



# State of Georgia Department of Revenue 2011

## Individual Income Tax 500 and 500EZ Forms and General Instructions

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**Forms (included in tax booklet):**  
**Form 500, Form 500EZ, IT560, 500ES, 525TV, Form IND CR**

### ELECTRONIC FILING



CLICK. ZIP. FAST ROUND TRIP.

- Over 3.3 million taxpayers filed electronically last year!
- Qualified taxpayers can file electronically for free!
- Receive your refund by direct deposit!
- File fast and securely from your home PC!

### CREDIT CARD PAYMENTS



The Georgia Department of Revenue accepts Visa, American Express, MasterCard, and Discover credit cards for payment of:

- ✓ Current-year individual and corporate tax payments;
- ✓ Liabilities on Department of Revenue-issued assessment notices;
- ✓ Individual and corporate estimated tax payments.



## 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? 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 <https://gaefile.dor.ga.gov/AUT/Welcome.aspx> or contact the Electronic Services Group at 1-877-423-6711 or [efile@dor.ga.gov](mailto: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.

*Douglas J. MacGinnitie*  
Commissioner  
[doug.macginnitie@dor.ga.gov](mailto:doug.macginnitie@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 and No Balance Due:**

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 and No Balance Due:**

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

**Voucher:****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

### 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](http://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 payment 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](http://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](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.

## NEW DEVELOPMENTS

**DIRECT DEPOSIT Fast Refunds! Choose Direct Deposit.** A fast, simple, safe, secure way to have your refund deposited automatically to your checking or savings account whether you file electronically or by paper. See the Instructions on page 13 for more information.

**Tax Refund Debit Cards.** Along with direct deposit, the Georgia Department of Revenue now offers Tax Refund Debit Cards. You can make purchases anywhere VISA® is accepted. That includes grocery stores, gas stations and retail businesses. Look for the new Debit Card Refund under the Refunds Option of your tax return.

**Qualified Investor Tax Credit.** This provides a 35% credit for amounts invested in certain Georgia headquartered small businesses. However, the aggregate amount of credit allowed an individual for one or more qualified investments in a single taxable year, whether made directly or by a pass-through entity and allocated to such individual, shall not exceed \$50,000.00. The credit is available for investments made in 2011, 2012, and 2013. **The credit is claimed 2 years later, in 2013, 2014, and 2015 respectively.** The taxpayer must get approval between September 1 and October 31 of the year the credit is claimed as provided in O.C.G.A. § 48-7-40.30 before claiming the credit. This became effective January 1, 2011. See Code Section 48-7-40.30 and Regulation 560-7-8-.52 for more information.

**HB 117 (O.C.G.A. § 48-7-128)** The income tax portion of this bill (see Section 2-1) provides, with respect to the nonresident withholding on the sale or transfer of real estate, that the person or entity identified as the seller on the settlement statement shall be considered the seller for all purposes regarding Code Section 48-7-128. This bill became effective upon its approval by the Governor on May 13, 2011.

**HB 168 (O.C.G.A. § 48-1-2)** The income tax portion of this bill (see Section 1), for taxable years beginning on or after January 1, 2010, adopts certain provisions of all federal acts (as they relate to the computation of Federal Adjusted Gross Income (AGI) or federal taxable income for non-individuals) that were enacted on or before January 1, 2011. The income tax portion of this bill became effective upon its approval by the Governor and is applicable to taxable years beginning on or after January 1, 2010. Please see the "Federal Tax Changes" section for more information

**HB 325 (O.C.G.A. §§ 20-2A-1 through 20-2A-7, and 48-7-29.16).** This bill makes changes to the Qualified Education Expense Credit. The principal changes are as follows:

- Makes various changes to the provisions relating to the Student Scholarship Organizations.
- Provides that the annual maximum amount (amount of tax credits allowed per tax year) shall be adjusted annually until January 1, 2018, which adjustment may be based on the most recent annual percentage change in the Consumer Price In-

dex for All Urban Consumers, U.S. City Average All Items Index, published by the Bureau of Labor Statistics of the United States Department of Labor, as determined by DOR.

- Specifies that the Department shall provide written notice to the taxpayer and the SSO of the taxpayer's preapproval or denial which shall not require any signed release or notarized approval by the taxpayer.
- Changes the number of days the taxpayer has to make the contribution after receiving preapproval from 30 days to 60 days, but the contribution must still be made within the calendar year in which it was approved.
- Provides that the Department shall establish a web-based donation approval process.
- Specifies that the Department shall maintain an ongoing, current list on its website of the amount of tax credits available.
- Provides that the Department shall not take any adverse action against donors to SSOs if the Commissioner preapproved a donation for a tax credit prior to the date the SSO is removed from the DOE list, and all such donations shall remain as preapproved tax credits subject to the donors compliance with Code Section 49-7-29.16(f)(3).

This bill became effective upon its approval by the Governor and is applicable to taxable years beginning on or after January 1, 2011.

**HB 346 (O.C.G.A. §§ 48-2-15, 48-7-1, 48-7-29.12, 48-7-29.14, 48-7-60)** Section 2 amends the provisions of Code Section 48-7-1(11)(E) relating to deferred compensation and stock option income received by nonresidents as follows:

- Defines the terms "Deferred compensation" and "nonqualified deferred compensation plan",
- Provides that subparagraph (E) shall apply only to the portion of stock option income or deferred compensation income earned on or after January 1, 2011, for stock options granted and deferred compensation plans established before January 1, 2011,
- Authorizes the Commissioner to promulgate a rule or regulation employing a "days worked in Georgia" method for determining the amount of income of a taxable nonresident, and
- Requires employers to withhold Georgia income tax on deferred compensation and stock option income which are required to be included in Georgia income of taxable nonresidents.

Section 2 became effective upon its approval by the Governor and is applicable to taxable years beginning on or after January 1, 2011.

Section 3 amends Code Section 48-7-29.12 (the conservation tax credit) by specifying that tax credits earned by a taxpayer and previously claimed but not used by such taxpayer against such taxpayer's income tax may be transferred or sold in whole or in part by such taxpayer to another Georgia taxpayer, subject to the following conditions:

## NEW DEVELOPMENTS continued

- The transferor shall submit to the Department a written notification of any transfer or sale of tax credits within 30 days after the transfer or sale of such tax credits. The notification shall include such transferor's tax credit balance prior to transfer, the remaining balance after transfer, all tax identification numbers for each transferee, the date of transfer, the amount transferred, and any other information required by the Department.
- Failure to comply with this subsection shall result in the disallowance of the tax credit until the taxpayer is in full compliance.
- In no event shall the amount of the tax credit claimed and allowed for a taxable year exceed the transferee's income tax liability. Any unused credit may be carried forward to subsequent taxable years provided that the transfer or sale of this tax credit does not extend the time in which such tax credit can be used. The carry-forward period for the tax credit that is transferred or sold shall begin on the date on which the tax credit was originally earned.
- A transferee shall have only such rights to claim and use the tax credit that were available to the transferor at the time of the transfer. To the extent that such transferor did not have rights to claim or use the tax credit at the time of the transfer, the Department shall either disallow the tax credit by the transferee or recapture the tax credit from the transferee. The transferee's recourse is against the transferor.

Section 3 became effective on January 1, 2012 and is applicable to taxable years beginning on or after January 1, 2012.

Section 3A amends Code Section 48-7-29.14 (the Clean Energy Property and Wood Residuals Credit) as follows:

- Extends the clean energy property tax credit to clean energy property placed into service by December 31, 2014 (current law provides the credit is allowed for clean energy property placed into service between July 1, 2008 and December 31, 2012).
  - Specifies that the clean energy property tax credit allowed for calendar years 2012, 2013, and 2014 must be taken in four equal installments over four successive taxable years beginning with the taxable year in which the credit is allowed.
  - Specifies that in no event shall the total amount of tax credits approved by the Commissioner for credits earned in calendar years 2012, 2013, and 2014 exceed \$5 million.
  - Provides that if a taxpayer is denied all or part of the credit amount because the credit cap has been reached, the Commissioner shall add the taxpayer to a waiting list, prioritized by the date of the taxpayer's application. Taxpayers on the waiting list shall have priority over other taxpayers who apply for the credit for an installation in the subsequent years. (Current law provides for a reapplication process where taxpayers that are denied because the credit cap has been reached can reapply and have priority in the year of such reapplication.)
- Section 3A became effective upon its approval by the Governor and is applicable to taxable years beginning on or after January 1, 2011.



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 [https://www.etax.dor.ga.gov/IndTax\\_TSD.aspx](https://www.etax.dor.ga.gov/IndTax_TSD.aspx).

If you do not qualify for free electronic services, you may file electronically using software produced by an approved vendor listed at the following web address, [https://www.etax.dor.ga.gov/IndTax\\_TSD.aspx](https://www.etax.dor.ga.gov/IndTax_TSD.aspx).

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## WHEN ELECTRONIC FILING IS REQUIRED

Taxpayers that remit payments by electronic funds transfer, whether on a mandatory or voluntary basis, must file all associated returns electronically. Also, a return preparer who prepares an income tax return, must electronically file the return, when the federal counterpart of such return is required to be filed electronically pursuant to the Internal Revenue Code of 1986 or Internal Revenue Service regulations.

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## 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 <https://etax.dor.ga.gov/inctax/creditcardpay.aspx>

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## 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 <https://gaefile.dor.ga.gov/AUT/Welcome.aspx>. You may also contact the Electronic Services Group at 1-877-423-6711, or [efile@dor.ga.gov](mailto: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>.

## 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.**

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## 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 [https://etax.dor.ga.gov/IndTax\\_TSD.aspx](https://etax.dor.ga.gov/IndTax_TSD.aspx).

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## 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.

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## 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](http://www.dor.ga.gov).

## 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 15 and the instructions for Line 17 on page 13 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 17 through 18.

### 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 17-18 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



The Governor signed House Bill 168 into law. Consequently, for taxable years beginning on or after January 1, 2011, with exceptions as discussed below, Georgia has adopted the provisions of all federal acts (as they relate to the computation of federal adjusted gross income (AGI) or federal taxable income for non-individuals) that were enacted **on or before** January 1, 2011. For 2011, the I.R.C. Section 179 deduction is **\$250,000** and the related phase out is **\$800,000**. Georgia has not adopted the Section 179 deduction for certain real property.

### **Exceptions**

Georgia has **not** adopted I.R.C. Section 168(k) (the 30%, 50% and 100% 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) and Georgia has not adopted I.R.C. Section 199 (federal deduction for income attributable to domestic production activities).

Georgia has also **Not** adopted the following:

- The exclusion of \$2,400 of unemployment income for 2009, I.R.C. Section 85(c).
- Additional itemized deduction for the sales tax on the purchase of a new vehicle in 2009, I.R.C. Sections 164(a)(6) and 164(b)(6). Please note: Georgia also does not allow the increased standard deduction for sales tax on the purchase of a new vehicle in 2009 because Georgia has its own standard deduction.
- The election to increase the normal two year net operating loss carryback to 3, 4, or 5 years for tax years 2008 and 2009, I.R.C. Sections 172(b)(1)(H) and 810(b)(4).
- The transition rule that would allow a taxpayer to revoke a prior election to forego the net operating loss carryback period.

- Deferral of debt discharge income from reacquisitions of business debt at a discount in 2009 and 2010; federally deferred for up to five years, then included ratably over five years, I.R.C. Section 108(i).
- Modified rules for high yield original issue discount obligations, I.R.C. Sections 163(e)(5)(F) and 163(i)(1).
- 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, 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, 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), I.R.C. Section 168(e)(7).
- 5 year depreciation life for most new farming machinery and equipment, 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, I.R.C. Section 1400N(k).
- 5 year carryback of certain disaster losses, I.R.C. Sections 172(b)(1)(J) and 172(j).



## 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).

**Depreciation Differences.** Depreciation differences due to the Federal acts mentioned above should be treated 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 current year IRS Form 4562 and attach it to the Georgia return. This should be entered on the other addition line of the return.

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 should be entered on the other subtraction line of the return.

**Federal deduction for income attributable to domestic production activities (IRC Section 199).** This adjustment should be entered on the addition line of the applicable return. An adjustment to the Georgia partnership or S Corporation return is not required if the partnership or S Corporation is not allowed the Section 199 deduction directly, but instead passes through the information, needed to compute the deduction, to the partners or shareholders.

**Other Differences.** Other differences should be placed on the other addition or subtraction line of the applicable return. Attach a statement to the return explaining these differences. Additionally, the provisions listed above may have an indirect effect on the calculation of Georgia taxable income. Adjustments for the items listed below should be added or subtracted on your Georgia income tax form.

1. When property is sold for which the bonus depreciation was claimed, there will be a difference in the gain or loss on the sale of the property.
2. The depreciation adjustment may be different if the taxpayer is subject to the passive loss rules and is not able to claim the additional depreciation on the Federal return.
3. Other Federal items that are computed based on Federal Adjusted Gross Income or Federal Taxable Income will have to be recomputed if the provisions of the Federal Acts are claimed.

Furthermore, in 2003 the IRS started requiring separate reporting, to shareholders of S Corporations and partners of partnerships, for the gain from asset sales for which an I.R.C. Section 179 deduction was claimed. Georgia follows the separate reporting treatment of the gain and the Section 179 deduction. Accordingly, the gain should not be reported directly on the S Corporation or partnership return, but the gain, along with any Georgia adjustment to the gain (due to the Federal acts), should be reported separately to the shareholders or partners.

## GENERAL INFORMATION

**Due Dates.** Calendar year taxpayers are required to file on or before April 17, 2012. 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 must meet the following criteria for an installment payment agreement:

- Returns for all years must be filed.
- Agreements are up to 36 months.
- Payments should be made through automatic debit from your bank account.
- Set up cost associated with initiating an Installment Payment Agreement.

To determine if you are eligible, please contact the Installment Payment Agreement Section at 404-417-6486 or via e-mail to [ipa@dor.ga.gov](mailto: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](http://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.

For most individual taxpayers, this instruction booklet is the only material needed to complete the 2011 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  
1800 Century Blvd  
Suite 12000  
Atlanta, GA 30345-3205  
404-417-6605

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

Columbus Regional Office  
1501 13th St  
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 Rd  
Suite 101  
Lithia Springs, GA 30122-1589  
770-732-5812

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

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

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

## DEPARTMENT OF REVENUE WEBSITE: [www.etax.dor.ga.gov](http://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](mailto: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 1-877-423-6711 or the Taxpayer Advocate's Office at 404-417-2100 or via e-mail to [taxadv@etax.dor.ga.gov](mailto:taxadv@etax.dor.ga.gov). For additional assistance with e-file contact 1-877-423-6711 or [efile@etax.dor.ga.gov](mailto: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](http://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 17.**

**LINES 1 - 3** 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.**

If you were eligible for an estimated tax penalty exception on Form 500 UET, please check the "500 UET Exception Attached" box, include the revised penalty on line 34 of the Form 500 (if the revised penalty is zero enter zero), and include the 500 UET with the return.

**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 pages 7-8).

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).

Note: If a taxpayer receives a state refund and is not required to include the refund in Federal AGI since they were subject to Federal Alternative Minimum Tax, they are not required to include the refund for Georgia purposes.

The following adjustments may be SUBTRACTED:

1. **Retirement income. For tax year 2011, 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 14 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.

## FORM 500 INSTRUCTIONS (continued)

6. Depreciation because of differences in Georgia and Federal law during tax years 1981 through 1986.

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://doas.ga.gov/Suppliers/Pages/SupplierMBE.aspx>.

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 pages 7-8 for information.)

16. Combat zone pay exclusion. See page 6 for more information.

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 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.

20. Federally taxable interest received on Georgia municipal bonds designated as "Build America Bonds" under Section 54AA of the Internal Revenue Code of 1986. "Recovery Zone Economic Development Bonds" under Section 1400U-2 of the Internal Revenue Code or any other bond treated as a "Qualified Bond" under Section 6431(f) of the Internal Revenue Code are considered "Build America Bonds" for this purpose.

21. Federally taxable interest received on Georgia municipal bonds issued by the State of Georgia and certain authorities or agencies of the State of Georgia for which there is a special exemption under Georgia law from Georgia tax on such interest. **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 20 through 22 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 15 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. *Include 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.

**LINE 22** Enter the total of Lines 19 and 20.

**LINE 23** If Line 18 is more than Line 22, subtract Line 22 from Line 18 to calculate the balance due.

**LINE 24** If Line 22 is more than Line 18, subtract Line 18 from Line 22 to calculate your overpayment.

**LINE 25** Enter the amount you want credited to estimated tax.

**LINES 26 - 33** Enter donation amount (not less than \$1).

**LINE 34** Enter estimated tax penalty from Form 500 UET.

**LINE 35** Add Lines 23 and 26 through 34 and enter the total amount due. Mail your return and payment along with Form 525 TV (see page 19) to the address on Form 500.

**LINE 36** Subtract the sum of Lines 25 through 34 from Line 24 and enter the amount to be refunded to you.

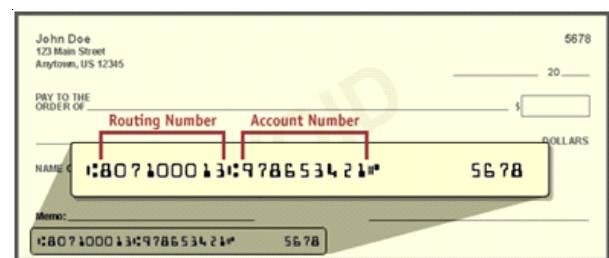
### Direct Deposit Option

**Line 36a** Check the appropriate box for the type of account. Do not check more than one box. You must check the correct box to ensure your direct deposit is accepted.

The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. On the sample check below, the routing number is 807100013. John Doe would use that routing number unless their financial institution instructed them to use a different routing number for direct deposits.

Ask your financial institution for the correct routing number to enter on line 36a if:

- The routing number on a deposit slip is different from the routing number on your checks.
- The deposit is to a savings account that does not allow you to write checks or
- Your checks state they are payable through a financial institution different from the one at which you have your checking account.



The account number can be up to 17 characters (both numbers and letters). Include hyphens, but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. On the sample check above, the account number is 978653421. Do not include the check number. On the sample check above, the check number is 5678.

Reasons your direct deposit may be rejected – If any of the following apply, your direct deposit request will be rejected and a check will be sent:

- Any numbers or letters are crossed out or whited out.
- Your financial institution will not allow a joint refund to be deposited to an individual account. The State of Georgia is not responsible if a financial institution rejects a direct deposit.
- You request a deposit of your refund to an account that is not in your name (such as your tax preparer's own account).

**LINE 36b** Select this box to opt-in to receive a Debit Card. With the Georgia Department of Revenue Tax Refund Debit Card, your refund is faster, easier and more secure.

**LINE 36c** Select this box to receive a paper check in the amount of the refund on Line 36.

## 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, Schedule 2, Line 11 or Form 500EZ, Line 5. 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. Please note for tax years beginning on or after January 1, 2010, the credit cannot exceed the taxpayer's income tax liability.**

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, Schedule 2, line 11a; or Form 500EZ, Line 5a. \_\_\_\_\_
5. Find the credit that corresponds to your income in the table below and enter on Form 500, Schedule 2, line 11b; or Form 500EZ, Line 5b. \_\_\_\_\_
6. Multiply Line 4 by Line 5; enter the total on Form 500, Schedule 2, Line 11c; or Form 500EZ, Line 5c. \_\_\_\_\_

Credit Table:	<u>Federal Adjusted Gross Income</u>	<u>Credit</u>
	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

**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.**

## 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 2011	\$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 prorate the retirement income exclusion. The earned income portion and the unearned income portion must be separately prorated. The earned income portion shall be prorated using the ratio of Georgia source earned income to total earned income computed as if the taxpayer were a resident of Georgia for the entire year. The unearned portion shall be prorated using the ratio of Georgia source unearned retirement income to total unearned retirement income computed as if the taxpayer were a resident of Georgia for the entire year.

\*Retirement income does not include income received directly or indirectly from lotteries, gambling, illegal sources or similar income.

\*\* Rental, Royalty or Partnership income that is subject to FICA tax or Self employment tax should be included on line 2 not line 13. Trade or business income from an S Corp in which the taxpayer or their spouse materially participated 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 20 - 22) \$ \_\_\_\_\_
  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 20 - 22) \$ \_\_\_\_\_
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 \$ \_\_\_\_\_

\* The amount entered must be reduced by credits that have been allowed by the other states.



# 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](http://www.etax.dor.ga.gov/inctax/taxcredits.aspx).**

<b><u>Code</u></b>	<b><u>Name of Credit</u></b>
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-SSO1 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.

A nonresident, who receives deferred compensation or income from the exercise of stock options that were earned in Georgia in a prior year is required to pay tax on the income, but only if the prior year's income exceeds the lesser of: 1) 5 percent of the income received by the person in all places during the current taxable year; or 2) \$5,000. However, the income is not taxed if federal law prohibits the state from taxing it. Federal law prohibits state taxation of some types of retirement income including pensions as well as income received from nonqualified deferred compensation plans if the income is paid out over the life expectancy of the person or at least 10 years.

**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 18)

**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 11 and 12 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 11 and 12 for adjustments allowed by Georgia law.

**LINES 8 A, B and C:** Subtract Line 6 from Line 5 in each column; and add or subtract Line 7 from Line 5 in 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 20-22 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 13 to complete Lines 16 through 36 of Form 500. Enclose copies of applicable returns and schedules with your Georgia return.*

**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 13, Line 17 and Page 15

FEDERAL INCOME AFTER GEORGIA ADJUSTMENT (COLUMN A)	INCOME NOT TAXABLE TO GEORGIA (COLUMN B)	GEORGIA INCOME (COLUMN C)
1. WAGES, SALARIES, TIPS, etc 00,000,000.00	1. WAGES, SALARIES, TIPS, etc 00,000,000.00	1. WAGES, SALARIES, TIPS, etc 00,000,000.00
2. INTERESTS AND DIVIDENDS 00,000,000.00	2. INTERESTS AND DIVIDENDS 00,000,000.00	2. INTERESTS AND DIVIDENDS 00,000,000.00
3. BUSINESS INCOME OR (LOSS) 00,000,000.00	3. BUSINESS INCOME OR (LOSS) 00,000,000.00	3. BUSINESS INCOME OR (LOSS) 00,000,000.00
4. OTHER INCOME OR (LOSS) 00,000,000.00	4. OTHER INCOME OR (LOSS) 00,000,000.00	4. OTHER INCOME OR (LOSS) 00,000,000.00
5. TOTAL INCOME: TOTAL LINES 1 THRU 4 00,000,000.00	5. TOTAL INCOME: TOTAL LINES 1 THRU 4 00,000,000.00	5. TOTAL INCOME: TOTAL LINES 1 THRU 4 00,000,000.00
6. TOTAL ADJUSTMENTS FROM FORM 1040 00,000,000.00	6. TOTAL ADJUSTMENTS FROM FORM 1040 00,000,000.00	6. TOTAL ADJUSTMENTS FROM FORM 1040 00,000,000.00
7. TOTAL ADJUSTMENTS FROM FORM 500, SCHEDULE 1, PAGE 4 00,000,000.00	7. TOTAL ADJUSTMENTS FROM FORM 500, SCHEDULE 1, PAGE 4 00,000,000.00	7. TOTAL ADJUSTMENTS FROM FORM 500, SCHEDULE 1, PAGE 4 00,000,000.00
8. ADJUSTED GROSS INCOME: LINE 5 PLUS OR MINUS LINES 6 AND 7 00,000,000.00	8. ADJUSTED GROSS INCOME: LINE 5 PLUS OR MINUS LINES 6 AND 7 00,000,000.00	8. ADJUSTED GROSS INCOME: LINE 5 PLUS OR MINUS LINES 6 AND 7 00,000,000.00

9. RATIO: Divide Line 8, Column C by Line 8, Column A. Enter percentage.....▶ 9. 78.98 % Not to exceed 100%
10. Itemized  or Standard Deduction  (See Tax Booklet, Page 17, Line 10).▶ 10. 3,000.00
11. Personal Exemption from Form 500, Page 2 (See Tax Booklet, Pg. 17, Line 11a-c)
- 11a. Number on Line 6c. 2 multiplied by \$2,700.....▶ 11a. 5,400.00
- 11b. Number on Line 7a. 1 multiplied by \$3,000.....▶ 11b. 3,000.00
- 11c. Add Lines 11a. and 11b. Enter total.....▶ 11c. 8,400.00
12. Total Deductions and Exemptions: Add Lines 10 and 11c.....▶ 12. 11,400.00
13. Multiply Line 12 by Ratio on Line 9 and enter result.....▶ 13. 9,004.00
14. Georgia Taxable Income: Subtract Line 13 from Line 8, Column C  
Enter here and on Line 15, Page 2 of Form 500.....▶ 14. 3,008.90

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

1. South Carolina
2. Alabama
3. \_\_\_\_\_
4. \_\_\_\_\_









# CHECKOFF GEORGIA

## Pick an Amount & Make it Count!

Pick an amount and make it count by donating on your State Income Tax Return form to one or more of the following Checkoff Georgia charitable organizations. For details, go to [www.checkoffgeorgia.org](http://www.checkoffgeorgia.org).



**The 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. *Georgia Department of Natural Resources / 116 Rum Creek Drive / Forsyth, GA 31029/ [www.georgiawildlife.com](http://www.georgiawildlife.com)*



GEORGIA DEPARTMENT OF  
COMMUNITY HEALTH  
Division of Public Health

**The Georgia Fund for Children and Elderly** provides programs for preschool children with special needs plus home-delivered meals and transportation for elders. *DHS Division Aging Services/ [www.aging.dhr.georgia.gov](http://www.aging.dhr.georgia.gov) / 404-657-5258; DCH / Division of Public Health / MCH / Children and Youth with Special Needs / [www.health.state.ga.us/programs/specialneeds](http://www.health.state.ga.us/programs/specialneeds) / 404-657-4855*



Mobilizing Georgia. Immobilizing Cancer.  
[www.georgiacancer.org](http://www.georgiacancer.org)

**The Georgia Cancer Research Fund** supports innovative and promising research on all types of cancer. Funds often provide seed money for pilot projects to help scientists obtain data needed to win grants from national cancer organizations.

*Georgia Cancer Coalition / 50 Hurt Plaza, Suite 700 / Atlanta, GA 30303 / [www.georgiacancer.org](http://www.georgiacancer.org) / 404-584-7720*



**The Georgia Land Conservation Program** provides funds for land conservation to protect natural resources and increase the state's economic competitiveness.

*Georgia Environmental Finance Authority / 233 Peachtree St NE, Suite 900 / Atlanta, GA 30303/ [www.glcp.ga.gov](http://www.glcp.ga.gov) / 404-584-1101*



**The Georgia National Guard Foundation Inc.** provides emergency relief assistance to the soldiers and airmen of the Georgia National Guard and other qualified members of the Georgia Department of Defense. *Georgia National Guard Foundation / 5019 GA Hwy 42, Suite 203-C / Ellenwood, GA 30294-3438/ [www.georgiaguardfamily.org](http://www.georgiaguardfamily.org) / 678-569-5704*



**The Dog and Cat Sterilization Fund** provides financial support for the sterilization of dogs and cats, as well as education to the public about the healthy benefits of animal sterilization.

*DCSF / P.O. Box 347043 / Atlanta, GA 30334-7043 / [www.agr.georgia.gov](http://www.agr.georgia.gov) / 404- 656-3667*



**The Saving the Cure Fund** is designed to encourage the donation, collection and storage of stem cells from postnatal tissue and fluid; make such stem cells available for medical research and treatment; promote principled and ethical stem cell research; and to encourage stem cell research with immediate clinical and medical applications. [www.savingthecure.com](http://www.savingthecure.com)



**The Georgia Student Finance Fund** provides individual taxpayers the opportunity to contribute to student loan funds and will be used for the low cost 1% student loans, Graduate on Time Loans, and Education for Public Service Loans. Any amount contributed will be evenly divided between the three funds. *Georgia Student Finance Commission / 2082 East Exchange Place / Tucker, GA 30084 / [www.gsfc.org](http://www.gsfc.org)*

# 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 11)	\$ _____ .	
3. Railroad Retirement		
(See Line 9 instructions on page 11)	\$ _____ .	
4. Other deductions		
(See instructions on pages 11-12)	\$ _____ .	
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 11)	\$ _____ .	
9. Balance (Add lines 7 and 8)		\$ _____ .
10. Applicable Retirement Exclusion		
(Worksheet on page 14 and see increased 2012 amounts on page 27)	\$ _____ .	
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 27)		

## GEORGIA TAX RATE SCHEDULE

### **SINGLE**

If Georgia taxable income is

Not Over \$ 750 .....	
Over \$ 750 .....	But not over .....\$2,250
Over \$ 2,250 .....	But not over .....\$3,750
Over \$ 3,750 .....	But not over .....\$5,250
Over \$ 5,250 .....	But not over .....\$7,000
Over \$ 7,000 .....	

Amount of Tax is

1% of Taxable Income	
\$ 7.50 .....	plus 2% of the amount over.....\$ 750
\$ 37.50 .....	plus 3% of the amount over.....\$ 2,250
\$ 82.50 .....	plus 4% of the amount over.....\$ 3,750
\$ 142.50 .....	plus 5% of the amount over.....\$ 5,250
\$ 230.00 .....	plus 6% of the amount over.....\$ 7,000

### **MARRIED FILING JOINT OR HEAD OF HOUSEHOLD**

If Georgia taxable income is

Not Over \$ 1,000 .....	
Over \$ 1,000 .....	But not over ..... \$ 3,000
Over \$ 3,000 .....	But not over ..... \$ 5,000
Over \$ 5,000 .....	But not over ..... \$ 7,000
Over \$ 7,000 .....	But not over ..... \$10,000
Over \$10,000 .....	

Amount of Tax is

1% of Taxable Income	
\$ 10.00 .....	plus 2% of the amount over..... \$ 1,000
\$ 50.00 .....	plus 3% of the amount over..... \$ 3,000
\$ 110.00 .....	plus 4% of the amount over..... \$ 5,000
\$ 190.00 .....	plus 5% of the amount over..... \$ 7,000
\$ 340.00 .....	plus 6% of the amount over..... \$10,000

### **MARRIED FILING SEPARATE**

If Georgia taxable income is

Not Over \$ 500 .....	
Over \$ 500 .....	But not over.....\$1,500
Over \$ 1,500 .....	But not over.....\$2,500
Over \$ 2,500 .....	But not over.....\$3,500
Over \$ 3,500 .....	But not over.....\$5,000
Over \$ 5,000 .....	

Amount of Tax is

1% of Taxable Income	
\$ 5.00 .....	plus 2% of the amount over..... \$ 500
\$ 25.00 .....	plus 3% of the amount over..... \$ 1,500
\$ 55.00 .....	plus 4% of the amount over..... \$ 2,500
\$ 95.00 .....	plus 5% of the amount over.....\$ 3,500
\$ 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

- 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.
  - 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 ½ of 1 percent late payment penalty per month, or fraction thereof. Also a late filing penalty is imposed at 5% of the tax not paid by the original due date. 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 not paid by the original due date. 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.

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