



ARKANSAS INDIVIDUAL INCOME TAX
LUMP-SUM DISTRIBUTION AVERAGING

Attach to AR1000F/AR1000NR

See instructions on reverse side

Taxpayer name	Taxpayer social security number
---------------	---------------------------------

PART I - Complete this part to see if you qualify to use the AR1000TD	YES	NO
1. Was this a distribution of a plan participant's entire balance from all of an employer's qualified plans of one kind (pension, profit-sharing, or stock bonus) ? If "No", do not use this form 1		
2. Did you roll over any part of the distribution? If "Yes", do not use this form..... 2		
3. Was this distribution paid to you as a beneficiary of a plan participant who was born before January 2, 1936?..... 3		
4. Were you (a) a plan participant who received this distribution (b) born before January 2, 1936, and (c) a participant in the plan for at least 5 years before the year of the distribution? 4		
If you answered "No" to both questions 3 and 4, do not use this form.		
5a. Did you use Form AR1000TD for a previous distribution from your own plan? If "Yes", do not use this form 5A		
5b. If you are receiving this distribution as a beneficiary of a plan participant who died, was the AR1000TD used for a previous distribution received for that plan participant? If "Yes", do not use this form 5B		

PART II - 10 YEAR AVERAGING

Complete Part I above to see if you qualify for 10 year averaging before completing Part II	
1. Income from Form 1099-R, Box 2a: (Enter on this line instead of on AR1000F/AR1000NR) 1	
2. Current actuarial value of annuity from Form 1099-R, Box 8: (If none, enter -0-) 2	
3. Total taxable amount: (Add lines 1 and 2. If total is \$70,000 or more, skip lines 4 through 7 and enter amount on line 8) ... 3	
4. Multiply line 3 by 50% (.50); but do not enter more than \$10,000: 4	
5. Subtract \$20,000 from line 3 and enter the difference If result is zero or less, enter -0-: 5	
6. Multiply line 5 by 20% (.20): 6	
7. Minimum distribution allowance: (Subtract line 6 from line 4) 7	
8. Subtract line 7 from line 3: 8	
9. Multiply line 8 by 10% (.10): 9	
10. Tax on the amount on line 9: (Use tax rate schedule on reverse side)..... 10	
11. Multiply line 10 by ten (10). If line 2 is zero, skip lines 12 through 17, and enter on line 18: 11	
12. Divide line 2 by line 3: (Carry to four places to the right of the decimal)..... 12	
13. Multiply line 7 by line 12:..... 13	
14. Subtract line 13 from line 2: 14	
15. Multiply line 14 by 10% (.10): 15	
16. Tax on amount on line 15: (Use tax rate schedule on reverse side)..... 16	
17. Multiply line 16 by ten (10): 17	
18. Subtract line 17 from line 11: (Enter this amount on line 31 of Form AR1000F/AR1000NR) 18	



Instructions for AR1000TD

To determine if your distribution qualifies for the ten year averaging method, complete Part I.

After you have completed Part I of this form and determined that you qualify, complete Part II to determine the amount of tax to include on Line 31 of Form AR1000F/AR1000NR. With this method, the lump-sum is taxed as if you were to receive it in equal amounts over the next ten years. **You should not use AR1000TD if the distribution was passed through an estate.** If you do not use the ten year averaging method, report the lump-sum on Line 16 of Form AR1000F/AR1000NR.

The Form 1099-R provided to you by the payer reports the different parts of your distribution. The amounts to use in completing AR1000TD are the taxable annuity (Box 2a) and the current actuarial value of the annuity (Box 8), if applicable.

Other Information

If you make an election this year, you cannot make an election another year with respect to another lump-sum distribution.

To use the ten (10) year averaging method, file Form AR1000TD with your original or amended return. You have three (3) years from the due date of your tax return or the date you filed your return to use this method.

If you received another lump-sum distribution or an annuity contract distribution for any year after 1982 and before 1989 and used Form AR1000TD for that year, add those distributions to your 2019 distribution and figure your tax on AR1000TD for the combined distributions. Subtract the tax you paid on the lump-sum distributions for the previous years from the amount of tax on Line 18 of Part II.

If you shared a lump-sum distribution from a qualified retirement plan when not all recipients were trusts, figure your tax on AR1000TD as follows:

1. Multiply your percentage of the total distribution by the total amount of distribution shown in Boxes 1, 2a, 3, and 8 of the Form 1099-R.
2. Enter that amount on Line 1 of AR1000TD, in Part II.
3. Complete as instructed on the form.

If you received more than one distribution, add together and figure the tax on the total amount.

If you and your spouse are filing a joint return and each has received a lump-sum distribution, complete and file a different AR1000TD for each spouse's election. Combine the tax on Line 31 of Form AR1000F/AR1000NR.

Distributions that do not qualify:

- 1) A distribution of your deductible voluntary employee contributions and any net earnings on these contributions. A deductible voluntary employee contribution is a contribution that:
 - a) Was made by the employee in a tax year beginning after 1981 and before 1987 to a qualified employer plan or a government plan that allows such contributions,
 - b) Was not designated by the employee as nondeductible, and
 - c) Was not mandatory.
- 2) U.S. Retirement Plan Bonds distributed as a lump-sum.
- 3) Any distribution made during the first 5 tax years that the employee was a participant in the plan, unless it was made because the employee died.
- 4) The current actuarial value of an annuity contract included in a lump-sum distribution. (However, this value is used to figure tax on the ordinary income part of the distribution under the 10-year tax option method.)
- 5) A distribution to a 5% owner that is subject to a penalty because it exceeds the benefits provided under the plan formula.
- 6) A distribution from an IRA.
- 7) A distribution of the redemption proceeds of bonds rolled over tax free to the plan from a qualified bond purchase plan.
- 8) A distribution from a qualified plan if the plan participant or his or her surviving spouse previously received an eligible rollover distribution from the same plan (or another plan of the employer required to be combined with that plan for the lump-sum distribution rules) and the previous distribution was rolled over tax free to another qualified plan or to an IRA.
- 9) A corrective distribution of excess deferrals, excess contributions, excess aggregate contributions, or excess annual additions.
- 10) A lump-sum credit or payment from the Federal Civil Service Retirement System (or the Federal Employees Retirement System).
- 11) A distribution from a tax-sheltered annuity.
- 12) A distribution from a qualified plan if any part of the distribution is rolled over tax free to another qualified plan or IRA.
- 13) A distribution from a privately purchased commercial annuity.
- 14) A distribution from a Section 457 deferred compensation plan of a state or local government or a tax exempt organization.

If you have questions, you may contact the Individual Income Tax Office at (501) 682-1100.

TAX RATE SCHEDULE

If your **NET TAXABLE INCOME** is less than \$4,600, your tax is zero percent (0%) of your net taxable income. [Example: If your net taxable income is \$4,000, your tax is zero percent (0%) of that amount (\$0).]

IF YOUR NET TAXABLE INCOME IS:	BUT NOT MORE THAN:	YOUR TAX IS:	PLUS %	OF THE EXCESS OVER:	IF YOUR NET TAXABLE INCOME IS:	BUT NOT MORE THAN:	YOUR TAX IS:	PLUS %	OF THE EXCESS OVER:
\$ 4,600.00	\$ 9,099.99	\$ 0.00	2.0	\$ 4,599.99	\$ 60,000.00	\$ 69,999.99	\$ 2,775.00	5.9	\$ 59,999.99
9,100.00	13,699.99	89.00	3.0	9,099.99	70,000.00	80,800.99	3,365.00	5.9	69,999.99
13,700.00	22,599.99	227.00	3.4	13,699.99	80,801.00	81,800.99	4,086.00	6.6	80,800.99
22,600.00	29,999.99	706.00	5.0	22,599.99	81,801.00	82,800.99	4,252.00	6.6	81,800.99
30,000.00	37,899.99	1,076.00	5.0	29,999.99	82,801.00	84,100.99	4,418.00	6.6	82,800.99
37,900.00	49,999.99	1,471.00	5.9	37,899.99	84,101.00	85,200.99	4,604.00	6.6	84,100.99
50,000.00	59,999.99	2,185.00	5.9	49,999.99	85,201.00	86,200.99	4,776.00	6.6	85,200.99
					86,201.00	and over	4,882.00	6.6	86,200.99