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Web Site: www.dor.ms.gov.

For links to commercial on-line electronic filing, go to web site.

Phone Numbers: See Page 13

Mailing Addresses: See Page 2

2011 Mississippi Resident and Non-Resident/Part-Year Resident Income Tax Forms and Instructions

NOTICE: Included in this booklet are forms and instructions for filing your 2011 Mississippi Resident Individual Income Tax Return (Form 80-105) OR your 2011 Mississippi Non-Resident or Part-Year Resident Individual Income Tax Return (Form 80-205). Line item instructions are generally the same for both the Resident and the Non-Resident (NR) returns; however, the line numbers differ in some cases. The instructions are keyed to the line numbers on the Resident return and references to the corresponding line on the Non-Resident (NR) return are shown in *italics*. *Specific instructions for the Non-Resident or Part-Year Resident returns are shown in italics.*

Forms W-2, 1099 and any additional schedules or attachments should be stapled to the back of your return. **DO NOT INCLUDE W-2Gs. GAMING WITHHOLDING CANNOT BE CLAIMED.**

LEGISLATIVE CHANGES

• **House Bill 1673** amends Miss Code Ann. § 27-7-15 to exclude amounts converted from a Traditional IRA to a Roth IRA from gross income. This bill is effective January 1, 2010.

• **House Bill 1716** provides a \$5.50 per acre income tax credit for certain taxpayers that allow land to be used as a natural area preserve, wildlife refuge, wildlife management area or public outdoor recreation area. This bill is effective January 1, 2010.

• **Senate Bill 2753** amends Miss Code Ann. § 27-7-53 to authorize the payment of certain income tax liabilities in installments over a period of 60 months or less if the liability is over \$3,000 AND an installment agreement for income tax has been entered into with the IRS for the same tax year. This bill is effective July 1, 2010.

A complete copy of these and other legislative bills are available at <http://billstatus.ls.state.ms.us/>.

PAYMENT INFORMATION

If you owe additional income tax and plan to pay with a paper check or money order, the check must be attached to a Payment Voucher, Form 80-106 to ensure crediting your account. Make sure you put your SSN on the payment voucher and the check or money order. **DO NOT** send cash through the mail.

You can now pay any tax due to the Department of Revenue electronically from your bank account online at <https://www.officialpayments.com/echeck>. You will need to have your bank routing number and your checking account number to use this service. There is a convenience fee for this service.

You can also pay any tax due to the Department of Revenue by credit card online at <http://www.officialpayments.com> or by phone at 1-800-272-9829. Discover/NOVUS, MasterCard, Visa, and American Express cards are currently being accepted. There is a convenience fee for this service.

Department of Revenue has a number of Electronic Filing methods from which to choose, to make filing easier for you!

1. They're faster than paper
2. They're convenient
3. They're easier to use
4. Some are even **FREE!!!**

PLEASE SEE PAGE 14 FOR MORE DETAILS OR VISIT OUR WEB SITE AT www.dor.ms.gov.

FEDERAL/STATE ELECTRONIC FILING PROGRAM - Your professional tax practitioner can file both your federal and state returns by using the E-File program. Returns are more accurate and refunds are much faster when you file electronically. **ASK YOUR TAX PREPARER ABOUT ELECTRONIC FILING.**

FEDERAL/STATE ON-LINE FILING PROGRAM - Purchase the computer program from the store or over the internet and file electronically from the convenience of your home computer.

DIRECT DEPOSIT - Have your tax refund deposited directly into your bank account. This is available for Individual Income Tax Returns that are filed using the E-File program. Returns must be filed electronically through an approved tax preparer or through an on-line service provider. Ask your tax preparer about direct deposit or visit our web site at www.dor.ms.gov for more information.

Mail your completed income tax return to:

**Additional Tax Due
(or No Tax Due)**

Department of Revenue
Post Office Box 23050
Jackson, MS 39225-3050

Refund Requested:

Department of Revenue
Post Office Box 23058
Jackson, MS 39225-3058

You can visit our web site to answer many of the questions you may have and to obtain information regarding tax laws. Our address is www.dor.ms.gov.

You Should File a Mississippi Income Tax Return If Any of the Following Statements Apply to You:

- You have Mississippi income tax withheld from your wages (other than gambling income).
- You are a Non-Resident or part-year resident with income taxed by Mississippi (other than gambling income).
- Single Resident Taxpayers - You have gross income in excess of \$8,300 plus \$1,500 for each dependent.
- Married Resident Taxpayers - You and your spouse have gross income in excess of \$16,600 plus \$1,500 for each dependent.
- Minor Resident Taxpayers - You are a minor having gross income in excess of the personal exemption plus the standard deduction according to filing status.
- Residents Working Out of State - You are a Mississippi resident working out of state (employee of interstate carriers, construction worker, salesman, offshore worker, etc). You must file a Mississippi return and report total gross income regardless of the source.
- Residents Working Outside of the United States - You are a Mississippi resident employed in a foreign country on a temporary or transitory basis. Total gross income must be reported. If you qualify to exclude foreign wages for federal purposes, please enter this amount as a deduction on schedule N. **Must attach Federal Form 2555.**
- Deceased Taxpayer – If you are the survivor or representative of a deceased taxpayer, you must file a return for the taxpayer who died during the tax year or before the 2011 return was filed. A return for the deceased taxpayer should be filed on the form which would have been appropriate had he or she lived. Enter the word "deceased" and the date of death after the decedent's name on the return. Include the decedent's social security number in the space provided. If a refund of less than \$500 is requested on the decedent's return, a refund may be paid, without the necessity of administration, to the decedent's surviving spouse, or in the absence of a surviving spouse, to a survivor in the order listed in Miss Code Ann. § 27-73-9. In either case, the survivor must complete and attach to the refund check an affidavit attesting to the fact that he or she is the rightful heir to the decedent's refund of Mississippi income tax. An affidavit of heirship, Form 80-605, may be obtained from the Office of Tax Administration of the Department of Revenue.

Am I a Resident or a Non-Resident?

An individual who maintains a home, apartment or other place of abode in Mississippi, or who exercises the rights of citizenship in Mississippi by meeting the requirements as a voter or who enjoys the benefits of homestead exemption, is a legal resident of the State of Mississippi and remains a resident although temporarily absent from the state for varying intervals of time. An individual remains a legal resident of Mississippi until citizenship rights are relinquished and a new legal residence is established. Changes in driver's license, vehicle tags, voter registration, and property taxes show intent to change legal residence.

What is my status if I moved into or out of Mississippi in 2011?

You are a part-year resident. You must file the Non-Resident and Part-

year Form 80-205. You will be taxed only on income earned while a resident of Mississippi and you will prorate your deductions and exemptions.

I am a full-year resident but my spouse is not. How should we file?

You must file a Mississippi Return Form 80-205 (Non-Resident Form). The resident spouse will report to Mississippi income earned from ALL sources for the entire year. The spouse that is not a resident will report to Mississippi income earned in Mississippi, but will declare his or her total income for purposes of prorating the exemptions and deductions.

I am in the armed forces. What is my residency Status? What is my spouses residency Status?

Mississippi Resident - If you enter the armed forces when you are a Mississippi resident, you do not lose your Mississippi residency status, even if you are absent from this state on military orders. You are subject to the same residency requirements as any other Mississippi resident and are required to file a Mississippi income tax return.

Non-Resident - If you are not a Mississippi resident but are stationed in this state by military orders, your military income is **not** subject to Mississippi income tax. However, if you have income subject to Mississippi tax, file Form 80-205 (Non-Resident Form). Mississippi does tax other income earned in this state by you.

The Military Spouses Residency Relief Act (MSRRA), effective January 1, 2009, provides that spouses of military personnel who move to Mississippi due to a servicemember spouse being posted for military duty can keep their former residence for tax purposes. This allows non-resident spouses to exclude Mississippi income if the spouse meets certain criteria, such as filing and paying income tax to the state of residency. For more information regarding the MSRRA please visit www.dor.ms.gov.

When should I file my return?

Calendar year 2011 - File on or before April 15, 2012.

Fiscal year tax periods - File on or before the fifteenth (15th) day of the fourth month following the close of your tax year. Please write the fiscal year period and the words "**Fiscal Year Return**" in bold letters.

Need more time to file?

If you need more time to file your Mississippi return, and **you will receive a refund or will not owe any additional tax**, Mississippi will allow you the same time that is allowed by your federal extension.

If you expect to owe additional tax by the April 15 due date and you need more time to file your Mississippi income tax return, you must pay all of your state tax due with Mississippi Form 80-180 by April 15. **The extension of time to file does not extend the due date for payment of your Mississippi income tax. More time to file does not mean more time to pay your taxes.** You will owe interest and penalty from April 15 to date of payment. The interest rate is 1 percent (1%) per month and the penalty rate is ½ of 1 percent (.5%) per month or part of a month from April 15 until the date the final payment is received. Late payment penalty will accrue to a maximum of 25 percent (25%). Late payment penalty and interest apply to any unpaid tax after April 15.

The penalty imposed for failure to file a return is 5% per month not to exceed 25% in the aggregate. The penalty imposed for failure to file is based on the additional amount of tax due. Such failure to file a return penalty shall not be less than \$100.

Who must file a declaration of estimated tax?

Generally, you must file a Declaration of Estimated Tax, Form 80-300, for the income tax year if you do not have at least 80 percent (80%) of your annual Mississippi income tax liability prepaid through withholding and your annual tax liability exceeds \$200.

Underestimating the required amount of tax or failure to file estimated tax returns and pay the tax within the time prescribed will result in an assessment of interest of 1 percent (1%) per month on underpayment of

tax from the date payment is due until paid. Form 80-320, Under-estimate of Tax-Individual, should be requested.

I am getting an income tax refund this year. When will I get my check?

ELECTRONIC return filers please allow **ten business days** before calling about your refund. All other returns which are filed early are processed before and usually more quickly than returns filed closer to the due date. Ordinarily, within ten weeks after we receive your completed return we will mail your refund check. Therefore, allow at least **TEN WEEKS** for your refund to arrive before you contact us.

What tax records do I need to keep?

Keep a copy of your return with all attachments. Also, keep the original or a copy of any schedules or statements you used to prepare your return. Keep your records that support an item of income or a deduction appearing in a tax return until the statute of limitations for the return expires. The statute of limitations is generally three years from the date the return was due or filed, whichever is later.

Save any records concerning property, home, stocks, and business property you bought and may sell later. The records kept should show the purchase price, date and related cost. For real property, keep records showing the cost and date of improvements. Your return may be audited by the IRS or the Department of Revenue. If audited, the law requires you to show proof of your income, expenses, and cost of assets. In the case of an audit by the IRS, the statute of limitations for adjusting your income tax return is extended for three more years beginning with the date the audit is disposed of by the IRS.

When should I file an amended Mississippi return?

File an amended return, Form 80-170, any time you need to correct your Mississippi return. In general, if you amend your federal return, you will need to amend your state return.

You may apply for a refund on an amended return within three (3) years of the original due date of the return (including extensions). If no return was originally filed, a refund may be requested by filing a return within three (3) years of the original due date for filing the return.

What if I am audited by the IRS?

If you receive a refund or owe additional federal tax, you should file an amended Mississippi return, Form 80-170, after the Internal Revenue Service disposes of the tax liability in question (See Miss Code Ann. § 27-7-49 (3)).

Completing the Return

Use black ink when preparing this return. Copies or reproductions of the official form are not acceptable. If you have other forms, W-2s, or attachments, staple them to the back of your return. Follow the line instructions on the return. Additional specific instructions follow. **DO NOT PLACE A STAPLE IN THE BARCODE.**

Round all dollar amounts to the Nearest Dollar. Do not use cents.

All dollar amounts should be rounded to the nearest whole dollar (no pennies). Round down to the next lower dollar amounts under \$.50 and round up to the next higher dollar amounts of \$.50 and over. For example: \$2.15 becomes \$2.00; \$4.75 becomes \$5.00; and \$3.50 becomes \$4.00.

Taxpayer Information

Please make sure that you write in your name, address, and SSN. If you are married and filing a joint, combined, or separate return, write in the

social security number for both you and your spouse. If spouse died in tax year, enter surviving spouse first as taxpayer.

Resident County Codes

Enter the code corresponding to your resident county on page 1 of the return (in the address area). County codes are listed in the following table:

County		County		County	Code
Adams	01	Itawamba	29	Pike	57
Alcorn	02	Jackson	30	Pontotoc	58
Amite	03	Jasper	31	Prentiss	59
Attala	04	Jefferson	32	Quitman	60
Benton	05	Jefferson-Davis	33	Rankin	61
Bolivar	06	Jones	34	Scott	62
Calhoun	07	Kemper	35	Sharkey	63
Carroll	08	Lafayette	36	Simpson	64
Chickasaw	09	Lamar	37	Smith	65
Choctaw	10	Lauderdale	38	Stone	66
Claiborne	11	Lawrence	39	Sunflower	67
Clarke	12	Leake	40	Tallahatchie	68
Clay	13	Lee	41	Tate	69
Coahoma	14	Leflore	42	Tippah	70
Copiah	15	Lincoln	43	Tishomingo	71
Covington	16	Lowndes	44	Tunica	72
Desoto	17	Madison	45	Union	73
Forrest	18	Marion	46	Walthall	74
Franklin	19	Marshall	47	Warren	75
George	20	Monroe	48	Washington	76
Greene	21	Montgomery	49	Wayne	77
Grenada	22	Neshoba	50	Webster	78
Hancock	23	Newton	51	Wilkinson	79
Harrison	24	Noxubee	52	Winston	80
Hinds	25	Oktibbeha	53	Yalobusha	81
Holmes	26	Panola	54	Yazoo	82
Humphreys	27	Pearl River	55	Non-Resident	83
Issaquena	28	Perry	56	Resident Living Out of State	90

Filing Status and Exemptions

Mark an 'X' in the box applicable to your filing status on the last day of the tax year. After checking the applicable filing status, enter the corresponding dollar amount of exemption on Page 1, Line 12, (Dollar amount is shown next to the filing status you selected). The exemption and standard deduction for each filing status for 2010 are listed on the following page.

Filing Status	Exemption	Standard Deduction
Married – Filing Joint or Combined Return	\$12,000	\$4,600
Married - Spouse Died 2011	\$12,000	\$4,600
Married - Filing Separate Returns	\$6,000	\$2,300
Head of Family Individual	\$8,000*	\$3,400
Single Individual	\$6,000	\$2,300

* Note: The additional \$1,500 will be allowed in the calculation of the dependent exemption amount entered on Line 11.

Filing Status for Married Persons

Married persons may file tax returns in any of these three methods: (1) joint, (2) combined, or (3) separate. Choose the method which results in the least amount of tax.

(1) A joint return is usually completed when only one spouse has income. Place all income, deductions, exemptions, etc. in Column A (Taxpayer).

(2) A combined return is completed when both spouses have income. Place one spouse's income in Column A (Taxpayer) and the other spouse's income in Column B (Spouse). The exemptions and deductions may be divided in any manner you choose. If only one spouse has income, this income may not be split between husband and wife.

(3) Separate returns (two returns) are filed when each spouse completes his/her own return. Each spouse reports his/her own income and deductions on a separate return. BOTH spouses must file returns even though one spouse may have little or no income. If one spouse elects to itemize deductions, both must itemize. If one spouse elects to use the standard deduction, both must use the standard deduction. Each spouse is entitled to only one-half of the total exemption authorized. Each spouse must list the other spouse on his/her return.

Itemized Deductions

You may choose to **either** itemize individual non-business deductions **or** claim the standard deduction for your filing status, whichever provides the greater tax benefit.

- State income taxes, or any other taxes allowed for federal purposes in lieu of state income tax, including taxes withheld on Mississippi gaming winnings, are not deductible on your itemized deductions schedule. See the instructions for Schedule A on Page 12.
- Losses incurred at Mississippi gaming establishments are not deductible on your Mississippi itemized deduction schedule.
- Married individuals having separate income and filing a combined return may divide their itemized deductions in any amount between them.

Standard Deductions and Exemptions

Married - Filing Joint or Combined Return

The standard deduction (\$4,600) and the authorized exemption (\$12,000) may be divided between the spouses in any manner they choose when filing a combined return.

Married - Filing Separate (two returns)

Each individual must claim the authorized exemption (\$6,000) and the standard deduction (\$2,300). Any unused portion of the standard deduction (\$2,300) or the exemption (\$6,000) by one spouse on his/her separate return may not be used by the other spouse on his/her separate return.

Filing Status and Exemptions

Lines 1-6 Instructions

Line 1 - Married - Combined or Joint Return

Enter \$12,000 on Line 12

A married individual is a person who was legally married on the last day of the tax year. The filing status exemption for married individuals is a joint exemption and in the case of husband and wife filing a joint or combined return (one return), the exemption may be claimed by either or divided between them in any manner they choose to the extent that the total amount of exemption claimed by husband and wife does not exceed the total exemption authorized (\$12,000). Mississippi law does not recognize common law marriages entered into after April 5, 1956.

Line 2 - Married - Spouse died in 2011. Please enter surviving spouse first as taxpayer.

Enter \$12,000 on Line 12

Use this filing status if your spouse died in 2011, and you did not remarry in 2011. Report your spouse's income before death and your income for all of 2011. Write "deceased" and the date of death beside spouse's name on the return. **List surviving spouse's name and SSN first (your SSN) when completing form.**

Line 3 - Married - Filing Separate Returns

Enter \$12,000 on Line 12

Mississippi law provides that married individuals filing separate returns (two returns) shall divide equally between the two spouses the total exemptions authorized. If the box on Line 3 is checked, the only deduction you may claim for exemptions is one-half of the amount indicated on Line 13. Checking the box Married - Filing Separate Returns implies that **both** husband and wife will file separate returns regardless of the amount or source of income of each. Any unused portion of the exemptions on one return may not be claimed on the other. If you elect to file separate returns, enter the Spouse's Name and Spouse's SSN in the Heading of the return.

If this computation produces an inequity, it is suggested that married individuals check the box on Line 1 and file one combined return, so the filing status and additional exemptions may be divided between the spouses in any manner they choose. **If you elect to file jointly, enter the Spouse's Name and Spouse's SSN in the Heading of the return.**

Line 4 - Head of Family Individuals

Enter \$8,000 on Line 12

A Head of Family individual is a taxpayer who is single and who maintains a household which constitutes the principal place of abode for himself or herself **AND** one or more dependents. A married individual must live apart from his/her spouse for the entire year to qualify for Head of Family filing status.

If the dependent does not live in the same home with the taxpayer, such

taxpayer does not qualify as head of family even though the taxpayer may contribute to the support and maintenance of a separate household for the dependent.

You *must* have a dependent of yours living in the home with you for the entire year to file as head of family. By checking Line 4 of the tax return to file as head of family, you are allowed \$8,000 and on Line 6 you are allowed \$1,500 for the required dependent, which totals \$9,500 for your head of family status exemption. If you have dependents, list them on the additional lines available on Line 6.

Line 5 - Single Individuals

Enter \$6,000 on Line 12

A single taxpayer status is allowed for a person who is not married or who is married but legally separated from his/her spouse on the last day of the tax year.

Additional Exemptions

The additional exemptions are as follows:

- Each dependent, other than yourself or your spouse\$1,500
- Age 65 or over, taxpayer or spouse only\$1,500
- Blind, taxpayer or spouse only\$1,500

An additional exemption may be claimed for a taxpayer and/or spouse ONLY if blind or age 65 or over. The status on the last day of the tax year will determine the additional exemptions authorized except in the case of death of a spouse or dependent.

Line 6 - Dependents

Enter the dependent's name, the dependent's relationship to you, and the dependent's Social Security Number. A dependent is a relative or other person who qualifies for federal income tax purposes as a dependent of the taxpayer. **A dependency exemption is not authorized for yourself or your spouse.**

An additional exemption may be taken by the taxpayer for each authorized dependent claimed. You must enter the SSN and relationship for each dependent claimed on your tax return.

Line 7 - Age and Blindness

If the taxpayer or spouse is age 65 or over, or blind, an additional exemption may be claimed. Mark an 'X' in the applicable box(es) on Line 7 and enter on Line 9 the number of boxes checked. For tax purposes, a person is 65 years of age on the day before his 65th birthday. No additional exemption for age or blindness may be claimed for dependents.

Line 8 - Number of Dependents Claimed

Enter the number of dependents claimed on Line 6.

Line 9 - Number of Age and/or Blindness Exemption(s)

Enter the number of boxes checked on Line 7.

Line 10 - Total Additional Exemptions Claimed

Enter the total of dependents claimed on Line 8 plus age and/or blindness exemptions on Line 9.

Line 11 - Total Additional Exemption(s) Amount

Multiply line 10 by \$1,500 and enter the result on Line 11.

Line 12 - Filing Status Exemption

Enter the dollar amount corresponding to the Filing Status you selected from Lines 1 through 5.

Line 13 - Total Filing Status/Additional Exemption Amounts

Add the amounts from Line 11 and Line 12. Enter on Line 13.

Line 14 - Total for Married-Filing Separate Returns

If your filing status is Married-Filing Separate Returns, enter **one half** of the amount on Line 13.

Instructions for Lines 15-17 on Form 80-205

In order to complete Lines 15-17 of Form 80-205, the Exemption and Deduction (Standard or Itemized) must be prorated according to the ratio of Mississippi income to total income of taxpayer and spouse from all sources. Complete the Schedule of Income and Schedule of Adjustments to Gross Income on Page 2 in order to complete Lines 15-17. See instructions that follow in the next column and on pages 6 and 7.

NOTE: Married individuals with separate incomes electing to file a combined return (both spouses having earned incomes) should separate their incomes beginning with Line 15, and throughout the return in order to take advantage of the lowest tax rates.

Line 15 - Wages, Salaries, Tips, Etc. (Line 34 on NR Return)

Show the total of all wages, salaries, fees, compensation, commissions, tips, bonuses, and other amounts your employers paid you before they deducted taxes, insurance, etc. Include in this total:

- The amount shown on your Wage and Tax Statements (Form W-2s) in the box "State wages, tips, etc."
- Wages you received but for which you do not have a Wage and Tax Statement.
- Tips you did not report to your employer.
- Fair market value of meals and living quarters if given by your employer as a matter of your choice and not for your employer's convenience.
- Strike and lockout benefits paid by a union from union dues, including both cash and the fair market value of goods received, unless the facts clearly show that such benefits were intended as a gift.

Must include all W-2s with your return. Staple the W-2s to the back of your return.

Line 16 - Other Income

Complete Schedule of Other Income on Page 2 of Form 80-105. Enter the total amount from Schedule of Other Income, Page 2, Line 46 here. **See the instructions that follow for completing Schedule of Income, Page 2, Lines 36 through 46 (Lines 34 through 45 on NR Return)**

Schedule of Other Income Lines 36-46 (Lines 34-45 on NR Return) (Page 2)

Note: Differences may exist between the amount of state taxable income entered on this form and the amount of federal taxable income entered on Form 1040, 1040A, etc. In such cases reconciliation must be provided. This can be accomplished in one of two ways. The first method is to enter the amount per the federal return for the corresponding line item (e.g. line 36 - Schedule C income) on the Mississippi return. A separate adjustment is recorded on Schedule N identifying the difference(s) between federal and state reportable income (e.g. Bonus Depreciation Adj. - Schedule C - 1). The alternative is to enter the amount of Mississippi reportable income on the appropriate line (e.g. line 39 - Farm Income) and attach a separate schedule reconciling the federal amount, the item(s) of difference, and the state amount reported on page 2 of Form 80-105.

Note: On Form 80-205, married individuals with separate incomes electing to file a combined return (both spouses having earned incomes) should combine their incomes beginning with line 34, and throughout the schedule to determine Total Income from All Sources and Income(s) Earned in Mississippi Only.

Line 36 - Business Income or Loss (Line 35 on NR Return)

Enter your profit or loss if you owned a business or practiced a profession. If you had more than one business, or if you and your spouse had separate businesses, complete a Schedule C for **each** business. If the Mississippi net profit or loss amount varies from the Federal Schedule C net profit or loss, then provide a reconciliation. If you enter the federal amount on this line, but there is a difference between Mississippi and federal amounts, enter the adjustment on Form 80-108, Schedule N. The federal Schedule C must be attached to your return.

If some of your expenses are part business and part personal, you can only deduct the business part as a business expense.

Line 37 - Capital Gain or Loss (Line 36 on NR Return)

Enter the amount of capital gain or loss. Mississippi generally follows IRS rules concerning computation of capital gains and losses. Capital loss deductions are subject to the same limitations as federal. However, Mississippi does not have different tax rates for capital gains. All income is taxed at the same rate. Gains from the sales of ownership interests must first be reduced by the amount of any losses determined from sales or transactions described in Miss Code Ann. § 27-7-9(f)(10)(A). If the amount reported on this line is different than the amount reported for federal purposes, a reconciliation should be attached. If you enter the federal amount on this line, but there is a difference between Mississippi and federal amounts, enter the adjustment on Form 80-108, Schedule N. The federal Schedule D must be attached to your return.

Line 38 - Rental Real Estates, Royalties, Partnerships, S Corporations, Trusts, etc. (Line 37 on NR Return)

Enter the income or loss from activities reported on Federal Schedule E on this line. If the amount reported is different than the amount reported for federal purposes then attach a reconciliation. If you enter the federal amount on this line, but there is a difference between Mississippi and federal amounts, enter the adjustment on Form 80-108, Schedule N. The federal Schedule E must be attached to your return.

Line 39 - Farm Income or Loss (Line 38 on NR Return)

Enter the net farm income or loss on this line. If you are a farmer or rent your farm on shares, attach Federal Schedule F to your tax return.

If the amount reported is different than the amount reported for federal purposes then attach a reconciliation. If you enter the federal amount on this line, but there is a difference between Mississippi and federal amounts, enter the adjustment on Form 80-108, Schedule N.

Farm losses claimed by persons who do not devote full time to farming will not be allowed unless such person can clearly establish the fact that he is in the business of farming for gain or profit. The federal Schedule F must be attached to your return.

Line 40 - Interest Income (Line 39 on NR Return)

Complete Form 80-108, Page 1, Schedule B, Lines 1 - 3. Enter interest received or credited to your account during the tax year on bank deposits, notes, mortgages and corporation bonds. Interest on bonds is considered income when received or credited. Interest income from obligations of the U.S. Government, the State of Mississippi and subdivisions thereof, is exempt. Interest on obligations of other countries, states, cities, or political subdivisions outside Mississippi is taxable.

Line 41 - Dividends (Line 40 on NR Return)

Complete Form 80-108, Page 1, Schedule B, Lines 4 -6. Report the amount of all dividends received during your tax year. Dividends include distributions of money as well as property.

Line 42 - Alimony Received (Line 41 on NR Return)

Enter the amount received as alimony and separate maintenance payments. The recipient of alimony must include the amount received in gross

income. For Alimony Paid, see the instructions for Line 50.

Line 43 - Total Pensions and Annuities (Line 42 on NR Return)

Enter the total amount of taxable pensions and annuities received on this line. Pensions and annuities that are taxable as early or excess distributions under the Federal Internal Revenue Code (see Federal Form 5329) do not qualify for exemption from Mississippi income tax. Such income should be reported on this line as taxable income. Separation pay is not retirement income and does not qualify for exemption. Deferred compensation plan distributions received prior to attainment of retirement age and/or service requirements are taxable for Mississippi purposes and should be reported on this line. Do not report Social Security benefits, annuity benefits received under the federal Railroad Retirement Act, or retirement income on this line. Social Security benefits, Railroad Retirement benefits, and retirement income from federal, state, and private retirement systems are exempt in total.

Line 44 - Unemployment Compensation (Line 43 on NR Return)

Enter from Form(s) 1099-G the amount of unemployment compensation received in 2010. Unemployment compensation is taxable for Mississippi income tax purposes.

Line 45 - Other Income or Loss (Line 44 on NR Return)

Enter the amount from Form 80-108, Schedule N.

Line 46 - Total Other Income or Loss (Line 45 on NR Return)

Add Lines 36 through 45. Enter the total on this line. Carry amount on Line 46 to Form 80-105, Page 1, Line 16. *NR Return: Add Lines 34 through 44 of both columns "Total Income From All Sources" and "Mississippi Income ONLY". Enter the totals on this line.*

Adjustments to Gross Income

Line 17 - Adjustments to Gross Income

Complete the Schedule of Adjustments to Gross Income on Page 2 of your return. Enter the total adjustments from Page 2, Line 56, here. An adjustment claimed on this line requires attachment of a schedule or other detailed explanation of the adjustment. See the following instructions for Schedule of Adjustments to Gross Income, Lines 47 through 55. **(Lines 46 through 54 on Non-Resident Form 80-205).**

Instructions for Schedule of Adjustments to Gross Income (Page 2) (Lines 46 through 54 on Non-Resident Form 80-205)

NOTE: On Form 80-205, married individuals with separate incomes electing to file a combined return (both spouses having earned income) must combine their adjustments beginning with Line 46, and continue throughout the schedule to determine Total Income from All Sources and Incomes Earned in Mississippi Only. Non-Resident or part-year residents not reporting total income to Mississippi are entitled to claim that portion of certain adjustments in the ratio that income from sources within Mississippi.

(Line 45, Mississippi Only Income) bears to total income from all sources (Line 45, Total Income From All Sources). The ratio determined cannot exceed 100%. Adjustments that must be prorated are (a) Payments to an IRA (Line 46); (b) Payments to self-employed SEP, SIMPLE, and qualified plans (Line 47); (c) Alimony Paid (Line 49); (d) Moving Expenses (Line 50); Self-Employed Health Insurance Deduction (Line 53), Health Savings Account Deduction (Line 54). If the adjustment to income is not listed in lines 47 through 55, then the adjustment must be reported on Form 80-108, Schedule N. You must give a description of the adjustment and enter the figure as a negative amount. Our system will not read the statements. An adjustment in this section requires attachment of a schedule or other detailed explanation. An example is provided on the following page.

Example:

John and Mary Johnson moved from Arkansas to MS in October of 2011. Together they had \$2,000 of qualified unreimbursed moving expenses. In completing the return, John and Mary had total income of \$50,000 (line

45, left column) and total Mississippi income of \$20,000 (line 45, right column).

On line 50, moving expense, the \$2,000 of qualified unreimbursed moving expenses is entered in the left column. On line 50, moving expense, \$800 ($\$2,000 \times (20,000/50,000)$) is entered in the right column (Mississippi column).

Line 47 - Payments to an IRA (Line 46 on NR Return) You may deduct payments to an IRA to the extent that such payments are deductible for federal income tax purposes. Use the worksheet in your federal income tax instructions to figure your deduction for payments to an IRA. See Note above concerning proration.

Line 48 - Payments to self-employed SEP, SIMPLE, and Qualified Plans. (Line 47 on NR Return)

You may deduct contributions to Self-Employed Retirement Plans to the extent that such contributions are deductible for federal income tax purposes. If the contributions or any part thereof, are not deductible for federal income tax purposes, they are not deductible for Mississippi income tax purposes. See Note above concerning proration.

Line 49 - Interest Penalty on Early Withdrawal of Savings (Line 48 on NR Return)

Federal Form 1099-INT given to you by your bank or savings and loan association will show the amount of any interest penalty you were charged because you withdrew funds from your time savings deposit before its maturity. The amount of such penalty is deductible.

Line 50 - Alimony and Separate Maintenance Paid (Line 49 on NR Return)

Alimony payments you made are deductible to the extent allowable for federal income tax purposes. You must complete Schedule P, Page 2 of your return. Include the name, social security number and state of residency of the individual to whom the alimony was paid. See Note above concerning proration.

Line 51 - Moving Expense (Line 50 on NR Return)

You may deduct moving expense(s) as an adjustment to gross income to the extent allowable for federal income tax purposes. Attach a copy of Federal Form 3903. If your move was interstate, then a prorated amount of moving expense is deductible on the non-resident/part-year return form. For an example, see general instructions for lines 46 -54 at top of the page.

Line 52 - National Guard and Reserve Pay (Line 51 on NR Return)

Enter the lesser of the National Guard or Reserve pay or the \$15,000 Statutory Exclusion per taxpayer. Report National Guard or Reserve pay on Line 15.

Line 53 - MPACT - MS Prepaid Affordable College Tuition Program and/or MACS - MS Affordable College Savings

(Line 52 on NR Return) Enter the prepaid tuition contract (MPACT) costs you paid during 2011 to the Mississippi Treasury Department on behalf of a student beneficiary and/or the amount contributed to a MACS Program account on behalf of a qualified beneficiary. Under the MACS Program, the maximum annual contribution deductions are \$20,000 for joint filers and \$10,000 for single and other filers. Contributions must be made on or before the deadline for making contributions to an IRA under federal law for such years (by the due date of the return, not including extensions.) **Only amounts contributed to these programs are excluded from Mississippi income.**

Line 54 - Self-Employed Health Insurance Deduction (Line 53 on NR Return)

Enter the amount of the Self-Employed Health Insurance Deduction you claimed on your Federal income tax return. See Note above concerning proration.

Line 55 - Health Savings Account Deductions (Line 54 on NR Return)

Enter the amount deposited into a health savings account plus any accrued interest as defined in the Health Savings Account Act. Any

amounts withdrawn other than for the purpose of paying qualified medical expenses or to procure health coverage shall be included in gross income.

Line 56 - Total Adjustments to Gross Income (Line 55 on NR Return)

Add Lines 47 through 55. Enter the total here and on Line 17, Page 1, of Form 80-105. (If the adjustment to income is not listed in lines 47 through 55, then the adjustment must be reported on Form 80-108, Schedule N. You must give a description of the adjustment and enter the figure as a negative amount. Our system will not read the statements.) For Form 80-205, see instructions for Lines 55 and 56 below.

Line 56 - Total adjusted gross income from All Sources and Mississippi Adjusted Gross Income on NR Return

Subtract Line 55 from Line 45. Carry the Mississippi Only Income to Line 15a. Carry the Total Income from All Sources to Line 15b. These are the amounts you will use to calculate the ratio on Line 15c.

Carry the Mississippi Only Income to Line 18 as well for single or HOF filers. If you are Married-Filing Combined Return, enter amounts from line 57.

Line 57 - Total for Married - Filing Combined Return on NR Return

If you are Married - Filing Combined Return, split the Mississippi Adjusted Gross income from Line 56 according to ownership between Taxpayer and Spouse. Enter the amounts for Taxpayer and Spouse on Page 1, Line 18, of Form 80-205.

Line 18 - Mississippi Adjusted Gross Income (Line 18 on NR Return)

Enter Line 15 plus Line 16 minus Line 17. On Form 80-205, enter amount from Line 56 or 57, as appropriate.

Deductions

Line 19 - Standard or Itemized Deductions

You may choose to either itemize individual non-business deductions or claim the standard deduction for your filing status, whichever produces the greater tax benefit. In the case of married individuals filing separate returns, one spouse may itemize only if the other spouse itemizes. If one spouse claims the standard deduction on a separate return, the other must claim the standard deduction.

(1) Itemized Deductions

State income taxes or any other taxes allowed for Federal purposes in lieu of state income tax are not deductible on your itemized deductions schedule. This also includes the non-refundable income tax withheld on gaming winnings. See instructions for Schedule A (Itemized Deductions). Married individuals having separate income and filing a combined return may divide their itemized deductions in any manner they choose for column A and column B. Mississippi Gaming Losses are not deductible on Mississippi itemized deductions.

(2) Standard Deduction

In lieu of an allowance for itemized personal deductions, you may claim an allowance for the standard deduction. Refer to the table on page 4 for the amounts of standard deduction allowances.

Married individuals having separate incomes and filing a combined return (one return), may divide the authorized standard deduction (\$4,600) between the spouses in any manner they choose for column A and column B. Married individuals filing separate returns (two returns) and electing to claim the standard deduction must EACH claim the amount specified - any unused portion of the standard deduction by one spouse on his separate return may not be used by the other spouse on her separate return. Enter the amount of your itemized or standard deduction on page 1, Line 19.

Line 20 - Amount of Exemption

Enter the amount from Line 13, or Line 14 if filing Married-Filing Separate.

Proration (Lines 15-17)

NOTE: The following instructions on page 8 apply only to Form 80-205.

Non-Residents. Non-Resident individuals are allowed the same personal and additional exemptions authorized for resident individuals. However, the full amount of the exemptions is intended for individuals (residents) reporting total income to Mississippi, regardless of source.

Mississippi law provides that Non-Resident individuals not reporting total income are entitled to a deduction of that portion of the personal and additional exemptions in the ratio that income from sources within Mississippi bears to total net income from all sources. **The ratio determined cannot exceed 100%.**

If the total income of the taxpayers, including husband and wife, is not reportable to Mississippi, the personal exemptions must be reduced on an income ratio. Only the Mississippi income is taxable for Mississippi income tax purposes, but total income must be declared for the proration of exemptions and deductions.

If married, with one spouse a resident and the other a non-resident, the personal exemption of the resident individual shall be prorated on the same basis as if both husband and wife were Non-Residents having net income from within and without the State of Mississippi.

Part-Year Residents. An individual who is a resident of Mississippi for only a part of the tax year by reason of either moving into the state or moving from the state shall be allowed the same personal and additional exemptions as authorized for resident individuals. However, the part-year resident shall likewise prorate his, her, or their personal and additional exemptions on the same basis as provided above for Non-Resident having net income from within and without the state.

Standard Deduction. Proration of the standard deduction is required of Non-Residents and part-year residents for the same reasons and subject to the same limitations as described above. If you elect to claim the standard deduction, in lieu of itemizing personal deductions (Schedule A), and your total income is not taxable for Mississippi income tax purposes, it is necessary to prorate the deduction.

Itemized Deductions. Proration of the itemized deductions is required of Non-Residents and part-year residents for the same reasons and subject to the same limitations as described above. If you elect to claim itemized personal deductions (Schedule A), in lieu of claiming the standard deduction, and your total income is not taxable for Mississippi income tax purposes, it is necessary to prorate the deduction. Mississippi part-year residents are authorized to claim only the itemized deduction expenses incurred while a Mississippi resident. **Local taxes and Mississippi gaming losses must be subtracted from Mississippi itemized deductions.**

Line 15a - Mississippi Adjusted Gross Income
(Mississippi Only Amount from Page 2, Line 56)

Complete the Schedule of Income on Page 2 of your return to compute your total Mississippi income. Enter the amount from the Mississippi Income Only Column on Page 2, Line 55.

Line 15b - Total Adjusted Gross Income
(Total Income Amount from Page 2, Line 56)

Enter the amount for the adjusted Total Income from All Sources on Page 2, Line 56. An adjustment claimed on this line requires attachment of a schedule or other detailed explanation of the adjustment.

Line 15c - Ratio

Divide the amount on Line 15a by the amount on Line 15b and enter the result here. **The ratio or percentage cannot exceed 100%.** This is the percentage or ratio you will use to prorate the allowable deductions (Line 16) and exemptions (Line 17).

Line 16a - Itemized Deductions or Standard Deduction

You may choose to either itemize individual non-business deductions or claim the standard deduction for your filing status, whichever produces the greater tax benefit.

(1) Itemized Deductions -OR-

(2) Standard Deduction

In lieu of itemized personal deductions, you may claim the standard deduction. Refer to the table on page 4 for the amounts of standard deduction allowed.

Enter amount of your standard deduction or itemized deductions on Line 16a, page 1. Non-Resident and part-year resident individuals must prorate their itemized or standard deductions in the ratio of Mississippi income to total income from all sources.

Line 16b - Mississippi Itemized or Standard Deduction

Multiply the amount on Line 16a by the ratio on Line 15c and enter total here. This is your allowable deduction amount. Carry this total to line 19.

Line 17a - Total Exemption

Enter the amount of exemption claimed on line 13, or Line 14 if filing Married - Filing Separate.

Line 17b - Mississippi Exemption

Multiply the amount on Line 17a by the ratio on Line 15c and enter total here. This is your allowable exemption amount. Carry this amount to Line 20.

Schedule of Tax Computation - Use taxable income from Page 1, Line 21 to complete Schedule below:

Tax Rate(s)	Taxpayer (Column A) taxable income		Spouse (Column B) taxable income		Total (Column A +B)	Rates	Income Tax
1. First \$5,000 or Part		+		=		x 3%	
2. Next \$5,000 or Part		+		=		x 4%	
3. Remaining Balance		+		=		x 5%	
4. Subtotal		+		=			
5. Total Income Tax - Enter on Page 1, Line 22 (sum of Lines 1 through 3)							

- **Line 1 - Enter the first \$5,000 of taxable income or part (\$0-\$5,000) in Column A, and Column B if applicable.** Multiply the total of these two columns by 3% and enter the resulting tax in the far right column labeled "income tax."
- **Line 2 - Enter the next \$5,000 of taxable income or part (\$5,001-\$10,000) in Column A, and Column B if applicable.**
- Multiply the total of these two columns by 4% and enter the resulting tax in the far right column labeled "income tax."
- **Line 3 - Enter the remaining balance of taxable income in Column A, and Column B if applicable.** Multiply the total of these two columns by 5% and enter the resulting tax in the far right

- column labeled "income tax."
- **Line 4 - Enter the total of Lines 1-3 for Column A, and Column B if applicable.**
- **Line 5 - Enter the total of the amounts entered under "income tax" from lines 1, 2 & 3.** Transfer this amount to Page 1, Line 22 of your return.
- Line 21 - Mississippi Taxable Income (Line 21 on NR Return)**
Subtract Lines 19 and 20 from Line 18 and enter the result on Line 21. The amount of income tax due is calculated on this amount, using the Schedule of Tax Computation on page 2 of the return.
- Line 22 - Total Income Tax Due (Line 22 on NR Return)**

Using the taxable income amount(s) from Line 21, the Tax Computation Schedule should be completed to determine the total Mississippi income tax liability. If Married Filing Joint or Combined, or Married - Spouse Died in Tax Year, filing status is elected, and the amounts in both Column A and Column B are positive amounts, use Column A (Taxpayer) and Column B (Spouse) of the Tax Computation Schedule to compute the tax liability on Line 5. If Married Filing Joint or Combined, or Married - Spouse Died in Tax Year, filing status is elected, and the taxable income on Line 21 of **either** Column A or B is a positive amount, and the taxable income on Line 21 of the **other** column is a negative amount, the positive and negative amounts should be combined. If a **net positive** amount results, the tax liability should be computed on the net amount using Column A of the Tax Computation Schedule. If combining the positive and negative amounts reflected in Column A and Column B results in a **negative** amount, there will be no income tax liability. If the amounts shown on Line 21, Columns A and B, are both **negative**, there will be no income tax liability. The tax liability for taxpayers using any other filing status should be computed using Column A (Taxpayer) of the Tax Computation Schedule. Enter the amount from Line 5 of the Tax Computation Schedule on Line 22, Page 1, of the tax return.

Credits

Line 23 - Mississippi Income Tax Withheld (Line 23 on NR Return)

Add the amounts shown as "MS Income Tax" withheld on your Forms W-2 and Federal Forms 1099 and/or 1099-R. Enter the total amount withheld on Line 23.

Tax withheld on gaming winnings cannot be claimed as Mississippi income tax withheld.

Staple **readable** copies of your Forms W-2 to the back of the return. Copies of your Forms W-2 are available only from your employer. Also attach any other forms (1099, etc.) which have Mississippi withholding to the back of the return. The withholding credit may be disallowed if W2s are not attached to return.

Line 24 - Estimated 2011 Tax Payments and/or Amount Paid with Extension (Line 24 on NR Return)

Enter the total estimated tax payments you made before filing your 2011 Mississippi tax return plus any amount credited from your 2010 tax return. Any amount paid with a request for extension of time to file should also be included in this amount.

Line 25 - Credit for Income Tax Paid to Another State (Not Applicable on NR Return)

If you are a resident of Mississippi who earns income in another state and are required to pay an income tax to that other state, you are allowed to take a credit against your Mississippi income tax due in the same year for the total income tax due to the other state (subject to certain limitations).

In order to be allowed this credit, you **MUST** file an income tax return with the other state, **and** attach a copy of this return to your Mississippi return. The withholding amounts shown on your W-2 forms are **NOT** the same as actual tax paid to the other state. **Copies of withholding statements are not sufficient to establish the credit.**

Miss Code Ann. § 27-7-77 provides for three limitations which are:

- (1) The credit may not exceed the amount of income tax due the State of Mississippi, indicated on Line 22;
- (2) The credit may not exceed the amount of income tax actually paid to the other state; and
- (3) The credit may not exceed an amount computed by applying the highest applicable Mississippi rates to the net taxable income reported to the other state. Highest rates are meant to mean the highest rates at which the net taxable income reported to the other state is taxable by the State of Mississippi.

Line 26 - Other Credit(s) (Line 25 on NR Return)

All other allowable credits should be combined and the total entered on this line. **For each type of credit taken enter the applicable two digit code as provided below.**

Income Tax Credit Codes

02	Premium Retaliatory Tax Credit (Sec. 27-15-109)
03	Finance Company Privilege Tax Paid for Same Tax Year (Sec. 27-12-9)
04	Credit for Advanced Technology or Enterprise Zone (Sec. 27-7-22) - Repealed 1/1/09
05	Jobs Tax Credit (Sec. 57-73-21)
06	National or Regional Headquarters Credit (Sec. 57-73-21)
07	Research and Development Skills Credit (Sec. 57-73-21)
08	Child/Dependent Care Credit (Sec. 57-73-23)
09	Basic Skills Training or Retraining Credit (Sec. 57-73-25)
10	Reforestation Credit (Sec. 27-7-22.15)
11	Credit for Gambling License Fee Based on Gross Revenue (Sec. 75-76-177)
12	Financial Institution Jobs Credit (Sec. 27-7-22.13)
13	MS Business Finance Corp. Revenue Bond Service Credit (Sec. 27-7-22.3)
14	Ad Valorem Inventory Tax Credit (Sec. 27-7-22.5)
15	Export Port Charges Credit (Sec. 27-7-22.7)
16	Guaranty Credit (Sec. 83-23-218)
17	Import Credit (Sec. 27-7-22.23)
18	Land Donation Credit (Sec. 27-7-22.21)
19	Broadband Technology Credit (Sec. 27-87-5)
21	BrownField Credit (Sec. 27-7-22.16)
22	Airport Cargo Charges Credit (Sec. 27-7-22.25)
23	Manufacturer's Investment Tax Credit (Sec. 27-7-22.30)
24	Producer of Alternative Energy Job Credit (Sec. 27-7-22.28)
25	Child Adoption Credit (Sec. 27-7-22.32)
26	Historic Structure Rehabilitation Credit (Sec. 27-7-22.31)
27	Long Term Care Credit (Sec. 27-7-22.33)
28	New Markets Tax Credit (Sec. 57-105-1)
29	Biomass Energy Investment Tax Credit (Sec. 27-7-22.35)
30	Wildlife Land Use Credit (HB 1716, 2010 Legislative Session)
50	Bank Share Credit (Sec. 27-35-35)

General restrictions exist on the use of income tax credits on a Mississippi individual income tax return. Most often these credits will be passed through from an entity filing a Mississippi Partnership or S Corporation tax return.

The following will show the maximum credit allowed. There are no provisions for refunding any excess credit if the credit is more than the income tax liability. Some of the credits do allow the unused portion to be carried forward for a period of time. If a taxpayer has more than one credit and/or more than one type of credit, the credits may be used in any sequence so as to obtain the greatest tax savings. Form 80-492 must be attached to your income tax return.

Ad Valorem Inventory Tax Credit -This credit is limited to the lesser of \$5,000.00 per location or the income tax attributable to the location paying the Ad Valorem tax. This credit can be acquired in two ways, the first would be from a pass through entity and the second from a business whose income is being reported using a Schedule C in the individual tax return (if the credit is from a Schedule C then attach a copy of the Ad Valorem tax bills). This credit is calculated as follows: Multiply the net income passing through from the entity or the income off the Schedule C by the effective tax rate/rates (starting at your highest effective tax rate then work down if some of the business income is taxed at 4% and/or 3%). Unused credit may not be carried forward. Any expenses on which the credit is calculated must be added back to taxable income.

Jobs Tax Credit, National or Regional Headquarters Credit, Research and Development Skills Credit - These credits combined are limited to 50% of the income tax that is attributable to income derived from operations in the state for a year. The allowable credit is calculated as follows: Multiply the net income passing through from the entity by the effective tax rate/rates (starting at your highest effective tax rate then work down if some of the business income is taxed at 4% and/or 3%); then multiply by the 50% limitation. Any unused credit may be carried over for 5 years.

Job Development Assessment Fee - Employees whose wages have been assessed to help pay for Business Finance Corporation issued bonds which created their jobs, may claim a credit against their income taxes. Job Development Assessment Fee amounts are shown in the city or local income tax withholding block on the W-2 form, with the word RED for the city or local name. Credit amounts which exceed the tax due are not refundable and may not be carried forward to another tax year.

Reforestation Tax Credit - This credit, based on the costs incurred for certain approved reforestation practices, is an amount equal to the lesser of fifty percent (50%) of the actual cost of approved practices or fifty percent (50%) of the average cost of approved practices as established by the Mississippi Forestry Commission. In any taxable year, the credit shall not exceed the lesser of \$10,000 or the amount of income tax imposed upon the eligible owner for the taxable year reduced by the sum of all other credits allowable to the eligible owner (except for withholding credits, estimated tax payments, and/or credit for tax paid to another state). The maximum reforestation tax credit that an eligible owner may utilize during his lifetime is \$75,000 in the aggregate. Any unused portion of the credit may be carried forward to succeeding years. Generally, reforested acreage on which the eligible owner receives any state or federal cost share assistance funds to defray the cost of an approved reforestation practice is not eligible for the credit, unless the eligible owner's adjusted gross income is less than the federal earned income credit level. Unused credit may not be carried forward. Any expenses on which the credit is calculated must be added back to taxable income.

Child Adoption Credit - An income tax credit is available up to \$2,500 for qualified adoption expenses paid or incurred during the tax year for each child legally adopted by a taxpayer. The credit may be claimed for the tax year in which the adoption becomes final and any unused credit may be carried forward for three (3) years. If the Child Adoption Credit is claimed then the child cannot be claimed as a dependent. This credit is effective January 1, 2006.

Long Term Care Credit - Effective January 1, 2007, there is a credit available against individual income taxes for premiums paid during the taxable year for certain qualified long term care insurance policies as defined in Section 7702B of the Internal Revenue Code. The credit available is twenty-five percent (25%) of premiums paid during the taxable year not to exceed \$500 or the taxpayer's income tax liability, whichever is less, for each qualified long term care insurance policy. No carry forward is allowed for any unused portion.

Biomass Energy Investment Credit - A credit is allowed for eligible facilities equal to five (5%) of investments made in the initial establishment of this facility. An eligible facility is a new facility that creates at least twenty (20) full time jobs with a minimum investment from private sources of \$50,000,000 and produces electric energy from biomass. The credit shall commence within two (2) years from the date becomes operational and may be carried forward for five (5) consecutive years. The credit is limited to fifty percent (50%) of the total state income tax liability.

Wildlife Land Use Credit - Effective January 1, 2010, a state income tax credit is allowed that provides a \$5.50 per acre tax credit for certain taxpayers that allow land to be used as a natural area preserve, wildlife refuge, wildlife management area or public outdoor recreation area.

Land must first be approved to be suitable for the uses listed above by the Mississippi Commission on Wildlife, Fisheries and Parks. Any unused credit amount may be carried forward for five (5) years from the close of the taxable year in which the land was approved for such a use.

You may visit our web site at www.dor.ms.gov for information on other credits and their limitations. Other credits include Enterprise Zone Credit, Business Child/Dependent Care Credit, Basic Skills or Training Credit, Finance Company Privilege Tax Credit, Mississippi Business Finance Corporation Revenue Bond Service Credit, Export Port Charges, Temporary Assistance for Needy Families (TANF) Credit. **NOTE: The Business Child/Dependent Care Credit referred to above IS NOT the same credit that is allowed for federal income tax purposes. The credit referred to here is allowable to employers who provide facilities for the care of dependents of their employees.**

Line 27 - Total Credits (Line 26 on NR Return)

Add the amounts on Lines 23, 24, 25, and 26. (Lines 23, 24, and 25 on NR Return). Enter the total on this line.

Refund or Balance Due

Line 28 - Overpayment (Line 27 on NR Return)

If Line 27 is larger than Line 22, subtract Line 22 from Line 27 and enter the overpayment of tax on Line 28. *On NR Return, if Line 26 is larger than Line 22, subtract Line 22 from Line 26, and enter the overpayment of tax on Line 27.*

Line 29 - Credit to Estimated Tax (Line 28 on NR Return)

Enter on Line 29 the amount of your overpayment you wish to be credited to your 2011 estimated tax account. This amount will **not** be mailed to you.

Line 30 - Voluntary Contributions Check-Offs (Note: Line 30 is not applicable on a NR Return.)

You may contribute all or part of your 2011 income tax refund to one or more of the seven (7) funds approved by the Legislature. Enter both the amount of contribution for each fund and the total on this line. A worksheet is provided on page 11.

Your contribution may be claimed as a tax deductible charitable contribution on your state and federal income tax returns. Once your return is filed, your contribution is final and cannot be refunded.

Line 30(J) - Contributions to the Mississippi Military Family Relief Fund. You may elect to contribute all, or any portion, of your income tax refund (at least \$1) to the Mississippi Military Family Relief Fund. If you are due a refund and wish to contribute to the Mississippi Military Family Relief Fund, please write the amount you wish to donate on Line 30 J. This fund is to provide grants to families that experience a financial hardship as a result of a family member who is a Mississippi resident and who is a member of the Mississippi National Guard or the reserves of the Armed Forces of the United States being called to active duty as a result of September 11, 2001, terrorist attacks.

Line 30(K) - Contributions to Mississippi Commission for Volunteer Service Fund. You may elect to contribute all or part (at least \$1) of your income tax refund to the Mississippi Commission for Volunteer Service Fund. These refund donations may be expended by the Mississippi Commission for Volunteer Services to advance community service and volunteer work among Mississippians.

If you are due a refund and wish to contribute to the Mississippi Commission for Volunteer Services Fund, please write the amount you wish to donate on Line 30(K).

Line 30(L) - Contributions to the Mississippi Wildlife Heritage Fund. You may elect to contribute all or part (at least \$1) of your income tax refund to the Mississippi Wildlife Heritage Fund. These

refund donations are used to study, protect and manage our non-game wildlife, endangered species and special natural areas.

Since 1986, when the Wildlife Heritage Fund was established, tax refund contributions have been used to: (1) fund more than one hundred research projects which produced valuable information on rare plant and animal species; (2) reintroduce bald eagles to our state's barrier islands; (3) record and publish the songs and sounds of Mississippi's birds and frogs; and (4) help rehabilitate injured birds of prey.

If you are due a refund and wish to contribute to the Wildlife Heritage Fund, please write in the amount you wish to donate on Line 30(L). If you are not due a refund, but wish to contribute, make a check or money order payable to the Wildlife Heritage Fund and mail it to the Mississippi Department of Wildlife, Fisheries and Parks, P. O. Box 451, Jackson, MS 39205-0451.

Line 30(M) - Contributions to the Mississippi Educational Trust Fund. You may elect to contribute all or any portion, of your income tax refund (at least \$1) to the Mississippi Educational Trust Fund. If you are due a refund and wish to contribute to the Mississippi Educational Trust Fund, please write the amount you wish to donate on Line 30(M). Your donation is tax deductible and will be placed in this trust fund which will be used for the improvement of education within the State of Mississippi.

The principal of the trust fund shall remain inviolate and shall be invested as provided by general law. Interest and income derived from investment of the principal of the trust fund may be appropriated by a majority vote of the elected membership of each house of the Legislature and expended exclusively for the education of the elementary and secondary school students and/or vocational and technical training in this state.

Line 30(N) - Contributions to Mississippi Wildlife Fisheries and Parks Foundation. You may elect to contribute all or part (at least \$1) of your income tax refund to the Mississippi Wildlife Fisheries and Parks Foundation. These refund donations are used to build, upgrade, and/or improve our Fisheries and Parks managed by the Mississippi Wildlife Fisheries and Parks Commission.

If you are due a refund and wish to contribute to the Mississippi Wildlife Fisheries and Parks Foundation, please write the amount you wish to donate on Line 30(N).

If you are not due a refund, but wish to contribute, make a check or money order payable to Mississippi Wildlife Fisheries and Parks Foundation. The mailing address is Mississippi Department of Wildlife, Fisheries and Parks, P. O. Box 14194, Jackson, MS 39236.

Line 30(Q) - Contributions to Mississippi Bicentennial Celebration Fund. You may elect to contribute all or part (at least \$1) of your income tax refund to the Mississippi Bicentennial Celebration Fund. These funds will be used for the purpose of designating, coordinating and providing programs with respect to the formal Bicentennial celebration of the State of Mississippi in 2017.

If you are due a refund and wish to contribute to the Mississippi Bicentennial Celebration Fund, please write the amount you wish to donate on Line 30(Q).

Line 30(Z) - Contributions to Mississippi Burn Care Fund. You may elect to contribute all or part (at least \$1) of your income tax refund to the Mississippi Burn Care Fund. If you are due a refund and wish to contribute to the Mississippi Burn Care Fund, please write the amount you wish to donate on Line 30(Z). Donations to the Fund will be forwarded to the Burn Center for use in its operations.

Voluntary Contribution Check-Off Worksheet

J.	Mississippi Military Family Relief Fund	\$	
K.	Mississippi Commission for Volunteer Service Fund	\$	
L.	Mississippi Wildlife Heritage Fund	\$	
M.	Mississippi Educational Trust Fund	\$	
N.	Mississippi Wildlife Fisheries and Parks Foundation	\$	
Q.	Mississippi Bicentennial Celebration Fund	\$	
Z.	Mississippi Burn Care Fund	\$	
Enter total of lines J, K, L, M, N, Q, & Z here and on line 30, Form 80-105.		\$	

Line 31 - Net Overpayment to be Refunded to You (Line 29 on NR Return)

Subtract lines 29 and 30 from line 28. (On NR Return, subtract Line 28 from Line 27). Subject to correction of error, this is the amount of your refund. Please allow at least ten weeks to process your refund, perhaps longer if filed near April 15 or if you have a prior delinquency. The refund will be mailed to the address on your return. No refund will be made for amounts less than \$1.00 unless specifically requested.

If the Department of Revenue is notified of a debt in excess of \$25 by the State Department of Human Services, an Educational Board, Educational Institution, Educational Loan Agency, State Department of Medicaid, or Mississippi Department of Employment Security Commission, a portion or all of your refund may be offset in payment of that debt.

Line 32 - Balance Due (Line 30 on NR Return)

If the total credits on Line 27 are less than the total tax on Line 22, subtract Line 27 from Line 22 and enter the balance due on this line. On the NR Return, if the total credits on Line 26 are less than the total tax due on Line 22, subtract Line 26 from Line 22 and enter the balance due on this line.

Line 33 - Interest on Underestimate of Estimated Tax Payments (Line 31 on NR Return)

An individual taxpayer is subject to making estimated tax payments if such taxpayer does not have at least 80% of his/her tax liability withheld through wages subject to withholding and such liability exceeds \$200.

Interest should be entered on this line if you fail to file the required estimated tax return and pay the tax within the prescribed time, or if you underestimated the required amount. The interest due is computed at the rate of 1% per month on the underpayment of tax from the date payment is due until paid.

If you are subject to making estimated tax payments, use Form 80-320 to calculate the interest, or to determine if you qualify for an exception. If you have a refund but are subject to interest on underestimate, reduce the refund amount by the interest on underestimate.

Line 34 - Interest and Penalty (Line 32 on NR Return)

Enter the amount of interest and penalty due on late payment of the tax. An extension of time only extends the time for filing a return, not payment of the tax. If the income tax is not paid by the original due date of the return, then interest is due at the rate of 1% per month.

Penalties are imposed for failure to file a return or pay the tax when due. The penalty imposed for failure to pay the tax when due or on additional tax due is 1/2% per month not to exceed 25% in the aggregate. The penalty is based on additional tax due. Interest and penalty for late payment is not charged on interest and penalty on underestimated income tax payments.

The penalty imposed for failure to file a return is 5% per month not to exceed 25% in the aggregate. The failure to file penalty is based on the additional amount of tax due, not total tax due on the return. Such failure to file penalty shall not be less than \$100.

Line 35 - Total Due (Line 33 on NR Return)

Add lines 32, 33, and 34. On NR Return, add lines 30, 31, and 32. Enter

the amount on this line. This is the amount you owe. You must pay the FULL AMOUNT of your income tax due when you file your return (or before the due date of April 15). Payments should be made by check or money order payable to the Department of Revenue. Do not send cash by mail. **BE SURE TO ENCLOSE PAYMENT VOUCHER, FORM 80-106, WITH YOUR PAYMENT.** You may pay your tax in person at any of the Department of Revenue district offices. Balances due of less than \$1.00 need not be paid.

Signature and Date

You must sign your tax return. You have not filed a legal return unless you sign it and date it. If you and your spouse are filing a joint or combined return, both of you must sign even though only one had income. If your return was prepared by someone else, that person must sign the return as the preparer. No refunds will be made unless the return is properly signed.

Form 80-108

For the year 2010, a single form, Form 80-108, page 1, includes Schedule A - Itemized Deductions; Schedule B - Interest & Dividends; and Schedule N - Other Income (Loss) and Supplemental Income. Information for completing Schedules A and is transferred from Federal Form 1040 Schedules A. If you filed your Federal return using the standard deduction and wish to itemize deductions for Mississippi purposes, please use a Federal Form 1040 Schedule A as a worksheet and transfer the information from the specific lines indicated to the Mississippi Schedule A.

Itemized Deductions

Individual taxpayers may elect to either itemize their individual non-business deductions or claim a standard deduction.

If your itemized personal deductions are greater than the standard deduction for your filing status (See instructions for Line 19), it will be to your advantage to complete and file Schedule A.

If the standard deduction for your filing status is greater than the amount of itemized deductions which you can substantiate, it is to your advantage to claim a standard deduction.

Lines 1a through 1c - Medical and Dental Expenses

The instructions included with your federal return should be used in determining your medical deduction.

You should base your 7.5% limitation, Line 1b, on your federal adjusted gross income from your federal income tax return. Enter amounts Federal Form 1040, Schedule A. Subtract 7.5% Federal AGI on Line 1b.

Line 2a through 2c - Taxes You Paid

State income taxes paid or any other taxes allowed in lieu of Federal purposes including withholding taxes on Mississippi gaming winnings, are not deductible as an itemized deduction. These amounts should be subtracted on Line 2b. Also, you cannot deduct federal income tax or Social Security tax. Enter amounts from Federal Form 1040, Schedule A.

Line 3 - Interest You Paid

Federal income tax limitations with regard to interest expense apply fully to Mississippi income tax. Enter only interest expense deductible for federal income tax purposes. Enter amount from Federal Form 1040, Schedule A.

Lines 4 - Gifts to Charity

You can deduct what you gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. The amounts you deduct are subject to the federal limitations. Enter amount from Federal Form 1040, Schedule A.

Line 5 - Casualty and Theft Losses

A casualty or theft loss is computed on the same basis and subject to the same limitations as under federal law. Use federal instructions included with your federal tax return to determine your loss. Federal Form 4684 must be attached.

For information about federal disaster area losses, including the election to claim a casualty loss deduction for the tax year(s) proceeding the year of the casualty, net casualty loss carrybacks and carryovers, contact the Department of Revenue. Enter amount from Federal Form 1040, Schedule A.

Lines 6a through 6c - Job Expenses and Most Other Miscellaneous Deductions

You may deduct certain miscellaneous expenses authorized by federal law and regulations such as educational expenses and employee expenses, but only to the extent that such expenses exceed the 2% federal adjusted gross income limit. Enter amounts from indicated lines on Federal Form 1040, Schedule A. Subtract 2% of Federal AGI on Line 6b.

Line 7a through 7c - Other Miscellaneous Deductions

Other miscellaneous expenses not subject to the 2% federal adjusted gross income limit are deductible on Line 7. Refer to federal instructions to determine type and amount. Enter amount from Federal Form 1040, Schedule A. **Mississippi gaming losses are not deductible and should be subtracted on line 7b.**

Line 8 - Mississippi Itemized Deductions

Add the total amounts for Lines 1 through 7 (1c, 2c, 3, 4, 5, 6c, and 7c).

Line 9 - Limitation on Mississippi Itemized Deductions

If the Federal Adjusted Gross Income from Form 1040 is more than \$166,800 (\$83,400 if married filing separately), do not use the amount shown on Line 8 above. You must use your Federal Schedule A to complete the Worksheet provided on the next page.

The amount determined on Line 8 of the worksheet should be entered here and on Form 80-108, Schedule A, Line 9.

Mississippi State Income Tax Adjustment Worksheet

Note: To complete this schedule you will need to refer to your Federal Itemized Deductions Worksheet in your Federal instructions.

1.	Enter total itemized deductions from Federal Schedule A, Line 29	1. _____
2.	Divide the amount on Federal Itemized Deductions Worksheet, Line 11, by the amount on Federal Itemized Deductions Worksheet, Line 3. Enter decimal amount.	2. _____
3.	Multiply state income taxes from Federal Schedule A, Line 5 by Line 2 above.....	3. _____
4.	Subtract Line 3 above from state income taxes from Federal Schedule A, Line 5.	4. _____
5.	Subtract Line 4 above from Line 1 above.	5. _____
6.	Enter the amount of federal itemized gaming losses.....	6. _____
7.	Enter the amount of non-Mississippi (residents only) gaming losses to the extent of non-Mississippi gaming income	7. _____
8.	Line 5 less Line 6 plus Line 7. Enter the result here and on Form 80-108, Sch. A, Line 9.	8. _____

Interest and Dividend Income

Use Schedule B to report interest income.

Interest Income

Report any interest you received or that was credited to your account so you could withdraw it. Examples are: interest on savings or other bank accounts; interest on a promissory note, a mortgage, or a corporate bond or debenture; interest on state obligations other than the State of Mississippi or subdivisions thereof, etc.

Interest income from obligations of the United States Government and the State of Mississippi and subdivisions thereof is exempt.

Line 1 - Interest income

Enter the amount of interest income reported on Federal Form 1040, Schedule B, Line 2.

Line 2 - Amount of MS Nontaxable Interest Reported on Line 1.

Enter the amount of interest received on obligations of the United State or the State of Mississippi or political subdivision. Do not include interest received on obligations of other countries, state, cities, or political subdivisions.

Line 3 - Total MS Interest

Line 1 minus line 2. Enter the total here and on Form 80-105, page 2, Line 40. On form 80-205, enter the amount on page 2, line 39.

Dividend Income

Report all dividend income received regardless of the amount. Include cash and the value of stock, property or merchandise you receive as a dividend. The payer should send you a Form 1099-DIV.

Dividends Include:

- *Qualified dividends.* See Form 1099-DIV, Box 1b.
- *Ordinary dividends.* See Form 1099-DIV, Box 1a.
- *Nontaxable distributions.* Some distributions are non-taxable because they are a return of your cost. They will not be taxed until you recover your cost. You must reduce your cost by these distributions. After you recover your cost, you must report these dividends as capital gains.
- *Note: Capital gain distributions reported on Form 1099-DIV.* If you have other capital gains or losses, enter your capital gain distributions on Federal Schedule D. If you don't need Federal Schedule D to report any other gains or losses, report capital gain distributions on Line 37, page 2 of your Mississippi income tax Form 80-105 (Line 36 of Form 80-205).

Line 4 - Total Dividend income

Enter the total amount of dividend income received.

Line 5 - Amount of Nontaxable Distributions Reported in Line 4

Enter the amount of distributions included in Line 4 above which would not be taxable for Mississippi purposes. (Example: interest on Federal obligations included with dividends reported)

Line 6 - Dividends for Mississippi

Subtract Line 5 from Line 4. Enter the result on Form 80-105, Page 2, Line 41. On Form 80-205, enter the total on Page 2, Line 40.

Instructions for Form 80-108 - Schedule N Other Income/ Losses & Supplemental Income

Schedule N is used to report income or loss not reflected elsewhere on this return such as NON-Mississippi gambling winnings, prizes and

awards, net operating loss carry forwards, etc. Explain the nature and source of each income or loss item. If the adjustment to income is not listed in lines 47 through 55, then the adjustment must be reported on Schedule N. You must give a description of the adjustment and enter the figure as a negative amount. Our system will not read the statements.

Mississippi Gambling Income is no longer reported for Mississippi income tax.

Form 80-108, Schedule N may also be used to report differences between federal and state taxable income such as when the net profit or loss from a business (Schedule C) is different due to bonus depreciation adjustments. Attach a copy of Form 80-108 to your return.

ALL INDIVIDUALS FILING FEDERAL SCHEDULES C, C-EZ, E, AND/OR F MUST INCLUDE A COPY OF EACH SCHEDULE AND MUST COMPLETE THIS SCHEDULE.

Telephone Assistance

Refund information is available 24 hours a day (touch tone telephones only) by calling (601) 923-7801. You will need your Social Security number to get information about your refund.

Taxpayer assistance is available between 8:00 a.m. and 5:00 p.m. Monday through Friday by calling the Income Tax Division or any of the Department of Revenue District Offices. Please use the correct number listed for information. Collect calls are not accepted.

Please allow **ten (10) weeks from the date you file your return before contacting the Department of Revenue** concerning your tax refund (Electronic filers please wait **ten (10) business days**).

Refund calls will only be answered on the line indicated.

Refunds..... (601) 923-7801
Taxpayer assistance..... (601) 923-7089

During periods of peak demand for telephone assistance, you may encounter busy signals when trying to call. **We apologize for any inconvenience and ask for your patience.**

District Service Offices of the Department of Revenue

Brookhaven District Service Office
P.O. Box 3999, Brookhaven, MS 39603-7999
1385 Johnny Johnson Dr.

Ph: (601) 833-4761
Fax: (601) 833-3096

Greenwood District Service Office
P.O. Drawer D, Greenwood, MS 38935
117B Grand Blvd.

Ph: (662) 453-1742
Fax: (662) 453-7981

Gulf Coast District Service Office
1141 Bayview Ave., Ste. 400
Biloxi, MS 39530-1601

Ph: (228) 436-0554
Fax: (228) 436-0964

Hattiesburg District Service Office
P.O. Box 1709, Hattiesburg, MS 39403-1709
17 JM Tatum Industrial Dr, Ste. 2

Ph: (601) 545-1261
Fax: (601) 584-4051

Jackson District Service Office
P.O. Box 1033, Jackson, MS 39215-1033
1577 Springridge Rd.

Ph: (601) 923-7300
Fax: (601) 923-7318

Meridian District Service Office
P.O. Box 3625, Meridian, MS 39303
2600 Old N Hills St.

Ph: (601) 483-2273
Fax: (601) 693-2473

Senatobia District Service Office
P.O. Box 127, Senatobia, MS 38668
2778 Hwy 51 South.

Ph: (662) 562-4489
Fax: (662) 562-7392

Tupelo District Service Office
P.O. Box 3000, Tupelo, MS 38803
2610 Traceland Dr.

Ph: (662) 842-4316
Fax: (662) 842-5041

REMINDERS

Before you mail your individual income tax return, check to be sure you do all the following:

- **Make sure your Social Security number is correct and is entered on all returns, schedules, and attachments.**
- Include all required forms and related schedules.
- Sign and date your return (on a joint return, both husband and wife must sign).
- Attach the state's copy of all your W-2 and 1099 forms (if income tax was withheld, **except W-2G from Mississippi casinos**). Staple forms to the back of your return.
- Include your check or money order for total amount due made payable to the Department of Revenue, and write your Social Security number and tax year on your check or money order. **BE SURE TO INCLUDE PAYMENT VOUCHER, FORM 80-106. Attach the check or money order to the payment voucher. Attach the payment voucher to the FRONT of your return and mail to: Department of Revenue, P.O. Box 23050, Jackson, MS 39225-3050.**
- Recheck your arithmetic.
- **Make a copy of the return for your records.**
- File your return on or before April 15.

ELECTRONIC FILING

Advantages of Electronic Filing:

Direct deposit - of refunds is available for Individual Income Tax Returns that are filed electronically. DOR can electronically deposit your refund directly into your checking or savings accounts. It's fast, easy and convenient. **Remember, only electronically filed returns are eligible for direct deposit.**

Refunds - If you file a complete and accurate return, your refund may be issued in seven (7) to ten (10) business days.

Acknowledgment - The Department of Revenue notifies your transmitter that your return has been received and accepted.

Accuracy - Computer programs quickly catch mistakes before they become problems.

Methods of Filing:

Mississippi allows returns to be filed electronically two ways:

- by using a tax preparer that has been approved to file electronically, or
- on-line by using an approved on-line provider.

Electronic Filing via Tax Preparers

Only a tax preparer that is approved by the IRS for electronic filing can file your return electronically for you. An approved transmitter must sign your Form 80-115 (MS8453), Mississippi State Declaration for Electronic Filing.

On-line Filing

Mississippi Individual Income Tax Returns may be filed on-line through the use of a personal computer. Visit our web site at www.dor.ms.gov for additional information on how to file MS returns on-line and how to access approved on-line service providers.

Updates to the electronic filing program and other updated filing information can also be accessed through our web site www.dor.ms.gov.

ELECTRONIC FILING MAY SPEED YOUR REFUND BY 8 WEEKS!!