of certain disaster losses, I.R.C. Sections 172(b)(1)(J) and 172(j).

(see next page)

FEDERAL TAX CHANGES (continued)



- The election to deduct public utility property losses attributable to May 4, 2007 Kansas storms and tornadoes in the fifth tax year before the year of the loss, I.R.C. Section 1400N(o).
- Special rules relating to a financial institution being able to use ordinary gain or loss treatment for the sale or exchange of certain preferred stock after Dec. 31, 2007, I.R.C. Section 1221.
- Temporary tax relief provisions relating to the Midwestern disaster area, I.R.C. Sections 1400N(f) and 1400N(k).

Federal deduction for income attributable to domestic production activities (I.R.C. Section 199). This should be entered on Form 500 Page 4 Schedule 1, Line 3.

Depreciation Differences. Depreciation differences due to certain Federal acts should be handled as follows. If the taxpayer has depreciation differences from more than one Federal act, it is not necessary to make a separate adjustment for each act.

A. Depreciation must be computed one way for Federal purposes and another way for Georgia purposes. To compute depreciation for Federal purposes, taxpayers should use the IRS Form 4562 and attach it to the Georgia return. This amount should be entered on Page 4, Schedule 1, Line 4 along with the words "Deprec Adj".

B. Depreciation must also be computed for Georgia purposes. Taxpayers should use Georgia Form 4562 to compute depreciation for Georgia purposes and attach it to the Georgia return. This amount should be entered on Page 4, Schedule 1, Line 10 along with the words "Deprec Adj". Georgia Form 4562 and related instructions can be obtained from our website at www.dor.ga.gov or from any Revenue Office. Depreciation and other differences may also be reported to you by a partnership, S Corporation, limited liability company, or limited liability partnership that you own. Positive adjustments from these should be entered on Schedule 1, Line 4. Negative amounts should be entered as adjustments on Schedule 1, Line 10.

Additionally, the provisions listed above may have an indirect affect on the calculation of Georgia taxable income.

1. When property for which different depreciation was claimed is sold, there will be a difference in the gain on such sale.
2. The depreciation adjustment may be different if the taxpayer is subject to passive loss rules and is not able to claim the additional depreciation on the Federal return.
3. Other Federal items computed based on adjusted gross income must be recomputed if provisions of the Federal acts are claimed, including itemized deductions, student loan interest deduction, self-employed health insurance deduction, etc.

Positive adjustments for these items should be entered on Schedule 1, Line 4. Negative amounts should be entered as adjustments on Schedule 1, Line 10.

GENERAL INFORMATION

Due Dates. Calendar year taxpayers are required to file on or before April 15, 2010. Fiscal year taxpayers must file on or before the 15th day of the fourth month after the close of their taxable year.

Mail your return and documents, including Form 525 TV if tax is due, to the address listed on the return. **Please do not staple documents to your return.**

Address Changes. We do not have a change of address form. Call the Registration and Licensing Unit at 1-877-GADOR11 (1-877-423-6711) to submit an address change. Also write the new address on your tax return and check the address change box.

Supporting Documents. We will request information to support the amounts listed on your Georgia income tax return and related schedules when necessary. However, you must enclose the indicated documentation with your Georgia return in the following situations:

- The amount on Form 500, Line 8 is \$40,000 or more, or less than the total income on your W-2(s) - submit a copy of Pages 1 and 2 of your Federal return.
- You itemize deductions - submit a copy of Federal Form 1040 Schedule A.
- You claim the Georgia child and dependent care expense credit - submit the appropriate Federal child care credit schedule.
- You claim a credit for taxes paid to another state(s) - submit a copy of your return filed with the other state(s).

Special Program Code. This code is only used when designated by an announcement after the beginning of the tax year. Use of this code and the appropriate codes to be used will be announced to tax preparers as well as posted to the Georgia Department of Revenue website.

Installment Payments. You may request an installment payment agreement by submitting Form GA 9465. Approval of an installment request requires direct withdrawal of funds from your bank account. An installment agreement does not prevent the assessment of interest and penalty on any tax not paid by the statutory due date of the return.

For more information, contact the Installment Program Section at 404-417-6486 or via e-mail to ipa@dor.ga.gov.

Individual Retirement Accounts. The provisions concerning taxability and conversion from a traditional IRA to a Roth IRA are the same for Georgia as they are for the Internal Revenue Service.

Withholding on Lump-sum Distributions. For taxable years beginning on or after January 1, 2008, the payee of any non-periodic payment may elect to have withholding made on such non-periodic distributions from a pension, annuity, or similar fund. Such an election shall remain in effect until revoked by the payee.

Innocent Spouse Relief. In accordance with O.C.G.A. Section 48-7-86(g), individuals granted innocent spouse relief under Section 6015 of the Internal Revenue Code are eligible for relief from liability for tax, interest and penalty to the extent relief was granted by the Internal Revenue Service.

Income from Partnerships and S Corporations. All partners must pay Georgia income tax on their portion of the partnership's net Georgia income. Nonresident shareholders must pay Georgia income tax on their portion of Georgia corporate income; resident shareholders must report their total S Corporation income.

Low and Zero Emission Vehicle Credit. O.C.G.A. Section 48-7-40.16 provides a tax credit for the purchase of low and zero emission vehicles.

These credits do not extend to hybrid vehicles. Visit www.dor.ga.gov/inctax/info_taxcredits.aspx for more information.

Federal Audit. Whenever a Federal audit or other Federal adjustment results in a change in net income for any year, you are required to furnish under separate cover, within 180 days, a schedule reflecting all changes to the Taxpayer Services Division, Department of Revenue, P.O. Box 740380, Atlanta, Georgia 30374-0380. If you do not submit a return reflecting all changes and the Commissioner receives this information in a report from the United States Government, the Commissioner will issue an assessment for tax due within five years from the date the report is received from the United States Government.

A taxpayer who fails to notify the Commissioner within 180 days forfeits any Georgia refund as a result of an audit if the normal statute of limitations has expired. However, 90 percent of any overpayment can be applied to a balance due for another year that is a result of the same IRS audit.

Consent Requirement for Nonresident Shareholders.

For tax years beginning on or after January 1, 2008, nonresident shareholders of "S" Corporations will only need to file a single consent form in the year in which the 'S' Corporations is first required to file a Georgia income tax return. Form 600S-CA may be downloaded and printed from the Departments website

Withholding on Nonresidents. Withholding is required on any distributions paid or distributions credited by Partnerships, Limited Liability Companies and S Corporations. Withholding should be reported on Form G 2A and entered on Form 500, Line 19. Include a copy of Form G 2A with your return.

As an alternative to withholding, an entity may file a composite return for its nonresident members. Form IT-CR may be downloaded and printed from the Departments website.

Withholding is also required on the sale or transfer of real property and associated tangible personal property by nonresidents of Georgia. Tax withheld is reported on Form G 2RP and should be entered on Form 500, Line 19. Include a copy of Form G 2RP with your return.

TAXPAYER ASSISTANCE

Department of Revenue Information

For general income tax information, you may telephone Taxpayer Information Programs and Services (TIPS) at 404-417-4477 or 1-877-602-8477. Visit www.etax.dor.ga.gov/esp/indivtax_esp.aspx para ver la versión española de este librete.

For most individual taxpayers, this instruction booklet is the only material needed to complete the 2009 Georgia income tax return. If you need additional information or assistance, call or visit one of the Revenue Offices listed below.

Albany Regional Office
1105-D W. Broad Ave.
Albany, GA 31707
229-430-4241

Athens Regional Office
3700 Atlanta Hwy
Suite 268, Box 108
Athens, GA 30622
706-542-6058

Atlanta Regional Office
4245 International Pkwy
Suite B
Hapeville, GA 30354-3919
404-968-0480

Augusta Regional Office
130 Davis Road
Martinez, GA 30907
706-651-7600

Columbus Regional Office
1501 13th Street
Suite A
Columbus, GA 31901
706-649-7451

Douglas Regional Office
1214 N. Peterson Ave.
Suite I
Douglas, GA 31533
912-389-4094

Lithia Springs Regional Office
351 Thornton Road
Suite 101
Lithia Springs, GA 30122-1589
770-732-5812

Macon Regional Office
630 North Avenue
Suite B
Macon, GA 31211-1493
478-751-6055

North East Metro Office
1800 Century Blvd
Suite 2206
Atlanta, GA 30345
404-417-6605

Rome Regional Office
1401 Dean Street
Suite E
Rome, GA 30161-6494
706-295-6667

Savannah Regional Office
6606 Abercorn Street
Room 220
Savannah, GA 31405
912-356-2140

DEPARTMENT OF REVENUE WEBSITE: www.etax.dor.ga.gov

Visit our website to download tax forms, view a list of the mailing addresses for commonly used forms, and obtain answers to Frequently Asked Questions. You may also order forms by submitting an e-mail to taxforms@etax.dor.ga.gov.

Senior citizens may call AARP Tax-Aide toll-free at 1-888-AARPNOW (1-888-227-7669) from February 1 to April 15 for assistance with filing both Federal and Georgia income tax forms.

If you have a disability and need additional assistance, please contact one of the Revenue Offices listed above.

TELEPHONE SERVICE FOR DEAF AND HARD OF HEARING PERSONS (TDD)

Deaf and hard of hearing taxpayers who have access to TDD equipment can call 404-417-4302 for assistance.

PROBLEM RESOLUTION

If you have an income tax problem, contact one of the regional offices listed above for assistance. For information concerning a notice or letter from the Department of Revenue, call the telephone number listed on the document. For additional assistance, contact the Taxpayer Services Division at 404-417-4480 or the Taxpayer Advocate's Office at 404-417-2100 or via e-mail to taxadv@etax.dor.ga.gov. For additional assistance with e-file contact 404-417-4488 or efile@etax.dor.ga.gov.

FORM 500 INSTRUCTIONS

Include all completed schedules with your Georgia return.

Your Federal return contains information necessary for completing your Georgia return; therefore, you should complete your Federal return before starting your Georgia return. If you owe tax, mail your return and payment along with Payment Voucher 525 TV to the address on the return. Make your check or money order payable to Georgia Department of Revenue. Visit our website at www.dor.ga.gov for information about alternate payment methods.

Part-year residents and nonresidents must omit Lines 9 -14 and follow the Schedule 3 instructions that begin on page 16.

LINES 1 - 3 If your mailing label is correct, attach it to this area of the form and write your social security number(s) in the space provided. If the label is incorrect or you do not have a label, print or type your name(s), address (including apartment number if applicable) and social security number(s) in the spaces provided. **Do not write both a street address and post office box in the address field.**

LINE 4 If you lived in Georgia the entire year, regardless of temporary living arrangements, enter 1 in the residency status box. If you lived in Georgia part of the year, enter 2 in the residency status box and list the dates you lived in Georgia. If you did not live in Georgia, enter 3 in the residency status box. *If one spouse is a resident and one is a part-year resident or nonresident, enter 3 in the residency status box and complete Schedule 3 to calculate Georgia taxable income.*

LINE 5 Enter the letter appropriate for your filing status. You should use the same status that you use on your Federal return. However, if one spouse is a resident and the other is a nonresident without any Georgia-source income, your Georgia return may be filed jointly or separately with each spouse claiming the appropriate personal allowances and deductions. If your filing status is qualifying widow(er) on your Federal return, use filing status D on your Georgia return.

LINE 6a-c Check box 6a for yourself and box 6b if you claim your spouse. Enter the number of boxes checked in box 6c.

LINES 7a&b List the requested information about your dependents in the spaces provided. Include a schedule if you have more than three dependents. Write the total number of dependents on Line 7a. **Do not include yourself or your spouse.** Add Lines 6c and 7a; write the total on Line 7b.

LINE 8 Enter Federal adjusted gross income from Form 1040, 1040A or 1040EZ. *Do not use Federal taxable income.* If the amount is negative, fill in the circle next to the line number.

LINE 9 If you have income that is taxable by the Federal Government but not taxable to Georgia or vice versa, you must adjust your Federal adjusted gross income. You must document your adjustments on Schedule 1 and enter the total amount here. If the amount is negative, fill in the circle next to the line number.

The following adjustments must be ADDED if applicable:

1. Interest received from non-Georgia municipal bonds and dividends received from mutual funds that derived income from non-Georgia municipal bonds.
2. Loss carryovers from years when you were not subject to Georgia income tax.
3. Lump sum distributions from employee benefit plans reported on IRS Form 4972.

4. Depreciation because of differences in Georgia and Federal law during tax years 1981 through 1986.
5. Adjustments due to Federal tax changes (see page 6).
6. Federal deduction for income attributable to domestic production activities under I.R.C. Section 199.
7. Payments for more than \$600 in a taxable year made to employees which are not authorized employees and which are not excepted by Code Section 48-7-21.1. An authorized employee is someone legally allowed to work in the United States.
8. Portion of charitable contributions for which a qualified education expense credit was claimed.
9. Taxable portion of withdrawals on the Georgia Higher Education Savings Plan (see Regulation 560-7-4-.04).

The following adjustments may be SUBTRACTED:

1. **Retirement income. For tax year 2009, the maximum retirement income exclusion is \$35,000 for taxpayers who are:**
 - (A) 62 years of age or older, or
 - (B) permanently disabled to such an extent that they are unable to perform any type of gainful employment.

The exclusion is available for the taxpayer and his/her spouse; however, each must qualify on a separate basis. If both spouses qualify, the maximum allowable exclusion on a joint return is \$70,000. Income from property that is jointly owned should be allocated to each taxpayer at 50% of the total value. Up to \$4,000 of the maximum allowable exclusion may be earned income. Use the worksheet on page 13 to calculate the exclusion and document the adjustment on Form 500, Schedule 1.

2. Interest and dividends on U.S. Government bonds and other U.S. obligations. These must be reduced by direct and indirect interest expenses which are attributable to the income. Interest received from the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, and from repurchase agreements is taxable.
3. Social security or railroad retirement (tier 1 and tier 2) paid by the Railroad Retirement Board included in Federal adjusted gross income.
4. Salaries and wages reduced from Federal taxable income because of the Federal Jobs Tax Credit.
5. Individual retirement account, Keogh, SEP and SUB-S plan withdrawals where tax has been paid to Georgia because of the difference between Georgia and Federal law for tax years 1981 through 1986.
6. Depreciation because of differences in Georgia and Federal law during tax years 1981 through 1986.

FORM 500 INSTRUCTIONS (continued)

7. Dependent's unearned income included in parents' Federal adjusted gross income.

8. Income tax refunds from states other than Georgia included in Federal adjusted gross income. **Do not subtract Georgia income tax refunds.**

9. Income from any fund, program or system which is exempted by Federal law or treaty.

10. Adjustment to Federal adjusted gross income for Georgia resident shareholders for Subchapter S income where the Sub S election is not recognized by Georgia or another state in order to avoid double taxation. *This adjustment is only allowed for the portion of income on which the tax was actually paid by the corporation to another state(s).*

In cases where the Sub S election is recognized by another state(s) the income should not be subtracted. Credit for taxes paid to other states may apply.

11. Adjustment for teachers retired from the Teacher's Retirement System of Georgia for contributions paid between July 1, 1987 and December 31, 1989 that were reported to and taxed by Georgia.

12. Amount claimed by employers in food and beverage establishments who took a credit instead of a deduction on the Federal return for FICA tax paid on employee cash tips.

13. An adjustment of 10% of qualified payments to minority subcontractors or \$100,000, whichever is less, per taxable year by individuals, corporations or partnerships that are party to state contracts. For more information call the Department of Administrative Services at 404-656-6315 or visit their website: <http://ssl.doas.state.ga.us/VendorDB/mainframe.jsp>.

14. Deductible portion of contributions to the Georgia Higher Education Savings Plan. The deduction is limited on a return to the amount contributed but cannot exceed \$2,000 per beneficiary.

15. Adjustments due to Federal tax changes. (See page 6 for information.)

16. Combat zone pay exclusion.

17. Up to \$10,000 of unreimbursed travel expenses, lodging expenses and lost wages incurred as a direct result of a taxpayer's donation of all or part of a kidney, liver, pancreas, intestine, lung or bone marrow during the taxable year.

18. Adjustments to Federal adjusted gross income for Georgia resident partners in a partnership or member(s) in a LLC where such entities income has been taxed at the entity level by another state. Adjustment is only allowed for the portion of income on which the tax was actually paid.

19. An amount equal to 100 percent of the premium paid by the taxpayer during the taxable year for high deductible health plans as defined by Section 223 of the Internal Revenue Code The amount may only be deducted to the extent the deduction has not been included in federal adjusted gross income and the expenses have not been provided from a health reimbursement arrangement and have not been included in itemized deductions. In the event the taxpayer claims the expenses as itemized deductions, the taxpayer should multiply the expense by the ratio of total allowed itemized deductions after the 7.5% federal limitation to the total allowed itemized deductions before the 7.5 percent federal limitation to determine the amount that is not allowed to be deducted pursuant to this paragraph. For example the taxpayer has \$1,000 in high deductible health insurance premiums. They also have \$7,000 of other medical expenses which means they have total medical expenses of \$8,000. After the 7.5% limitation, the taxpayer is only allowed to deduct \$2,000 of medical expenses. The \$1,000 deduction must be reduced by \$250 ($\$2,000/\$8,000 \times \$1,000$). Which means the taxpayer is allowed to deduct \$750 pursuant to this paragraph.

LINE 10 Georgia adjusted gross income (net total of Line 8 and Line 9). If the amount is negative, fill in the circle next to the line number.

LINES 11a-c Enter the standard deduction that corresponds to your marital status as indicated below and any additional deductions on Lines 11a and 11b. Enter the total standard deduction on Line 11c. **If you use the standard deduction on your Federal return, you must use the Georgia standard deduction on your Georgia return. The additional deduction applies if you and/or your spouse are age 65 or over and/or blind.**

Leave Lines 12a-c blank if you use the standard deduction.

Single/Head of Household:	\$2,300
Married Filing Separate:	\$1,500
Married Filing Joint:	\$3,000
Additional Deduction:	\$1,300

FORM 500 INSTRUCTIONS (continued)

LINES 12a-c Enter itemized deductions from Federal Schedule A on Line 12a; enter adjustments for income taxes other than Georgia and investment interest expense for the production of income exempt from Georgia tax on Line 12b. Subtract Line 12b from Line 12a; enter the total on Line 12c.

Leave Lines 11a-c blank if you itemize deductions.

When Federal itemized deductions are reduced because of high income, the reduced amount should be used as the starting point to compute Georgia itemized deductions.

If you itemize deductions on your Federal return, or if you are married filing separate and your spouse itemizes deductions, you must itemize deductions on your Georgia return. Include a copy of Federal Schedule A with your Georgia return.

LINE 13 Subtract Line 11c or 12c from Line 10. If the amount is negative, fill in the circle next to the Line number.

LINES 14a-c Multiply the number on Line 6c by \$2,700; enter the total on Line 14a. Multiply the number on Line 7a by \$3,000; enter the total on Line 14b. Add the amounts on Lines 14a and 14b; enter the total on Line 14c.

LINE 15 Subtract Line 14c from Line 13 to determine your Georgia taxable income. If this amount is negative, fill in the circle next to the line number.

LINE 16 Use the amount on Line 15 and the tax tables on pages 19 through 21 to determine your tax liability.

LINE 17 If you paid tax to more than one state, use the total of the other state's income and the worksheet on page 14 to

calculate the Other State's Tax Credit. *You must complete Schedule 2 and include a copy of the return filed with the other state(s) with your Georgia return or the credit will not be allowed.*

LINE 18 Subtract Line 17 from Line 16. If zero or less, enter zero.

LINE 19 Enter Georgia income tax withheld from all W-2s, 1099s or other income statements. *Mail a copy of these statements with your return or this amount will not be allowed.*

LINE 20 Enter estimated tax payments, including amounts credited from a previous return, and any payments made with Form IT 560.

LINES 21a-c If you qualify, use the worksheet on page 13 to calculate the low income credit.

LINE 23 Enter the total of Lines 19, 20 and 21c.

LINE 24 If Line 18 is more than Line 23, subtract Line 23 from Line 18 to calculate the balance due.

LINE 25 If Line 23 is more than Line 18, subtract Line 18 from Line 23 to calculate your overpayment.

LINE 26 Enter the amount you want credited to estimated tax.

LINES 27 - 34 Enter donation amount (not less than \$1).

LINE 35 Enter estimated tax penalty from Form 500 UET.

LINE 36 Add Lines 24 and 27 through 35 and enter the total amount due. Mail your return and payment along with Form 525 TV (see page 18) to the address on Form 500.

LINE 37 Subtract the sum of Lines 26 through 35 from Line 25 and enter the amount to be refunded to you.

Low Income Credit Worksheet

You may claim the low income credit if your Federal adjusted gross income is less than \$20,000 and you are not claimed or eligible to be claimed as a dependent on another taxpayer's Federal or Georgia income tax return. Full-year residents should claim the credit on Form 500, Line 21 or Form 500EZ, Line 6. Part-year residents may only claim the credit if they were residents at the end of the tax year. Taxpayers filing a separate return for a taxable year in which a joint return could have been filed can only claim the credit that would have been allowed had a joint return been filed. **You cannot claim this credit if you are an inmate in a correctional facility or if you receive a food stamp allotment.**

1. Enter the amount from Form 500, Line 8 or Form 500EZ, Line 1. _____
2. Enter total exemptions. Exemptions are self, spouse and natural or legally adopted children. _____
3. Enter 1 if you or your spouse is 65 or older; enter 2 if you and your spouse are 65 or older. _____
4. Add Lines 2 and 3; enter on Form 500, Line 21a or Form 500EZ, Line 6a. _____
5. Find the credit that corresponds to your income in the table below and enter on Form 500, Line 21b or Form 500EZ, Line 6b. _____
6. Multiply Line 4 by Line 5; enter the total on Form 500, Line 21c or Form 500EZ, Line 6c. _____

Credit Table:	<u>Federal Adjusted Gross Income</u>	<u>Credit</u>	All claims for the low income credit, including claims on amended returns, must be filed on or before the end of the 12th month following the close of the tax year for which the credit may be claimed.
	Under \$6,000	\$26	
	\$6,000 but not more than \$7,999	\$20	
	\$8,000 but not more than \$9,999	\$14	
	\$10,000 but not more than \$14,999	\$ 8	
	\$15,000 but not more than \$19,999	\$ 5	

RETIREMENT INCOME EXCLUSION WORKSHEET (Keep for your records)

	TAXPAYER	SPOUSE
1. Salary and wages	_____	_____
2. Other Earned Income(Losses)	_____	_____
3. Total Earned Income	_____	_____
4. Maximum Earned Income	\$4,000	\$4,000
5. Smaller of Line 3 or 4; if zero or less, enter zero	_____	_____
6. Interest Income	_____	_____
7. Dividend Income	_____	_____
8. Alimony	_____	_____
9. Capital Gains(Losses)	_____	_____
10. Other Income(Losses)	_____	_____
11. Taxable IRA Distributions	_____	_____
12. Taxable Pensions	_____	_____
13. Rental, Royalty, Partnership, S Corp, etc. Income(Losses)*	_____	_____
14. Total of Lines 6 through 13; if zero or less, enter zero	_____	_____
15. Add Lines 5 and 14	_____	_____
16. Maximum Allowable Exclusion for Tax Year 2009	\$35,000	\$35,000
17. Smaller of Lines 15 and 16; enter here and on Form 500, Schedule 1, Lines 6 A & B	_____	_____

Social security and railroad retirement paid by the Railroad Retirement Board, exempt interest, or other income that is not taxable to Georgia should not be included in the retirement income exclusion calculation. Income or losses should be allocated to the person who owns the item. If any item is held jointly, the income or loss should be allocated to each taxpayer at 50%.

Part-year residents and nonresidents must calculate the retirement exclusion as if they were full-year residents, then prorate the exclusion. It should be prorated using the ratio of Georgia source income before the retirement income exclusion (Form 500, Schedule 3, Line 8, Column C computed without the retirement exclusion) to the Georgia adjusted gross income before the retirement income exclusion (Form 500, Schedule 3, Line 8, Column A, computed without the retirement exclusion).

* **Note:** Rental, Royalty, Partnership or S Corp income that is subject to FICA tax or Self employment tax should be included on line 2 not line 13.

WORKSHEET FOR OTHER STATE(S) TAX CREDIT

Georgia allows a credit for tax paid to another state on income taxable to Georgia and the other state. Use these worksheets to compute the other state(s) tax credit for full-year and part-year residents. Do not file these worksheets with your return. Keep them for your records.

Enter the Total Tax Credit on Form 500, Schedule 2, Line 1. **Enclose a copy of tax return(s) filed with other state(s).** The credit is for state income tax only. No other income taxes such as local, city, province, U.S. Possession, foreign countries, etc., qualify for this credit.

FULL-YEAR RESIDENTS

1. Other state(s) adjusted gross income \$ _____
 2. Georgia adjusted gross income (Line 10, Form 500) \$ _____
 3. Ratio: Line 1 divided by Line 2 _____ %
 4. Georgia standard or itemized deductions \$ _____
 5. Georgia personal exemption and credit for dependents from Form 500, Line 14c \$ _____
 6. Total of Line 4 and Line 5 \$ _____
 7. Line 6 multiplied by ratio on Line 3 \$ _____
 8. Income for computation of credit (Line 1 less Line 7) \$ _____
 9. Tax at Georgia rates (use tax table on pages 19 - 21) \$ _____
 10. Tax shown on return(s) filed with other state(s) \$ _____
 11. Total Tax Credit (Lesser of Line 9 or Line 10) to be claimed on Form 500, Schedule 2, Line 1 \$ _____
-

PART-YEAR RESIDENTS

1. Income earned in another state(s) while a Georgia resident \$ _____
2. Georgia adjusted gross income (Line 8, Column C of Form 500, Schedule 3) \$ _____
3. Ratio: Line 1 divided by Line 2 _____ %
4. Georgia standard or itemized deductions and Georgia personal exemption and credit for dependents (Line 13, Schedule 3, Form 500) \$ _____
5. Line 4 multiplied by ratio on Line 3 \$ _____
6. Income for computation of credit (Line 1 less Line 5) \$ _____
7. Tax at Georgia rates (use tax table on pages 19 - 21) \$ _____
8. Tax shown on return(s) filed with other state(s) for income taxed by Georgia \$ _____
9. Total Tax Credit (Lesser of Line 7 or Line 8) to be claimed on Form 500, Schedule 2, Line 1 \$ _____

TAX CREDITS

The following Pass-Through Credits from Ownership of Sole Proprietorship or from the ownership of, S Corp, LLC, LLP or Partnership Interest will be reflected on the Individual's K-1 and must be listed on Form 500, Schedule 2. The entity information and credit type code must be included. Additional documentation for claiming a credit is required where indicated.

NOTE: Credit code numbers are subject to change annually. Current code numbers are listed below. See Form IND CR for information about additional tax credits.

For additional information on the below-listed credits, please visit the Georgia Department of Revenue website at www.etax.dor.ga.gov/inctax/taxcredits.aspx.

<u>Code</u>	<u>Name of Credit</u>
101	Employer's Credit for Basic Skills Education
102	Employer's Credit for Approved Employee Retraining
103	Employer's Jobs Tax Credit
104	Employer's Credit for Purchasing Child Care Property
105	Employer's Credit for Providing or Sponsoring Child Care for Employees
106	Manufacturer's Investment Tax Credit
107	Optional Investment Tax Credit
108	Qualified Transportation Credit
109	Low Income Housing Credit <i>(enclose Form IT-HC and K-1)</i>
110	Diesel Particulate Emission Reduction Technology Equipment
111	Business Enterprise Vehicle Credit
112	Research Tax Credit
113	Headquarters Tax Credit
114	Port Activity Tax Credit
115	Bank Tax Credit
116	Low Emission Vehicle Credit <i>(enclose DNR certification)</i>
117	Zero Emission Vehicle Credit <i>(enclose DNR certification)</i>
118	New Facilities Job Credit
119	Electric Vehicle Charger Credit <i>(enclose DNR certification)</i>
120	New Facilities Property Credit
121	Historic Rehabilitation Credit <i>(enclose Form IT-RHC and DNR certification)</i>
122	Film Tax Credit
123	Teleworking Credit
124	Land Conservation Credit <i>(enclose Form IT-CONSV and DNR certification)</i>
125	Qualified Education Expense Credit <i>(enclose Form IT-QEE-SS01 and Form IT-QEE-TP2)</i>
126	Seed-Capital Fund Credit
127	Clean Energy Property Credit <i>(enclose Form IT-CEP)</i>
128	Wood Residual Credit
129	Qualified Health Insurance Expense Credit <i>(enclose Form IT-QHIE)</i>
130	Quality Jobs Tax Credit
131	Alternate Port Activity Tax Credit

INSTRUCTIONS FOR PART-YEAR RESIDENTS AND NONRESIDENTS

Part-year residents and nonresidents who work in Georgia or receive income from Georgia sources are required to file Georgia Form 500 and complete Schedule 3 to calculate Georgia taxable income. A married part-year resident or nonresident with income earned in Georgia whose spouse is a nonresident with no Georgia source income may file either a separate return claiming himself/herself only, or a joint return claiming total allowable deductions. If one spouse is a resident and one is a part-year resident or nonresident, enter 3 in the residency status box and complete Form 500, Schedule 3 to calculate Georgia taxable income.

Part-year Residents. If you are a legal resident of Georgia for only a portion of the tax year and are required to file a Federal income tax return, you are required to file a Georgia income tax return.

Part-year residents who claim a credit for taxes paid to another state must include a copy of the individual income tax return filed with that state(s) with a copy of their Georgia return. Otherwise the credit will not be allowed.

Nonresidents. Nonresidents who work in Georgia or receive income from Georgia sources and are required to file a Federal return are required to file a Georgia income tax return.

Legal residents of other states are not required to file a Georgia tax return if their only activity for financial gain or profit in Georgia consists of performing services for an employer as an employee where the wages for such services does not exceed the lesser of five percent of the income received in all places during the taxable year or \$5,000.

Adjusted Gross Income. The percentage on Schedule 3, Line 9 is zero if Georgia adjusted gross income (AGI) is zero or negative. If the adjusted Federal AGI is zero or negative, the Line 9 percentage is 100%. The percentage is also considered to be 100% if both adjusted Federal and Georgia AGI are zero or negative. In this case, the taxpayer is entitled to the full exemption amount and deductions.

Instructions for Completing Schedule 3 (See example on page 17)

LINES 1 - 4, Column A: list your Federal income.

LINES 1 - 4, Column B: list your income not taxable to Georgia.

LINES 1 - 4, Column C: list your Georgia taxable income.

LINE 5, Columns A, B, and C: enter the total of Lines 1- 4 in Columns A, B, and C respectively.

LINES 6 - 7, Column A: list adjustments from your federal return on Line 6; list adjustments allowed by Georgia law on Line 7. See the Line 9 instructions on pages 10 and 11 for adjustments allowed by Georgia law.

LINES 6 - 7, Column B: list adjustments that do not apply to Georgia residency or do not apply because of taxable income earned as a nonresident.

LINES 6 - 7, Column C: list adjustments from the Federal return that apply to Georgia on Line 6; list Georgia adjustments on Line 7. See the Line 9 instructions on pages 10 and 11 for adjustments allowed by Georgia law.

LINES 8 A, B and C: add or subtract Lines 6 and 7 from Line 5 of each column. Enter the total for each column on Line 8 A, B, and C respectively.

LINE 9: divide Line 8, Column C by Line 8, Column A to calculate the ratio of Georgia income to total income.

LINE 10: if itemizing, enter the amount from Federal Schedule A reduced by income taxes paid to other states or expense for the production of non-Georgia income. Enclose a copy of Federal Schedule A with your Georgia income tax return. If using the standard deduction, enter the amount for your filing status as indicated below.

Single/Head of Household:	\$2,300
Married Filing Joint:	\$3,000
Married Filing Separate:	\$1,500
Additional Deduction:	\$1,300

LINES 11a-c: multiply Form 500, Line 6c by \$2,700 and enter the total on Line 11a. Multiply Form 500, Line 7a by \$3,000 and enter the total on Line 11b. Enter the total of Lines 11a plus 11b on Line 11c.

LINE 12: Add Lines 10 and 11c.

LINE 13: Multiply Line 12 by the percentage on Line 9.

LINE 14: Subtract Line 13 from Line 8, Column C. This is your Georgia taxable income. Enter here and on Form 500, Line 15. Use the income tax table on pages 19-21 to determine your tax and enter on Form 500, Line 16.

List states in which the income in Column B was earned and/or reported. Follow the instructions on page 12 to complete Lines 16 through 37 of Form 500. Enclose copies of applicable returns and schedules with your Georgia return.

Georgia Form 500
Individual Income Tax Return
 Georgia Department of Revenue
2009

EXAMPLE FOR COMPLETING SCHEDULE 3

Basis for Example: A husband and wife are both part-year residents of Georgia who file a joint return. Their Federal adjusted gross income is \$52,000 consisting of \$48,000 in salary and \$4,000 of interest. They have one child and adjustments to income totaling \$2,500. They became Georgia residents on April 1. Their Schedule 3 would be completed as follows:

YOUR SOCIAL SECURITY NUMBER
9 8 7 - 6 5 - 4 3 2 1

Version 1

DO NOT USE LINES 9 THRU 14 OF PAGE 2, FORM 500

SCHEDULE 3 COMPUTATION OF GEORGIA TAXABLE INCOME FOR ONLY PART-YEAR RESIDENTS AND NONRESIDENTS. Income earned in another state as a Georgia resident is taxable but other state(s) tax credit may apply. See Tax Booklet, Page 12, Line 17 and Page 14		
FEDERAL INCOME AFTER GEORGIA ADJUSTMENT (COLUMN A)	INCOME NOT TAXABLE TO GEORGIA (COLUMN B)	GEORGIA INCOME (COLUMN C)
1. WAGES, SALARIES, TIPS, etc <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> 4 8 , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00	1. WAGES, SALARIES, TIPS, etc <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> 1 1 , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00	1. WAGES, SALARIES, TIPS, etc <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> 3 6 , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00
2. INTERESTS AND DIVIDENDS <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> 4 , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00	2. INTERESTS AND DIVIDENDS <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 9 5 4 , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00	2. INTERESTS AND DIVIDENDS <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> 3 , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00
3. BUSINESS INCOME OR (LOSS) <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00	3. BUSINESS INCOME OR (LOSS) <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00	3. BUSINESS INCOME OR (LOSS) <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00
4. OTHER INCOME OR (LOSS) <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00	4. OTHER INCOME OR (LOSS) <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00	4. OTHER INCOME OR (LOSS) <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00
5. TOTAL INCOME: TOTAL LINES 1 THRU 4 <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> 5 2 , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00	5. TOTAL INCOME: TOTAL LINES 1 THRU 4 <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> 1 2 , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00	5. TOTAL INCOME: TOTAL LINES 1 THRU 4 <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> 3 9 , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00
6. TOTAL ADJUSTMENTS FROM FORM 1040 <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> 2 , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00	6. TOTAL ADJUSTMENTS FROM FORM 1040 <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> 2 , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00	6. TOTAL ADJUSTMENTS FROM FORM 1040 <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00
7. TOTAL ADJUSTMENTS FROM FORM 500, SCHEDULE 1, PAGE 4 <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 5 0 0 , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00	7. TOTAL ADJUSTMENTS FROM FORM 500, SCHEDULE 1, PAGE 4 <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00	7. TOTAL ADJUSTMENTS FROM FORM 500, SCHEDULE 1, PAGE 4 <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 5 0 0 , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00
8. ADJUSTED GROSS INCOME: LINE 5 PLUS OR MINUS LINES 6 AND 7 <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> 4 9 , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00	8. ADJUSTED GROSS INCOME: LINE 5 PLUS OR MINUS LINES 6 AND 7 <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> 1 0 , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00	8. ADJUSTED GROSS INCOME: LINE 5 PLUS OR MINUS LINES 6 AND 7 <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> 3 9 , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> 00

9. RATIO: Divide Line 8, Column C by Line 8, Column A. Enter percentage.....▶ 9. **7 8 9 8** % Not to exceed 100%

10. Itemized or Standard Deduction (see Tax Booklet, Page 16, Line 10).....▶ 10. , **3** , **00**

11. Personal Exemption from Form 500, Page 2 (see Tax Booklet, Pg. 16, Line 11a-c)

11a. Number on Line 6c. **2** multiplied by \$2,700.....▶ 11a. , **5** , **00**

11b. Number on Line 7a. **1** multiplied by \$3,000.....▶ 11b. , **3** , **00**

11c. Add Lines 11a. and 11b. Enter total.....▶ 11c. , **8** , **00**

12. Total Deductions and Exemptions: Add Lines 10 and 11c.....▶ 12. , **1 1** , **00**

13. Multiply Line 12 by Ratio on Line 9 and enter result.....▶ 13. , **9** , **00**

14. Georgia Taxable Income: Subtract Line 13 from Line 8, Column C
 Enter here and on Line 15, Page 2 of Form 500.....▶ 14. , **3 0** , **00**

List the state(s) in which the income in Column B was earned and/or to which it was reported.

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. <input type="text"/> S <input type="text"/> o <input type="text"/> u <input type="text"/> t <input type="text"/> h <input type="text"/> C <input type="text"/> a <input type="text"/> r <input type="text"/> o <input type="text"/> l <input type="text"/> i <input type="text"/> n <input type="text"/> a | 3. <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |
| 2. <input type="text"/> A <input type="text"/> l <input type="text"/> a <input type="text"/> b <input type="text"/> a <input type="text"/> m <input type="text"/> a <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> | 4. <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |



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TAX-DEDUCTIBLE DONATIONS TO SPECIAL FUNDS



Georgia Wildlife Conservation Fund. Protects and preserves Georgia's nongame wildlife, including bald eagles, sea turtles, and other animals that are not hunted, trapped or fished. Make a donation on your tax return, or mail your donation to the Georgia Department of Natural Resources, 116 Rum Creek Drive, Forsyth, GA 31029. For more information, visit www.georgiawildlife.com.



Georgia Fund for Children and Elderly. Provides programs for preschool children with special needs, as well as elderly services such as home-delivered meals and transportation to medical appointments. Make a donation on your tax return, or mail your donation to the Georgia Department of Human Resources, Two Peachtree Street NW, Room 27-295, Atlanta, GA 30303-3142. Call the Children Trust Fund at 404-206-6037 or Division of Aging Services at 404-657-5253 for more information.



Georgia Cancer Research Fund. Funds innovative and promising research on cancer. Make a donation on your tax return, or mail your donation to the Georgia Department of Human Resources, Two Peachtree Street NW, Room 27-240, Atlanta, GA 30303-3142. **Mobilizing Georgia. Immobilizing Cancer.** For more information, visit www.georgiacancer.org.



Statewide Land Conservation Program. Provides funds for land conservation to protect natural resources and increase the State's economic competitiveness. Make a donation on your tax return, or mail your donation to the Georgia Environmental Facilities Authority, 233 Peachtree Street NE, Suite 900, Atlanta, GA 30303. For more information, visit www.glcp.ga.gov.



Georgia National Guard Foundation Inc. Supports members of the Georgia National Guard and their families. Make a donation on your tax return, or mail your donation to the Georgia National Guard Foundation, 935 East Confederate Ave, S.E., Bldg 21, Atlanta, GA 30316-0965. For more information, contact the Foundation at 678-569-6420 or visit www.gahro.com/ga_guard_foundation.htm.



Dog and Cat Sterilization Fund. Provides financial support for the sterilization of dogs and cats, as well as education to the public about the benefits of animal sterilization. Make a donation on your tax return, or mail your donation to the DCSF, P.O. Box 347043, Atlanta, GA 30334-7043. For more information, visit www.agr.state.ga.us.



Saving the Cure Fund. This fund is designed to encourage the donation, collection, and storage of stem cells collected from postnatal tissue and fluid and to make such stem cells available for medical research and treatment; to promote principled and ethical stem cell research; and to encourage stem cell research with immediate clinical and medical applications. For more information visit www.savingthecure.com.



Georgia Student Finance Fund. Provides Individual taxpayers the opportunity to contribute to student loan funds by either donating all or any part of a tax refund due or by contributing any amount over taxes owed by adding that amount to the taxpayer's payment. Make a donation on your tax return or mail your donation to Georgia Student Finance Commission, 2082 East Exchange Place, Tucker, GA 30084. For more information visit www.gsfc.org.



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SCHEDULE FOR ESTIMATING GEORGIA INCOME TAXES

(Figures may be rounded off.)

1. Federal Adjusted gross income expected during the current year		\$ _____ .
2. Social Security (See Line 9 instructions on page 10)	\$ _____ .	
3. Railroad Retirement (See Line 9 instructions on page 10)	\$ _____ .	
4. Other deductions (See instructions on pages 10-11)	\$ _____ .	
5. Balance (Subtract Lines 2 - 4 from Line 1)		\$ _____ .
6. Personal exemption and exemption for dependents	\$ _____ .	
7. Balance (Subtract Line 6 from Line 5)		\$ _____ .
8. Additions to income (See instructions on page 10)	\$ _____ .	
9. Balance (Add lines 7 and 8)		\$ _____ .
10. Applicable Retirement Exclusion (Worksheet on page 13)	\$ _____ .	
11. Taxable income (Subtract Line 10 from Line 9)		\$ _____ .
12. Tax on amount on Line 11 (See Georgia tax rate schedule below)		\$ _____ .
13. Withholding Tax and other credits	\$ _____ .	
14. Amount from prior year's return to be credited to this year's estimate	\$ _____ .	
15. Estimated Tax due this year (Subtract Lines 13 and 14 from Line 12) (See 500ES on page 26)		\$ _____ .

GEORGIA TAX RATE SCHEDULE

SINGLE

If Georgia taxable income is	Amount of Tax is
Not Over \$ 750	1% of Taxable Income
Over \$ 750 But not over\$2,250	\$ 7.50 plus 2% of the amount over.....\$ 750
Over \$ 2,250 But not over\$3,750	\$ 37.50 plus 3% of the amount over.....\$ 2,250
Over \$ 3,750 But not over\$5,250	\$ 82.50 plus 4% of the amount over.....\$ 3,750
Over \$ 5,250 But not over\$7,000	\$ 142.50 plus 5% of the amount over.....\$ 5,250
Over \$ 7,000	\$ 230.00 plus 6% of the amount over.....\$ 7,000

MARRIED FILING JOINT OR HEAD OF HOUSEHOLD

If Georgia taxable income is	Amount of Tax is
Not Over \$ 1,000	1% of Taxable Income
Over \$ 1,000 But not over \$ 3,000	\$ 10.00 plus 2% of the amount over..... \$ 1,000
Over \$ 3,000 But not over \$ 5,000	\$ 50.00 plus 3% of the amount over..... \$ 3,000
Over \$ 5,000 But not over \$ 7,000	\$ 110.00 plus 4% of the amount over..... \$ 5,000
Over \$ 7,000 But not over \$10,000	\$ 190.00 plus 5% of the amount over..... \$ 7,000
Over \$10,000	\$ 340.00 plus 6% of the amount over..... \$10,000

MARRIED FILING SEPARATE

If Georgia taxable income is	Amount of Tax is
Not Over \$ 500	1% of Taxable Income
Over \$ 500 But not over.....\$1,500	\$ 5.00 plus 2% of the amount over..... \$ 500
Over \$ 1,500 But not over.....\$2,500	\$ 25.00 plus 3% of the amount over..... \$ 1,500
Over \$ 2,500 But not over.....\$3,500	\$ 55.00 plus 4% of the amount over..... \$ 2,500
Over \$ 3,500 But not over.....\$5,000	\$ 95.00 plus 5% of the amount over.....\$ 3,500
Over \$ 5,000	\$ 170.00 plus 6% of the amount over..... \$ 5,000

COMMON MISTAKES THAT WILL DELAY YOUR REFUND

1. **Sending your return by certified mail.** The postal service imposes special handling procedures for certified mail that could delay processing of your return.
 2. Not filling in the name, social security number(s), address, residency code, and/or filing status.
 3. Failing to list your spouse's social security number when filing a separate return.
 4. Incorrectly listing or failing to list exemptions, dependents, income, and deductions.
 5. Failing to submit required schedules, statements, and supporting documentation, including W-2s, other states' tax returns, or necessary federal returns and schedules.
 6. Entering information on a special funds line when a donation is not being made; including a check for a donation with a refund return.
 7. Not entering the amount owed or the refund amount. **Do not enter amounts on both lines.**
 8. Not verifying calculations, including the tax rate, or placing zeros on lines that are not being used.
 9. Incorrectly completing Schedule 3 or failing to include it with your return when required.
 10. Mailing your Georgia return to the wrong address.
-

REMINDERS

- If the mailing label in this booklet is correct, place it on the form in the appropriate area. If the label is incorrect, or if you do not have a label, print or type your name(s) and current address (including apartment number) in the space provided. Be sure to check the box if your address has changed since your last return was filed.
 - Enclose copies of required returns, schedules and other documentation with your return. Failure to enclose proper documentation could delay your refund.
 - If you have an overpayment, indicate the amount to be refunded, credited to estimated tax and/or contributed to one of the special funds.
 - Mail Payment Voucher 525 TV with your return and payment to the address on Form 500 or 500EZ to ensure proper posting to your account. **If you file electronically, mail the voucher and your payment to the address on the voucher.**
 - Make your check or money order payable to the Georgia Department of Revenue. If you owe less than \$1, you do not need to send a payment. If you are due a refund of less than \$1, submit Form IT 550 to request a refund.
 - Do not staple your check, W-2s or any other documents to your return.
-

PENALTY AND INTEREST

Tax not paid by the statutory due date of the return is subject to 1 percent interest and 5 percent late filing and/or ½ of 1 percent late payment penalty per month, or fraction thereof. Interest accrues until the tax due has been paid in full; the combined total of late filing and late payment penalty cannot exceed 25 percent of the tax shown on the return. An extension of time for filing the return does not extend the date for making the payment. Additional penalties may apply as follows:

- Frivolous Return Penalty - \$1,000. (A frivolous return is one that contains incorrect or insufficient information to accurately compute the appropriate tax liability with the intent to delay or impede Georgia tax law or is based on a frivolous position.)
- Negligent Underpayment Penalty - 5 percent of the underpaid amount.
- Fraudulent Underpayment Penalty - 50 percent of the underpaid amount.
- Failure to File Estimated Tax Penalty - 9 percent per year for the period of underpayment. Use Form 500 UET to calculate the penalty.



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STATE OF GEORGIA
DEPARTMENT OF REVENUE
TAXPAYER SERVICES DIVISION
1800 CENTURY BLVD. NE
ATLANTA, GA 30345-3205

TO: _____

