



Governor Mike Beebe

Arkansas 2007

Individual Income Tax

Forms and Instructions

Full-Year Resident Part-Year Resident Nonresident

Check Out:

New tax tables

Beginning with tax year 2007 the Low Income Tax Table fully exempts from Arkansas tax those with income below the federal poverty level. Additional tax relief is provided for taxpayers earning less than 133% of the federal poverty level income. The new tax tables are indexed for inflation for automatic adjustments in future years.

New tax brackets

The tax brackets are also indexed for inflation. The highest tax rate on net income now begins at \$31,000 (increased from \$30,100 in 2006).

What's new in tax law

See page 6 of the booklet.

E-file and credit card information

See page 4 of the booklet.

Table of Contents

See page 3 for guide to additional information for filing your return.

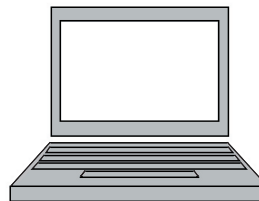
For your questions/comments:

Manager, Individual Income Tax
P. O. Box 3628
Little Rock, AR 72203



Using e-file will allow you to:

- Join the 676,000 who e-filed last year.
- Get a confirmation # proving you filed.
- Receive a refund in less than 10 days.
- Choose direct deposit option for faster refund and additional security.
- File your return free of math errors.



Other E-Services available for all filers:

- On-line refund inquiry 24/7 to avoid time consuming phone calls
- Pay tax by credit card

QUICK AND EASY ACCESS TO TAX HELP AND FORMS

AUTOMATED REFUND INQUIRY (501) 682-0200 OR (800) 438-1992



Internet

You can access the Department of Finance and Administration's website at:

www.arkansas.gov/dfa

- Check the status of your refund
- Download current and prior year forms and instructions
- Access latest income tax news and archived news
- Get E-File information

You can e-mail questions to:

individual.income@rev.state.ar.us



Mail

Choose the appropriate address below to mail your return:

TAX DUE RETURN:

Arkansas State Income Tax
P.O. Box 2144
Little Rock, AR 72203-2144

REFUND RETURN:

Arkansas State Income Tax
P.O. Box 1000
Little Rock, AR 72203-1000

NO TAX DUE RETURN:

Arkansas State Income Tax
P.O. Box 8026
Little Rock, AR 72203-8026

Be sure to apply sufficient postage or your return will not be delivered by the U.S. Postal Service.



Phone

Automated Refund Inquiry..... (501) 682-0200
or (800) 438-1992

By calling the automated refund lines, 24 hours a day, 7 days a week taxpayers may access general refund information.

Individual Income Tax Hotline..... (501) 682-1100
or (800) 882-9275

Representatives are available to assist callers at the numbers above during normal business hours (Monday through Friday - 8:00 a.m. to 4:30 p.m. Central Time Zone) with:

- Taxpayer Assistance
- Rejected Returns
- Forms
- Amended Returns
- Audit and Examination
- Delinquent Income Taxes

(For Hearing Impaired Access call (501) 682-4795 using a Text Telephone Device.)

Other Useful Phone Numbers:

Estimated Tax (501) 682-7272
Withholding Tax (501) 682-7290
Collections (501) 682-4720
Revenue Legal Counsel (501) 682-7030
Office of Taxpayer Assistance (501) 682-7751
(Offers In Compromise)
Corporate Income Tax (501) 682-4775
Sales and Use Tax..... (501) 682-7104

Internal Revenue Service (800) 829-1040
Social Security Administration (800) 772-1213



Walk-In

Representatives are available to assist walk-in taxpayers with income tax questions, but are not available to prepare your return.

No appointment is necessary, but plan to arrive before 4:00 p.m. to allow sufficient time for assistance.

The Individual Income Tax Office is located in Room 2300, Ledbetter Building, at 1816 W. 7th Street in Little Rock.

Office hours are Monday through Friday from 8:00 a.m. to 4:30 p.m.



Forms

- Access our website at:
www.arkansas.gov/dfa
- Call the Individual Income Tax Hotline (see "Phone")
- Obtain at county revenue offices
- Write to:
Arkansas State Income Tax Forms
P.O. 3628
Little Rock, AR 72203-3628

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ELECTRONIC FILING

Begins January 11, 2008

www.arkansas.gov/dfa/income_tax/tax_efile.html



- **E-file is hassle-free**—both your federal and Arkansas income tax returns are filed electronically in one transmission.
- **E-file is smart**—computer programs catch 98% of tax return errors.
- **E-file is worry-free**—receive acknowledgement within 2 days if your return has been received and accepted.
- **E-file gets your money to you fast**—refunds are issued within 10 days after you receive state acknowledgement.



Arkansas participates in the Federal/State Electronic Filing Program for Individual Income Tax. The program is available to most full year residents and certain qualifying nonresidents and part-year residents.

Since Arkansas is a member of the “Free File Alliance,” depending on the level of income, taxpayers may qualify to file returns for free. (See IRS website)



Over 104,700 taxpayers took advantage of On-Line Filing last year. The same advantages are obtained by On-Line Filing as by Electronic Filing, but it does not require a preparer. For a nominal fee your federal and state returns can be prepared and filed electronically.

OTHER E-SERVICES

These services are available for all filers **(paper and electronic)**

Available Now:

- Refund Inquiry
- Pay by Credit Card
(vendor charges nominal fee)

Coming Soon:

- Pay by E-Check

OFFICIAL PAYMENTS CORP.



Cards



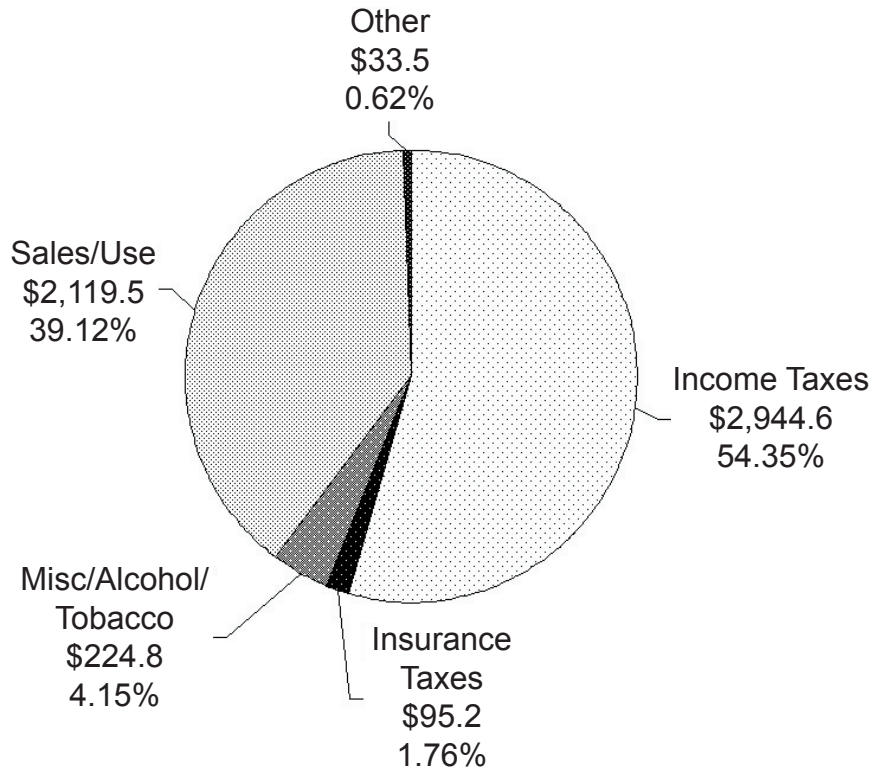
www.officialpayments.com
or call (800) 272-9829

FOR TAXPAYERS' INFORMATION

Individual and Corporation income taxes are the largest source of state general revenue.

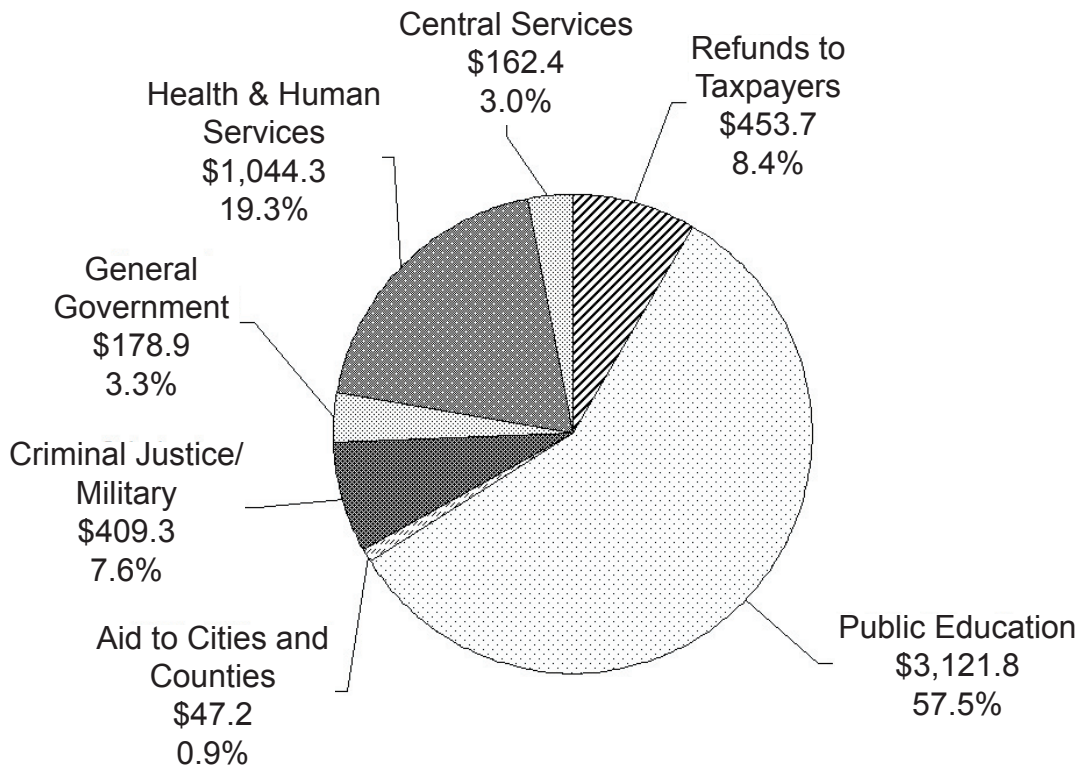
\$5,417.6 MILLION GENERAL REVENUE TAX

Where It Comes From:



\$5,417.6 MILLION GENERAL REVENUE TAX

Where It Is Spent:





SPECIAL INFORMATION FOR 2007



Extension Forms Change

Form AR1055 is for Individual Income Tax filers only. Corporation Tax filers now have a separate form to use when requesting an extension.

Personal Tax Credit Increased (Act 1819 of 2001)

Act 1819 of 2001 authorizes the indexing of the personal tax credit if certain budget requirements are met. The requirements have been met; therefore, the personal tax credit for 2007 has been increased to \$23.

U.S. Military Officer Compensation Exemption Increased (Act 160 of 2007)

U.S. military officer compensation exemption increased from \$6,000 to \$9,000. This act is effective for tax years beginning on or after January 1, 2007.

Low Income Tax Relief Tables (Act 195 of 2007)

Beginning with tax year 2007 the Low Income Tax Table fully exempts from Arkansas tax those with income below the federal poverty level. Additional tax relief is provided for taxpayers earning less than 133% of the federal poverty level income. The new tables are indexed for inflation for automatic adjustments in future years. This act is effective for tax years beginning on or after January 1, 2007.

Arkansas Extension to Correspond with Federal Extension (Act 369 of 2007)

This act increases the Arkansas maximum extension for individual income tax returns from 120 days to 180 days. This act is effective for tax years beginning on or after January 1, 2007.

New Set Off Added (Act 553 of 2007)

This act allows county tax collectors and treasurers to be treated as setoff agencies. This act applies to tax years beginning on or after January 1, 2007.

New Check Off Added (Act 695 of 2007)

This act creates the Newborn Umbilical Cord Blood Bank for postnatal tissue and fluid. The program provides for the Arkansas Commission for the Newborn Umbilical Cord Blood Initiative and provides for certain funding mechanisms including an income tax check off. This act applies to tax years beginning on or after January 1, 2007.

3% Tax Levied on Winnings Paid by Arkansas Electronic Games of Skill (Act 732 of 2007)

Pursuant to Act 732 of 2007 Arkansas will levy a 3% flat tax on winnings from electronic games of skill. Winnings taxed at 3% are not included as income to the payee, nor is the tax withheld included on the payee's tax return. This act applies to tax years beginning January 1, 2007.

Internal Revenue Code 179 Adopted (Act 613 of 2007)

Arkansas adopted IRC §179 as in effect on January 1, 2007, thus allowing greater dollar limits and phase out thresholds. The legislation became effective when the Arkansas CFO certified that additional funding is available to replace the revenue reduction for fiscal years 2008 and 2009. The maximum deduction allowed for property placed in service during the tax year is now \$112,000. The deduction is decreased "dollar for dollar" for property over \$450,000, and no deduction is allowed for property over \$562,000. (Arkansas has not yet adopted the most recent federal changes.) See page 24 for more information.

Certain Taxpayers Now Qualify to Contribute Income from an IRA to a Charitable Organization without a Tax Consequence (Act 196 of 2007)

Pursuant to Act 196 of 2007 Arkansas adopts certain provisions of the Pension Protection Act of 2006 (PPA 2006). This act allows taxpayers aged 70 and older who own IRAs to rollover any amount up to \$100,000 to public charities. There is no charitable income deduction for the IRA rollover and the distribution is not included in the donor's taxable income. This act is effective for tax years 2006 and 2007 only.

The Delta Geotourism Incentive Act (Act 518 of 2007)

This act allows an income tax credit to persons and entities investing in geotourism-supporting businesses that attract out of state visitors and serve to preserve, perpetuate, interpret, and present the rich culture, history, and natural resources of the Lower Mississippi River Delta Community. An income tax credit equal to 25% of the investment will be allowed. The maximum credit to be allowed per tax year is \$25,000. Unused credit may be carried forward for 5 consecutive tax years following the year in which the credit is earned.

Income Tax Technical Corrections Act (Act 218 of 2007)

Act 218 readopts numerous Internal Revenue Code Sections. Refer to www.arkansas.gov/dfa for details.

Reminder: Withholding from Payments of Deferred Income Required (Act 1309 of 2005)

This act adopts IRC §3405, with certain modifications, to require withholding from certain periodic and lump sum payments of deferred income. For state purposes, withholding from non-periodic payments is 3%. Withholding from rollover distributions is 5%. For additional information access the Withholding Branch's website at: www.arkansas.gov/dfa/income_tax/tax_wh_forms.html. This act applies to tax years beginning January 1, 2006.



MILITARY PERSONNEL



Treatment of Combat Pay Clarified (Act 29 of 2005)

This act adopts Sections 112 and 692 of the Internal Revenue Code as in effect on January 1, 2005 to clarify that combat zone compensation is exempt from Arkansas individual income tax and that the income of a member of the armed forces is exempt in the year of the person's death.

This act applies to tax years beginning on or after January 1, 2005.

The Servicemembers Civil Relief Act of 2003

Section 510 - Income taxes

(a) Deferral of Tax - Upon notice to the Internal Revenue Service or the tax authority of a state or a political subdivision of a state, the collection of income tax on the income of a servicemember falling due before or during military service shall be deferred for a period not more than 180 days after termination of or release from military service, if a servicemember's ability to pay such income tax is materially affected by military service.

(b) Accrual of Interest or Penalty - No interest or penalty shall accrue for the period of deferment by reason of nonpayment on any amount of tax deferred under this section.

(c) Statute of Limitations - The running of a statute of limitations against the collection of tax deferred under this section, by seizure or otherwise, shall be suspended for the period of military service of the servicemember and for an additional period of 270 days thereafter.

Section 511 - Residence for tax purposes

(a) Residence or Domicile - A servicemember shall neither lose nor acquire a residence or domicile for purposes of taxation with respect to the person, personal property, or income of the servicemember by reason of being absent or present in any tax jurisdiction of the United States solely in compliance with military orders.

(b) Military Service Compensation - Compensation of a servicemember for military service shall not be deemed to be income for services performed or from sources within a tax jurisdiction of the United States if the servicemember is not a resident or domiciliary of the jurisdiction in which the servicemember is serving in compliance with military orders.

(d) Increase of Tax Liability - A tax jurisdiction may not use the military compensation of a nonresident servicemember to increase the tax liability imposed on other income earned by the nonresident servicemember or spouse.

The Military Family Tax Relief Act of 2003

The provisions of this act which include the sale of your principal residence, deduction for overnight travel expenses of National Guard and Reserve members, and exclusion from income of certain benefits, must be adopted by the Arkansas Legislature before they become effective.

Reminders:

For military personnel stationed in Arkansas with Home of Record other than Arkansas: **DO NOT** include your military wages on your Arkansas return. Your military income is reported to your state of residency (HOR) only and not used in the calculation of your Arkansas tax liability. Your non-military wages, if any, must be included on Line 8.

U.S. Military retirement **DOES NOT** qualify as U.S. Military compensation, and **IS NOT** eligible for the \$9,000 military exemption on Lines 9A or 9B. U.S. Military retirement is eligible for the \$6,000 retirement exclusion and should be listed on Lines 18A and/or 18B.



FREQUENTLY ASKED QUESTIONS



You may get additional information on the following topics by accessing our website at:

www.arkansas.gov/dfa/income_tax/tax_individual_faqs.html

TOPICS

FILING REQUIREMENTS

- Who must file
- Which form - AR1000, AR1000NR, AR1000S
- When, where and how to file
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- Dependents defined
- Estimated tax
- Amended returns

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- Dividends received
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- Adoption Credit
- Political Contributions Credit
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- Estate tax

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- Billing procedures
- Penalty and interest charges
- Collection procedures

NONRESIDENT - PART-YEAR RESIDENT

- Which return to use
- How to compute tax
- How to apportion tax liability

ELECTRONIC FILING

- Electronic filing program



DEFINITIONS



GROSS INCOME

Gross income is any and all income (before deductions) other than the kinds of income specifically described as exempt from tax on pages 11 and 12 "Income Exempt from Tax."

Exception: The \$6,000 **exemption on retirement** income and the \$9,000 **exemption on military income** as described on page 12 **are included in gross income.**

DOMICILE

This is the place you intend to have as your permanent home and the place you intend to return to whenever you are away. You can have only one domicile. Your domicile does not change until you move to a new location which you intend to make your permanent home. If you move to a new location but intend to stay there only for a limited time (no matter how long), your domicile does not change. This also applies if you are working in a foreign country.

FULL YEAR RESIDENT

You are a full year resident if you lived in Arkansas all of tax year 2007, or if you have maintained a domicile or Home of Record in Arkansas during the tax year.

NONRESIDENT

You are a nonresident if you did not make your domicile in Arkansas.

PART-YEAR RESIDENT

You are a part-year resident if you established a domicile in Arkansas or moved out of the State during the calendar year of 2007.

MILITARY PERSONNEL

If Arkansas is your Home of Record (HOR) and you are stationed outside the State of Arkansas, you are still required to file an AR1000 reporting all of your income, including U.S. Military Compensation. If you are stationed in Arkansas and your Home of Record is another state, Arkansas does not tax your U.S. Military Compensation.

U.S. Military compensation includes wages received from the Army, Navy, Air Force, Marine Corps, Coast Guard, National Guard, Reserve Units, and the U.S. Public Health Service.

Arkansas **does** tax income from Arkansas sources received by you or your spouse while you are stationed in Arkansas, including pay from non-appropriated funds; (i.e., exchange, clubs, commissary, etc). This Arkansas income must be listed in Column C of Form AR1000NR and taxed based upon your Arkansas percentage of total tax liability.

DEPENDENTS

You may claim as a dependent any person who received over half of his or her support from you, earned less than \$3,400 in gross income, and was your:

Child	Stepchild	Mother	Father	Grandparent	Brother
Sister	Grandchild	Stepbrother	Stepsister	Stepmother	Stepfather
Mother-In-Law	Father-In-Law	Brother-In-Law	Sister-In-Law	Son-In-Law	Daughter-In-Law

Or, if related by blood: Uncle, Aunt, Nephew, Niece or, an individual (other than your spouse) who, for the taxable year of the taxpayer, had the same principal place of abode as the taxpayer and was a member of the taxpayer's household. The term "dependent" includes a foster child if the child had as his principle place of abode the home of the taxpayer and was a member of the taxpayer's household for the taxpayer's entire tax year.

The term "dependent" does not apply to anyone who is a citizen or subject of a foreign country **UNLESS** that person is a resident of **Mexico or Canada.**

If your child/stepchild was under age 19 at the end of the year, the \$3,400 gross income limitation does not apply. Your child/stepchild may have earned any amount of income and still be your dependent if the other dependency requirements in this section were met.

If your child/stepchild was a student under age 24 at the end of the calendar year, the \$3,400 gross income limitation does not apply. The other requirements in this section still must be met.

To qualify as a student, your child/stepchild must have been a full-time student for five (5) months during the calendar year at a qualified school, as defined by the Internal Revenue Service.

If your dependent died during the tax year, you may claim the full amount of tax credit for the dependent on your tax return regardless of when the death occurred during the year.

Arkansas has adopted Internal Revenue Code §151(c)(6) regarding the tax treatment of kidnapped children.



You may be able to save money on your taxes. Did any of the following apply to you in 2007?

- **You had a disabled dependent**—See instructions for Line 7C, Page 13, and Line 11, Form AR1000ADJ.
- **You were an Arkansas resident and worked in another state**—See instructions for Line 38, Pages 15-16.
- **You were married and both you and your spouse had income**—See “Married Couples—Choosing the Best Filing Status,” Page 12.
- **Your child was enrolled in an approved Early Childhood Education program**—See instructions for Line 48, Page 17.
- **You received military income**—See instructions for Lines 9A and 9B, Page 13 (For military retirement see Page 14).
- **You received employer-sponsored retirement or a qualified IRA**—See instructions for Lines 18A and 18B, Page 14.
- **You paid tuition for yourself, your spouse, or your dependent to attend a post-secondary institution**—See Form AR1075.

INSTRUCTIONS

THESE INSTRUCTIONS ARE FOR GUIDANCE ONLY AND DO NOT STATE THE COMPLETE LAW

WHO MUST FILE A TAX RETURN

FULL-YEAR RESIDENTS (Use Form AR1000)

If your MARITAL STATUS is:	and your FILING STATUS is:	you must file if GROSS INCOME* is at least
Single (Including divorced and legally separated)	Single	\$10,200
	Head of Household	\$14,500
Married	Married Filing Joint (1 or less dependents)	\$17,200
	(2 or more dependents)	\$20,700
	Married Filing Separately	\$3,999
Widowed in 2005 or 2006, and not remarried in 2007	Qualifying Widow(er) with dependent child	\$14,500

***Gross income is any and all income (before deductions) other than the kinds of income specifically described as exempt from tax on pages 11 and 12 "Income Exempt from Tax."**

Exception: The \$6,000 exemption on retirement income and the \$9,000 exemption on military income as described on page 12 are included in gross income.

If your gross income was less than the amount shown in the last column for your filing status, you are not required to file a return. **However, you must file a return to claim any refund due.**

NONRESIDENTS (Use Form AR1000NR)

Nonresidents who received any taxable income from Arkansas sources must file a return (regardless of marital status, filing status, or amount).

PART-YEAR RESIDENTS (Use Form AR1000NR)

Part-Year residents who received any taxable income while an Arkansas resident must file a return (regardless of marital status, filing status, or amount).

WHEN TO FILE

1. You can file your Calendar Year Tax Return any time after December 31, 2007, but NO LATER THAN **APRIL 15, 2008**, (unless an extension has been granted).

2. If you file a Fiscal Year Tax Return, your return is due NO LATER THAN **three and one-half (3 ½) months following the close of the income year.**

NOTE: The date of the postmark stamped by the U.S. Postal Service is the date you filed your return.

3. If the due date of your return falls on a Saturday, Sunday, or legal holiday, the return shall be considered timely filed if it is postmarked on the next business day which is not a Saturday, Sunday, or legal holiday.

4. Statute of Limitations – Refunds. An amended return or verified claim for refund of an overpayment of any state tax for which the tax-

payer is required to file a return must be filed by the taxpayer within three (3) years from the time the return was filed or two (2) years from the time the tax was paid, whichever is later.

IF YOU NEED MORE TIME

If you request an extension of time to file your federal income tax return (by filing **Federal Form 4868** with the IRS) you are entitled to receive the same extension on your Arkansas income tax return. The federal automatic extension extends the deadline to file until October 15th. In order to receive the extension for state purposes, when you file your return check the box on the face of the Arkansas return indicating you filed a federal extension.

The Department no longer requires that a copy of **Federal Form 4868** be attached to your state tax return. When the return is complete and ready to file, simply check the box on the face of the return.

NOTE: If the box on the front of the **AR1000** is not checked, you will not receive credit for your federal extension.

If you do not file a federal extension, you can file an Arkansas extension using **Form AR1055** before the filing due date of April 15th. **Inability to pay is not a valid reason to request an Arkansas extension.** Send your request to:

Individual Income Tax Section
ATTN: Extension
P.O. Box 3628
Little Rock, AR 72203-3628

NOTE: The maximum extension that will be granted to an individual on an **AR1055** is one hundred and eighty (180) days, extending the due date until October 15th.

Attach a copy of your approved AR1055 extension to the face of your tax return WHEN YOU FILE. IF YOU DO NOT ATTACH YOUR EXTENSION, YOUR RETURN WILL BE CONSIDERED DELINQUENT AND PENALTIES WILL BE ASSESSED.

Payments made on extension should be made on Form AR1000ES, Voucher 5.

See Page 17 for information on penalties and interest.

INCOME EXEMPT FROM TAX

NOTE: List exempt income on **AR4, Part III** and include the total on **AR1000, Line 56.**

1. **Money you received from a life insurance policy because of the death of the person who was insured** is exempt from tax.

NOTE: You must include as taxable income any interest payments made to you from the insurer (the insurance company that issued the policy).

2. **Money you received from life insurance, an endowment, or a private annuity contract for which you paid the premiums is allowed cost recovery** pursuant to Internal Revenue Code §72.

3. **Amounts you received as child support payments** are exempt.

4. **Gifts, inheritances, bequests, or devises** are exempt from tax.

5. **Scholarships, grants, and fellowships are taxed pursuant to Internal Revenue Code §117. Stipends are taxed in their entirety.** For additional information on scholarships, fellowships, and stipends see instructions for Line 21.

6. **Interest you received from direct United States obligations, its possessions, the State of Arkansas, or any political subdivision of the State of Arkansas is exempt from tax.** Obligations include bonds and other evidence of debt issued pursuant to a government unit's borrowing power. (Interest received on tax refunds is not exempt income, because it did not result from a debt issued by the United States, the State of Arkansas, or any political subdivision of the State of Arkansas.) Interest from government securities paid to individuals through a mutual fund is exempt from tax.
7. **Social Security benefits, VA benefits, Workers' Compensation, Unemployment Compensation, Railroad Retirement benefits and related supplemental benefits** are exempt from tax.
8. **The rental value of a home or the housing allowance paid to a duly ordained or licensed minister of a recognized church is exempt to the extent that it was used to rent or provide a home.** The rental value of a home furnished to a minister includes utilities furnished to the minister as part of compensation. The housing allowance paid to a minister includes an allowance for utilities paid to the minister as part of compensation to the extent it is to be used to furnish utilities in the home.
9. **Disability Income** MAY BE exempt from tax pursuant to Internal Revenue Code §104.
10. **The first \$9,000 of U.S. Military Compensation** is exempt from tax.
11. **If you received income from an employer sponsored retirement plan, including disability retirement, that is not exempt under IRC §104, the first \$6,000 is exempt from tax. For tax years 2003 and later,** if you contributed after-tax dollars to your plan, you are allowed to recover your cost (investment) in your retirement plan in accordance with Internal Revenue Code §72. Then the first \$6,000 of the balance is exempt from tax. (If you received income from military retirement, you may adjust your figures if the payment includes Survivor's Benefit Payments. The amount of adjustment must be listed on the income statement, and supporting documentation must be submitted with the return.)
12. **If you received an IRA distribution after reaching the age of fifty-nine and one-half (59 1/2), the first \$6,000 is exempt from tax.** Your IRA distribution may be adjusted for nondeductible IRA contributions, if any, by completing **Federal Form 8606** and attaching it to your Arkansas return. Premature distributions made on account of the participant's death or disability also qualify for the exemption. **All other premature distributions or early withdrawals including, but not limited to, those taken for medical expenses, higher education expenses or a first-time home purchase do not qualify for the exemption.**

A surviving spouse qualifies for the exemption; however he/she is limited to a single \$6,000 exemption.

NOTE: The total exemptions from all plans described under 11 and 12 cannot exceed \$6,000 per taxpayer, not including recovery of cost.

FILING STATUS

DETERMINE YOUR FILING STATUS

BOX 1. Filing Status 1 (Single)

Check this box if you are SINGLE or UNMARRIED and DO NOT qualify as HEAD OF HOUSEHOLD. (Read the instructions for BOX 3 to determine if you qualify for HEAD OF HOUSEHOLD.)

BOX 2. Filing Status 2 (Married Filing Joint)

Check this box if you were MARRIED and are filing jointly. IF YOU ARE FILING A JOINT RETURN, YOU MUST ADD BOTH SPOUSES' INCOME TOGETHER. Enter the total amount in column A on Lines 8 through 22 under "Your/Joint Income".

NOTE: *If you are married, filing on the same form, and using different last names, separate the last names by using a slash.*

EXAMPLE:

*John Q. and Mary M. Doe/Smith, or
Mary M. and John Q. Smith/Doe*

Be sure the placement of the last name matches placement of the first name. (You must be legally married to file in this manner.)

MARRIED COUPLES—CHOOSING THE BEST FILING STATUS

If you and your spouse had separate incomes, you might save money by figuring your tax separately using one of the following two methods. Use the method that suits you best.

METHOD A. List your income separately under Column A ("Your Income"). List your spouse's income separately under Column B ("Spouse's Income"). Figure your tax separately and then add your taxes together. See instructions for Married Filing Separately on the Same Return, Box 4.

If you use Method A, your result will be either a COMBINED REFUND or a COMBINED TAX DUE.

METHOD B. File separate individual tax returns. See instructions for Married Filing Separately on Different Returns, Box 5.

If you use Method B, one of you may owe tax and the other may get a refund. The tax due must be paid with the proper tax return and the refund will be due on the other return. YOU MAY NOT OFFSET ONE AGAINST THE OTHER.

BOX 3. Filing Status 3 (Head of Household)

To file as Head of Household you must have been unmarried or legally separated on December 31, 2007 and meet either 1 or 2 below. The term "Unmarried" includes certain married persons who live apart, as discussed at the end of this section.

1. You paid over half the cost of keeping a home for the entire year that was the main home of your parent whom you can claim as a dependent. Your parent did not have to live with you in your home.

OR

2. You paid over half the cost of keeping a home in which you lived, **and** in which one of the following also lived, for more than six (6) months of the year (temporary absences, such as vacation or school, are counted as time lived in the home):

- a. Your unmarried child, grandchild, great-grandchild, adopted child or stepchild. This child did not have to be your dependent, but your foster child must have been your dependent.
- b. Your married child, grandchild, adopted child or stepchild. This child must have been your dependent.
- c. Any other relative whom you could claim as a dependent.

MARRIED PERSONS WHO LIVED APART

Even if you were not divorced or legally separated in 2007, you may be considered unmarried and file as Head of Household. See Internal Revenue Service instructions for Head of Household to determine if you qualify.

BOX 4. Filing Status 4 (Married Filing Separately on the Same Return)

Check this box if you were married and are filing SEPARATELY ON THE SAME TAX RETURN. This method of tax computation may reduce your tax liability if both spouses had income. The result will be either a combined refund or a combined tax due.

IF ONE SPOUSE HAD A TOTAL NEGATIVE INCOME, YOU MUST FILE MARRIED FILING JOINTLY.

BOX 5. Filing Status 5 (Married Filing Separately on Different Returns)

Check this box if you were married and are filing separate tax returns.

BOX 6. Filing Status 6 [Qualifying Widow(er)]

Check this box if you are a QUALIFYING WIDOW(ER).

You are eligible to file as a QUALIFYING WIDOW(ER) if your spouse died in 2005 or 2006 and you meet each of the following tests:

1. You were entitled to file MARRIED FILING JOINTLY or MARRIED FILING SEPARATELY ON THE SAME RETURN with your spouse for the year your spouse died. It does not matter whether you actually filed a joint return.
2. You did not remarry before the end of 2007.
3. You had a child, stepchild, adopted child, or foster child who qualified as your dependent for the year.
4. You paid more than half the cost of keeping a home, which was the main home of that child for the entire year except for temporary absences.

PERSONAL TAX CREDITS

THE PERSONAL TAX CREDITS HAVE INCREASED FROM \$22 to \$23 FOR TAX YEARS BEGINNING JANUARY 1, 2007.

LINE 7A. Each taxpayer and spouse is entitled to one personal tax credit. You can claim additional Personal Tax Credits if you can answer "Yes" to any of these questions:

- Is your filing status **Head of Household** or **Qualifying Widow(er)**?
- On January 1, 2008, were you age **65 or over**?
- On December 31, 2007, were you **deaf**?
- On December 31, 2007, were you **blind**?

Check the box or boxes that apply to you and/or your spouse. You CANNOT claim any of these credits for your children or dependents.

Blindness is defined as being unable to tell light from darkness, having eyesight in the better eye not exceeding 20/200 with corrective lens, or having a field of vision limited to an angle of 20 degrees.

You can claim the **Deaf** Credit only if the average loss in speech frequencies (500 to 2000 Hertz) in the better ear is 86 decibels, I.S.O., or worse.

Any taxpayer **age 65 and over** not claiming a retirement income exemption on Line 18 is eligible for an additional **\$23** (per taxpayer) tax credit. Check the box(es) marked "65 Special".

Add the number of boxes you checked on Line 7A. Write the total in the box provided. Multiply the number by **\$23** and write amount in space provided.

LINE 7B. List the name(s) of your dependent(s) in the space provided. DO NOT INCLUDE YOURSELF AND/OR YOUR SPOUSE. The individual(s) you can claim as dependent(s) are described on Page 9.

Add the number of boxes you checked on Line 7B. Write the total in the box provided. Multiply the number by **\$23** and write that amount in the space provided.

LINE 7C. If one or more of your dependents were developmentally disabled, enter his/her name(s) on the line. Multiply \$500 by number of developmentally disabled dependents. Enter the total.

NOTE: You must attach a certified AR1000RC5 to your return if this is the first year you claim the Developmentally Disabled Individual Credit.

A certified AR1000RC5 must be filed with your tax return every five (5) years. If credit was received on a prior year's return, do not file another AR1000RC5 until the Individual Income Tax Section notifies you.

LINE 7D. Total the tax credits from Lines 7A, 7B, and 7C. Enter the total on this line and on Line 36.

INCOME

FULL YEAR RESIDENTS

If your filing status is Married Filing Separately on the Same Return, both Column A and Column B will be used. Write your income in Column A and your spouse's income in Column B. For all other filing statuses, write your income in Column A only.

PART-YEAR AND NONRESIDENTS

Complete Column A and Column B of the AR1000NR as if you were a full year resident. List all of your income from all sources for the entire year in these two columns.

List in Column C the total combined income (for both spouses) earned while Arkansas residents and/or income derived from Arkansas sources.

Use all three columns to calculate the amount of Arkansas tax liability. The total tax must be computed on the income totals in Columns A and B. After all allowable tax credits have been subtracted from the total tax, prorate the remaining balance. See instructions for Lines 44A, 44B, 44C, and 44D.

PART-YEAR RESIDENTS AND NONRESIDENTS MUST ATTACH A COPY OF YOUR FEDERAL RETURN, OR YOUR ARKANSAS RETURN WILL NOT BE PROCESSED.

Round all amounts to the nearest dollar. (For example, if your Form W-2 shows \$10,897.50, round to \$10,898. If your Form W-2 shows \$10,897.49, round to \$10,897.)

Staple the state copy of each of your W-2(s) and 1099-R(s) to the left margin of the front of the return.

LINE 8. Add the wages, salaries, tips, etc. reported on your W-2(s). Enter the total on this line. **Attach W-2(s).**

NOTE: Enter U. S. Military Compensation on Line 9. **Enter U.S. Military Retirement on Line 18.**

LINE 9A. If you had **U.S. Military Compensation**, enter gross income in space provided. You are **entitled to a \$9,000 exemption** from your gross income. The balance is taxable. **Attach W-2(s).**

Filing Status 2 (Married Filing Joint):

If you and your spouse both had U.S. Military Compensation, enter your total gross income in the appropriate space provided on Line 9A. You and your spouse are each entitled to an exemption from your respective gross incomes.

LINE 9B. (Filing Status 4 Only) If your spouse had **U.S. Military Compensation**, enter gross income in the space provided. Your spouse is **entitled to a \$9,000 exemption** from his/her gross income. The balance is taxable. **Attach W-2(s).**

HOME OF RECORD OTHER THAN ARKANSAS: DO NOT INCLUDE YOUR MILITARY WAGES. Your income is reported to your state of residence only and not used in the calculation of your Arkansas tax liability.

Your non-military wages, if any, must be included on Line 8.

LINE 10. If you are a duly ordained or licensed minister, you received a housing allowance from your church, and you do not file a Federal Schedule C or C-EZ, enter your gross compensation from the ministry less rental value of your home. The balance is subject to tax. **Attach W-2(s) if not using Federal Schedule C or C-EZ.**

LINE 11. If you received interest from bank deposits, notes, mortgages, corporation bonds, savings and loan association deposits, and credit union deposits, enter all interest received or credited to your account during the year. **If the total is over \$1,500, complete and attach Form AR4.**

LINE 12. If you received dividends and other distributions, enter amounts received as dividends from stocks in any corporation. **If the total is over \$1,500, complete and attach Form AR4.**

LINE 13. Enter alimony or separate maintenance received as the result of a court order.

LINE 14. If you had business or professional income and filed a **Federal Schedule C or C-EZ**, enter the total dollar amount(s) of net income (or loss) from your Federal Schedule C or C-EZ. If you did not file a Federal Schedule C or C-EZ, submit a similar schedule and enter the net income (or loss). **If you filed a Federal Schedule C or C-EZ, attach it to your return.**

Business income may not be split between you and your spouse unless a partnership is legally established. Report Partnership Income on Form AR1050 and attach K-1(s) for each partner.

Include on Line 21, Other Income, any federal/state depreciation differences.

LINE 15. If you had gains or losses from the sale of real estate, stocks or bonds, or gains or losses from capital assets from Partnerships, S Corporations, or Fiduciaries, enter your taxable share. **Adjust the amount of gain or loss for any federal/state depreciation differences.**

If, after the netting process, you had a capital gain or loss reported on the **Federal Schedule D** or on Form 1040/1040A, use Arkansas Form **AR1000D** to determine the taxable amount to enter on AR1000/AR1000NR, Line 15. **Attach Federal Schedule D and Form AR1000D to your return.**

The amount of capital loss that can be deducted after offsetting capital gains is limited to \$3,000 (\$1,500 per taxpayer for filing Status 4 or 5). If your capital loss was more than the yearly limit on capital loss deductions, you can carry over the unused part to later years until used up.

The gain on the sale of your personal residence is exempt up to \$250,000 per taxpayer (\$500,000 for married couples filing on the same return). The property must, during the 5 year period ending on the day of sale, be owned and used by the taxpayer(s) as the principal residence for periods aggregating 2 years or more.

LINE 16. Enter the ordinary gain or (loss) from Part II of Federal Form 4797. **Adjust for any differences in Arkansas and federal depreciation.** The capital loss limit does not apply. **Attach Federal Form 4797.**

LINE 17. Use this line to report taxable lump-sum distributions, annuities, and regular IRA distributions. Include early withdrawal of IRA distributions on this line. List only the amount of withdrawal and attach the Federal Schedule 5329 showing the tax on premature distribution. Also, enter ten percent (**10%**) of the tax from the Federal Schedule 5329, Part I and Part II, on Line 34. If you received a distribution which does not qualify for the Lump-Sum Distribution Averaging Schedule (AR1000TD), list the total distribution received in 2007. (See AR1000TD to determine if you qualify to use the averaging method.) **Attach 1099-R(s).**

Page 14

Premature distributions are amounts you withdrew from your IRA, deferred compensation, or thrift savings plans before you were either age 59 ½ or disabled. Rollovers of premature distributions are tax exempt.

McFadden and Maples Claimants: If a claim was filed on your behalf under *McFadden v. Weiss* or *Maples v. Weiss* your Arkansas basis (cost of contributions) in your retirement plan has changed. **Refer to page 22 to calculate the Arkansas basis in your retirement plan.**

LINE 18A. If you had income from an employment-related pension plan or a qualified IRA distribution, enter the gross amount(s) from Box 1 of your 1099-R(s) in the space provided. Enter the federal taxable amount from Box 2a of your 1099-R(s) in the space provided. If Box 2a is blank, use the Simplified Method Worksheet in the Federal 1040 Instruction Booklet to calculate the taxable amount of your distribution. You are entitled to a **\$6,000** exemption from the taxable amount; the balance is taxable to Arkansas. Enter the balance on Line 18A, Column A. **Attach 1099-R(s).**

FILING STATUS 2 (Married Filing Joint) ONLY: If you and your spouse both had income from a retirement plan and/or qualified IRA distribution, enter the combined gross income amount from Box 1 of your 1099-R(s). Enter the combined federal taxable amount from Box 2a of your 1099-R(s). If Box 2a is blank, use the Simplified Method Worksheet in the Federal 1040 Instruction Booklet to calculate the taxable amount of your distribution. Both you and your spouse are entitled to a **\$6,000** exemption from your respective taxable retirement plan income; the balance is taxable to Arkansas. Enter the balance on Line 18A. **Attach 1099-R(s).**

LINE 18B. FILING STATUS 4 (Married Filing Separately on the Same Return) ONLY: If your spouse had income from an employment related pension plan or a qualified IRA distribution, enter the gross income from Box 1 of his or her 1099-R(s). Enter the federal taxable amount from Box 2a of his or her 1099-R(s). If Box 2a is blank, use the Simplified Method Worksheet in the Federal 1040 Instruction Booklet to calculate the taxable amount of his or her distribution. Your spouse is entitled to a **\$6,000** exemption from the taxable amount; the balance is taxable to Arkansas. Enter the balance on Line 18B. **Attach 1099-R(s).**

You are eligible for the **\$6,000** exemption for retirement or disability benefits provided the distribution was from public or private employment-related retirement systems, plans, or programs. **(The recipient need not be retired.)** The method of funding is irrelevant. The exemption may be taken from either lump-sum or installment payments. The early withdrawal penalty may be applicable even though the exemption is granted.

If you received an IRA distribution after reaching the age of fifty-nine and one-half (59 1/2), the first **\$6,000** is exempt from tax. Premature distributions made on account of the participant's death or disability also qualify for the exemption. All other premature distributions or early withdrawals including, but not limited to, those taken for medical expenses, higher education expenses, or a first-time home purchase **do not** qualify for the exemption.

Note: If you made nondeductible contributions to your IRA, enter taxable amount from Federal Form 8606 in the space provided. **Attach Federal Form 8606.**

LINE 19. If you had income from rents, royalties, estates or trusts, profits (whether received or not) from partnerships, fiduciaries, small business corporations, etc., enter the amounts as reported on your Federal Schedule E. If you are filing a return for a taxable year that is not the same as the annual accounting period of your partnership or trust, report your distributive share(s) of net profits in the accounting period that ends in your taxable year. **Attach Federal Schedule E.**

Nonresident beneficiaries pay tax only on Arkansas income.

LINE 20. If you had farm income, enter the amount reported on your Federal Schedule F. **Farm income may not be split between you and your spouse unless a partnership is legally established.** Partnership income must be reported on Form AR1050, with K-1(s) for each partner. **Attach Federal Schedule F.**

LINE 21. Enter all taxable income for which no other place is provided on the return. Attach a statement explaining the source and amount of the income. Examples are: prizes, awards, TV and radio contest winnings (cash or merchandise), and gambling winnings. You must report reimbursement of medical expenses from a previous year if you itemized deductions in that year and it reduced your tax.

Include amounts recovered on bad debts that you deducted in an earlier year.

Include any adjustment that arises from federal/state depreciation differences.

If you had a **net operating loss (NOL)** in an earlier year to carry forward to 2007, enter it as a negative amount on this line. **Attach a statement showing how you calculated the amount of loss and the year the loss occurred.** A net operating loss may be carried forward for five (5) years.

Scholarships, fellowships, and stipends:

A scholarship or fellowship is exempt from tax only if:

- 1) You are a **candidate for a degree** at an **educational institution, and**
- 2) The grant is a **qualified scholarship or fellowship.**

A qualified scholarship or fellowship is any amount you received as a scholarship or fellowship grant that was used under the terms of the grant for:

- 1) Tuition and fees required for enrollment, **or**
- 2) Fees, books, supplies and equipment required for the course(s) at the educational institution. (These items must be required of all students in that course.)

Foreign students who are exempt from federal taxes because of a tax treaty must file and pay tax on all income including non-qualified scholarship or fellowship income.

Stipends are taxable.

LINE 22. Add Lines 8 through 21 and enter total in the appropriate columns on this line. This is your **Total Income**.

ADJUSTMENTS

LINE 23. To claim the Texarkana exemption, you must file a return and report **all** Arkansas income you received during the year. Enter the exempt income on Line 23. **Attach Form AR-TX.**

Form AR-TX is supplied by your employer.

The Form AR-TX is not required for non wage income such as interest, dividends, Schedule C (sole proprietor), Schedule F (farm), Schedule E (rents, royalties, partnerships, etc.) or retirement. Additional information may be required for verification if an adjustment for these types of income is allowed.

NOTE: *Taxpayers who claim this exemption must file using their street address in Texarkana, Arkansas or Texarkana, Texas. If you use a Post Office Box, this exemption will not be allowed.*

If you lived within the city limits of Texarkana, Arkansas, you are allowed a full exemption from Arkansas income taxation. **Part-year Texarkana residents** claim the exemption only on income earned while a resident of Texarkana, Arkansas.

If you lived within the city limits of **Texarkana, Texas**, you are allowed to deduct the income you earned in the city limits of **Texarkana, Arkansas**. All other Arkansas income is taxable to you.

LINE 24. If you made contributions to a tuition savings account established under the Arkansas Tax Deferred Tuition Savings Program enter the amount here. Contributions to plans established in states other than Arkansas are not deductible. The deductible contribution cannot exceed \$5,000 per taxpayer per tax year. Qualified withdrawals from a tuition savings account established under the Arkansas Tax Deferred Tuition Savings Program or a tax-deferred tuition savings program established by another state will be exempt from Arkansas income tax with respect to the designated beneficiary's income.

LINE 25. If you have other allowable adjustments, use Form AR1000ADJ and include the total on this line. **Attach Form AR1000ADJ.**

LINE 26. Add Lines 23, 24, and 25 and enter total on this line. This is your **Total Adjustments**.

LINE 27. Subtract the total on Line 26, **Total Adjustments**, from the total on Line 22, **Total Income**. Enter balance on this line. This is your **Adjusted Gross Income (AGI)**.

TAX COMPUTATION

LINE 28. Enter the amounts from Lines 27(A) and (B), page AR1/NR1 (Adjusted Gross Income) on this line.

LINE 29. SELECT THE PROPER TAX TABLE and check the appropriate box. You will be in one of the following categories:

- 1) You qualify for a Low Income Table, **or**
- 2) You must use the Regular Tax Table

See tax tables and qualifications for each table on pages 26-30.

If you use an exclusion for military compensation, employer sponsored pension income, or a qualified IRA distribution, you do not qualify for a Low Income Tax Table. You may elect NOT TO USE the exclusion(s) to which you are entitled and use a Low Income Tax Table if you fall within the income limits.

Caution: If you qualify to use a Low Income Tax Table, enter zero (0) on Line 29A. (The Standard Deduction is already built into the table.)

If you use the regular tax table, enter the larger of your itemized deductions or your Standard Deduction on Line 29.

Itemized Deductions:

To compute your itemized deductions, complete Form AR3. Make sure that your total itemized deductions exceed the Standard Deduction. (For Form AR3 instructions see pages 18-19 of this booklet.)

NOTE: *If you are filing Status 4 or 5 and one spouse itemizes, then both spouses must itemize.*

Standard Deduction:

The Standard Deduction for your filing status is the amount shown below. (If the amount on Line 28 is less than the Standard Deduction, enter the amount from Line 28 on Line 29.)

Filing Status	Standard Deduction
1—Single	\$2,000
2—Married Filing Joint	\$4,000
3—Head of Household	\$2,000
4—Married Filing Separately on Same Return	\$2,000 each
5—Married Filing Separately on Different Returns	\$2,000
6—Qualifying Widow(er)	\$2,000

NOTE: *The \$2,000 Standard Deduction does not apply to taxpayer's dependent(s).*

LINE 30. Subtract Line 29 from Line 28. This is your **Net Taxable Income**.

LINE 31. Using the appropriate tax table locate the tax for your income and enter here.

LINE 32. Add Lines 31(A) and 31(B) and enter the total.

LINE 33. If you received a lump-sum (total) distribution from a qualified retirement plan during 2007, you may be eligible to use the averaging method to figure some of your tax at a lower rate. Read the instructions on the back of Form AR1000TD to determine if you are eligible to use this method. If so, complete Form AR1000TD and enter amount here. **Attach Form AR1000TD.**

LINE 34. Taxpayers subject to IRA or employer qualified retirement plan penalties and tax on their federal return are subject to penalties and tax on their state return. Enter ten percent (10%) of the federal penalty amount from Part I of Federal Form 5329. Be sure to enter total distribution(s) from Part I, Form 5329, on Line 17 or 18, page AR1/NR1.

If you are subject to a penalty on a distribution from a Coverdell Education Savings Account, include ten percent (10%) of the federal penalty amount from Part II of Federal Form 5329 on this line. Be sure to include the taxable amount of the Coverdell Education Savings Account distribution on Line 21, page AR1/NR1 (Other Income).

LINE 35. Add Lines 32 through 34 and enter the total.

TAX CREDITS

LINE 36. Enter the total personal tax credits from Line 7D.

LINE 37. Enter the amount of allowable State Political Contributions Credit(s) on this line. The allowable credit(s) cannot exceed **\$50** for Filing Status 1, 3, 5 or 6 or **\$100** total for Filing Status 2 or 4. **Attach Form AR1800.**

LINE 38. If you are an Arkansas resident and included income on your Arkansas Return that was also taxed by another state, you may claim a credit for the income tax portion of taxes paid to the other state on that income.

The income tax withheld from your wages by another state is NOT the amount of tax you owed the other state. For that reason, YOU MUST ATTACH TO YOUR ARKANSAS RETURN A **SIGNED COPY OF THE TAX RETURN(S) YOU**

FILED WITH THE OTHER STATE(S). Enter the amount of **net income tax liability** to the other state(s).

NOTE: *This credit cannot exceed the Arkansas Income Tax on the same income and cannot exceed the total tax you owe Arkansas.*

Nonresidents cannot claim this credit on their Arkansas Return. Part-year residents will not be allowed this credit unless they continue to have taxable income from another state and the other state income is included as taxable income in Column C of the AR1000NR.

A tax credit is allowed for a resident shareholder's pro rata share of any net income tax paid by a Sub S Corporation to a state that does not recognize Sub S Corporation status.

The State of Mississippi enacted a special tax that applies exclusively to gambling winnings. This tax is separate and distinct from Mississippi's income tax. As such, an Arkansas taxpayer cannot claim a credit against his/her Arkansas income tax liability for payment of the gambling winnings tax to the State of Mississippi.

LINE 39. The Child Care Credit allowed is twenty percent (**20%**) of the amount allowed on your federal return. **A copy of Federal Form 2441, "Credit for Child and Dependent Care Expenses," or a copy of your 1040A, Schedule 2, must be attached to your Arkansas return. (If this credit is for Approved Early Childhood Credit, see instructions for Line 48.)**

LINE 40. The Adoption Expense Credit allowed is twenty percent (**20%**) of the amount allowed on your federal return. A copy of **Federal Form 8839 must be attached to your Arkansas return.**

LINE 41. Enter the allowable Phenylketonuria Disorder Credit. **Attach Form AR1113.**

LINE 42. From the Business and Incentives Tax Credits Summary Schedule (AR1020BIC), enter the total allowable credits. Some credits available are listed below:

Affordable Neighborhood Housing
Biotechnology Development
Capital Development Corporation
County & Regional Industrial Development
Delta Geotourism Development
Economic Development
Emerging Energy Technology
Employer-Provided Early Childhood Program
Enterprise Zone Program
Equipment Donation or Sale Below Cost
Equity Investment
Family Savings Initiative
Job Creation
Low Income Housing
Manufacturing Investment
Payroll Income
Private Wetland & Riparian Zone

Public Roads Improvement
Rice Straw
Tourism Project Development
Tuition Reimbursement
Venture Capital Investment
Waste Reduction & Recycling Equipment
Water Resource Conservation
Workforce Training
Youth Apprenticeship

NOTE: *Recent legislation amended, increased, or extended some of the provisions for Business and Incentive Tax Credits. For details on tax credits, refer to the Business and Incentive Tax Credit Package which contains forms for each credit. Business Tax Credit forms may be obtained from the Department of Finance and Administration, Tax Credits, Box 1272, Little Rock, AR 72203, (501) 682-7106.*

LINE 43. Add Lines 36 through 42 and enter the total on Line 43.

LINE 44. Subtract Line 43 from Line 35. This is your **Net Tax**. If Line 43 is greater than Line 35, enter zero (0).

PRORATION

IF FILING A FULL YEAR RESIDENT RETURN, go to instructions for Line 45. The instructions for Line 44A through Line 44D apply only to nonresidents and part-year residents.

NONRESIDENTS AND PART-YEAR RESIDENTS ONLY, read the following instructions to determine your correct Arkansas Tax Liability. **Attach a complete copy of your federal return.**

LINE 44A. Enter total income from Line 27, Column C.

LINE 44B. Enter total of Columns A and B from Line 27.

LINE 44C. Divide amount on Line 44A by amount on Line 44B to arrive at your Arkansas percentage of income. **Unless your percentage is less than 1%, enter your percentage as a whole number, rounding the percentage to the nearest whole percent.**

If your percentage is less than 1%: Do not round to one (1) or zero (0). Carry the number out to six places to the right of the decimal.
Example: $\$2,500/\$525,000 = .00476190476$
(Enter as 00.476190)

LINE 44D. Multiply amount on Line 44 by percentage on Line 44C for Arkansas apportioned tax liability.

PAYMENTS

LINE 45. Enter Arkansas Tax withheld from your W-2(s). You have already paid this amount of tax during the year. If you have MORE THAN ONE W-2, be sure to add the Arkansas Income Tax withheld from all W-2(s). Enter the total withheld.

IF YOU AND YOUR SPOUSE ARE FILING ON THE SAME RETURN, add the Arkansas State Income Tax withheld from all your W-2(s). Enter the combined total withheld.

If you did not receive (or lost) your W-2(s) and Arkansas tax was withheld from your income, you should take the following steps **IN THE ORDER LISTED BELOW:**

- 1) **Ask your employer** for copies of your W-2(s). If you cannot obtain them from your employer you should
- 2) **Contact the Social Security Administration** at (800) 772-1213. Only if you cannot obtain your W-2(s) from SSA you may
- 3) **Complete Federal Form 4852** and attach a copy of your final pay stub to support your amounts.

CAUTION: *You WILL NOT receive credit for tax withheld or receive a tax refund, unless you attach CORRECT AND LEGIBLE W-2(s) or other approved documentation to your tax return.*

DO NOT include FICA, Federal Income Tax, or tax paid to another state on Line 45.

DO NOT correct a W-2 yourself. Your employer must issue you a corrected W-2.

LINE 46. If you made an Estimated Declaration and paid estimated tax payments on 2007 income OTHER THAN wages, salaries, tips, etc., write the amounts paid in this space. The only amounts to enter here are payments you made on a 2007 Declaration of Estimated Income Tax (includes January 15, 2008 installment and/or credit brought forward from 2006 tax return).

DO NOT include PENALTIES OR INTEREST as part of the amount paid.

If you and your spouse filed a JOINT declaration and you and your spouse choose to file your annual returns on separate forms this year, payments made under the joint declaration of estimate will be credited to the primary filer.

If you are filing prior year tax returns past the due date of the tax return, the refund/overpayment from those tax returns cannot be carried forward as estimated tax.

LINE 47. If you filed an extension request with the state and paid tax with your request, enter the amount paid.

LINE 48. Enter the **APPROVED** early childhood credit (20% of the Federal Child Care Credit) for individuals with a dependent child placed in an **APPROVED** Child Care Facility while the parent or guardian worked or pursued employment. (Facility must be approved by the Arkansas Department of Education as having an appropriate Early Childhood Program as defined by Arkansas law.) **Enter the certification number and attach Federal Form 2441 or 1040A, Schedule 2 and Certification Form AR1000EC. Contact your child care facility for Form AR1000EC.**

LINE 49. Add the amounts on Lines 45, 46, 47 and 48. This is your **TOTAL TAX PAID.**

REFUND OR TAX DUE

LINE 50. If Line 49 is more than Line 44 on the AR1000 or Line 44D on the AR1000NR, you overpaid your tax. Write the difference on Line 50. If you want a refund only, skip Lines 51 and 52 and enter the amount of your refund on Line 53.

LINE 51. You can apply part or all of the tax you OVERPAID in 2007 to your tax in 2008. Enter the amount you would like to have carried forward. The overpayment will be applied directly to your 2008 Estimated Account. If you wish to apply only part of Line 50 to pay 2008 tax, you will be issued a refund for the balance of your overpayment.

NOTE: *The amount you carry over to pay 2008 taxes will **only be credited to the primary filer.** It cannot be divided between the primary filer and spouse.*

LINE 52. If you wish to contribute a portion or all of your overpayment to one or more of the programs listed below, complete schedule AR1000-CO and enter total amount of your donation. **Attach Schedule AR1000-CO after the AR2/NR2.**

Arkansas Disaster Relief Program
U.S. Olympic Committee Program
Arkansas Schools for the Blind and Deaf
Baby Sharon's Children's Catastrophic Illness Program
Organ Donor's Awareness Education Program
Area Agencies on Aging Program
Military Family Relief Program
Newborn Umbilical Cord Blood Initiative

LINE 53. Subtract Lines 51 and 52 from Line 50. This is the amount of your **Refund.**

The Director is allowed 90 days from the return due date or the date the return was filed, whichever occurs later, to refund an overpayment of tax without interest (Act 262 of 2005).

SET OFF REFUNDS

If you, your spouse, or former spouse owes a debt to one of the agencies below, all or part of your refund is subject to being withheld to satisfy the debt. You will receive a letter advising which agency has claimed your refund.

Department of Finance and Administration
AR colleges, universities, and technical institutes
Office of Child Support Enforcement
Department of Human Services
Department of Higher Education
Arkansas circuit, county, district, or city courts
Employee Benefits Division of DFA
Any housing authority
Office of Personnel Management of DFA
County tax collectors or treasurers

It is the agency's responsibility to refund any set off amount paid to the agency in error.

If you owe a debt for Arkansas income tax, your federal refund may be captured to satisfy your state income tax debt.

NOTICE TO MARRIED TAXPAYERS:

If only one of the married taxpayers owes the debt, the taxpayer who is not liable can avoid having his/her refund applied to the debt if both taxpayers file Status 5, Married Filing Separately on Different Returns.

LINE 54. If Line 44 of the AR1000 or Line 44D of the AR1000NR is more than Line 49, you owe additional tax. Subtract Line 49 from Line 44 of the AR1000 or Line 44D of the AR1000NR. Enter amount on Line 54. This is the **TAX YOU OWE.**

If you owe additional tax in excess of \$1,000, and failed to make a declaration of Estimated Tax, a penalty of ten percent (10%) will be assessed. See instructions for Lines 55A and 55B for more information.

LINE 55A and 55B. Enter the exception number from Part 3 of the AR2210, or the computed penalty from Line 18 of AR2210 in the appropriate box.

Form AR2210 must be attached and the exception number entered in box 55A to claim any exclusion from the Underestimate Penalty.

LINE 55C. Add Lines 54 and 55B. Enter total on this line.

LINE 56. Enter the total amount from Form AR4, Part III in the space provided.

Your tax return will not be legal and cannot be processed unless you SIGN IT. Write in the DATE. If you and your spouse are filing a joint tax return or filing separately on the same return, both of you must sign it.

If someone else prepares your return, that person must sign and complete the Preparer Information section on page AR2/NR2. If you prepare your own return, **DO NOT** use this section.

PAYMENT INFORMATION

Attach a check or money order to your return. Write your Social Security Number on the check or money order, and make your check payable to the Department of Finance and Administration. Mail on or before April 15, 2008.

Taxpayers may pay their tax due by credit card. Credit card payments may be made by calling **1-800-2PAY-TAXSM** (1-800-272-9829), or by visiting www.officialpayments.com and clicking on the "Payment Center" link.

Both options will be processed by Official Payments Corporation, a private credit card payment services provider. A convenience fee will be charged to your credit card for the use of this service. **The State of Arkansas does not receive this fee.** You will be informed of the exact amount of the fee before you complete your transaction. After you complete your transaction you will be given a confirmation number to keep with your records.

NOTE: *Do not send currency or coin by mail.*



PENALTIES & INTEREST

If you owe additional tax, you must mail your tax return by April 15, 2008. Any return not postmarked by April 15, 2008 (unless you have an extension) will be delinquent. A penalty of one percent (**1%**) per month for failure to pay and five percent (**5%**) per month for failure to file, a maximum of thirty-five percent (**35%**) will be assessed on the amount of tax due. Interest of ten percent (**10%**) per year will also be assessed on any additional tax due, calculated from the original due date to the date you paid the tax due.

An extension to file is not an extension to pay. If you have not paid the amount due by the original due date you will be subject to a failure to pay penalty of one percent (**1%**) per month of the unpaid balance.

In addition to any other penalties assessed, a penalty of **\$500** will be assessed, if any taxpayer files what purports to be a return, but the return does not contain information on which the correctness of the return may be judged, and such conduct is due to a position which is frivolous or an effort to delay or impede the administration of any State law.

INSTRUCTIONS FOR ITEMIZED DEDUCTIONS (FORM AR3)

MEDICAL AND DENTAL EXPENSES

List only amounts you paid and for which you were not reimbursed.

LINE 1. Enter total medical and dental expenses, less reimbursements, from insurance or other sources. See chart on page 19 for examples of deductible and nondeductible expenses.

LINE 2. Enter total amount from Form AR1000/AR1000NR, Lines 28A and 28B.

LINE 3. Multiply Line 2 by **7.5%** (.075).

LINE 4. Subtract Line 3 from Line 1.

TAXES

LINE 5. You may deduct real estate taxes you paid on property you own that was not used for business. Do not include any special assessment or levy taxes.

Some taxes you **cannot** deduct are:

Arkansas income taxes
Sales tax
Federal income taxes
Estate taxes
Improvement taxes
Federal Social Security taxes
Hunting and fishing licenses
Dog licenses
Cigarette and beverage taxes
Car tags

LINE 6. You may deduct on this line:

Personal property taxes
Taxes paid to a foreign country on income taxed on this return
City income tax
Mississippi gambling tax

LINE 7. Add the amounts on Lines 5 and 6.

INTEREST EXPENSE

LINE 8. You may deduct the home mortgage interest paid to a bank or other financial institution.

The deduction is generally limited to interest attributable to a debt for not more than the cost of the principal, and/or second residence, plus improvements.

LINE 9. Deduct home mortgage interest paid to an individual on this line, and list that person's name and address.

LINE 10. Enter the amount of deductible points on this line. Deductible points are those that:

1. Are incurred in the purchase or improvement of the taxpayer's principal residence; **and**
2. Reflect an established business practice of charging points in the geographical area where the loan is made; **and**
3. Do not exceed the number of points generally charged for the type of transaction. (Points paid in refinancing a mortgage must be amortized over the life of the loan.)

NOTE: *In order to deduct the full amount of the points paid, payment of the points must be made from separate funds brought to the loan closing.*

LINE 11. Enter deductible investment interest. The deduction is limited to the amount of investment income. Interest that is disallowed because of the limitation can be carried forward to the next year and deducted to the extent of the limitation in the carryover year. **Attach Federal Form 4952.**

LINE 12. Add Lines 8, 9, 10 and 11.

CONTRIBUTIONS

LINE 13. Enter the total contributions you made by cash or check. If you gave **\$3,000** or more to any one organization, list the donee and amount given. If you have non-cash contributions of **\$500** or more, **attach Federal Form 8283.**

LINE 14. In addition to other contributions, a deduction is allowed for the donated value of artistic, literary, and musical creations. The following qualifications must be met in order for the deduction to be allowed:

1. The taxpayer making the donation must have derived at least **fifty percent (50%)** of his/her current or prior year income from an art related profession.
2. The fair market value of the art work must exceed **\$1,000** and be verified by an approved independent appraiser.
3. The taxpayer must attach the donation receipt with estimated value or appraisal document.
4. The donation must have been made to a museum, art gallery, or non profit charitable organization located in Arkansas and qualified under Section 501(C)(3) of the Internal Revenue Code.
5. The donated art work cannot exceed **fifteen percent (15%)** of taxpayer's gross income for calendar year of donation.

LINE 15. Deduct any check-off contributions made on your 2006 Arkansas return to any of the following:

Arkansas Disaster Relief Program
U.S. Olympic Committee Program
Arkansas Schools for the Blind and Deaf
Baby Sharon's Children's Catastrophic Illness Program
Organ Donor Awareness Education Program
Area Agencies on Aging Program
Military Family Relief Program

LINE 16. List other deductible contributions:

1. Unreimbursed amounts spent to maintain an elementary or high school student (other than a dependent or relative) in a taxpayer's home under a program sponsored by a charitable organization.
2. A gift of property to a non-profit organization. Attach a description of the property, date of gift, and method of valuation. For each gift in excess of **\$500**, list any conditions attached to the gift, manner of acquisition, and cost or basis if owned by you for less than five (5) years. **Attach a signed copy of appraisal.**

NOTE: *Payments to private academies or other schools for the education of dependents are not deductible as contributions.*

LINE 17. If you made contributions in excess of **fifty percent (50%)** of your adjusted gross income, you may carry the excess deduction over for a period of five (5) years.

If you are deducting an excess contribution from a previous year, enter the amount and year of the original contribution.

LINE 18. Add lines 13, 14, 15, 16 and 17.

CASUALTY AND THEFT LOSSES

LINE 19. The method of computing casualty or theft losses is the same as Federal method (with the **\$100** exclusion). The amount of each loss must exceed **ten percent (10%)** of your adjusted gross income. **Attach Federal Form 4684 and supporting documents.**

If you have a Disaster Loss in 2008 on property located in an area designated by the President of the United States as a disaster area, you may elect to deduct the loss as an itemized deduction in 2007. If you elect to report the loss on your 2007 return, you cannot report the loss on your 2008 return. **Attach a Federal schedule listing the disaster loss.**

A disaster loss is the only loss which may be carried back. You may amend your 2006 return to report a disaster loss incurred in 2007. If you elect to amend your 2006 return, you cannot report the loss on your 2007 return.

LINE 20. Enter your Post-Secondary Education Tuition Deduction and **attach Form AR1075(s).**

MISCELLANEOUS DEDUCTIONS SUBJECT TO THE 2% AGI LIMITATION

LINE 21. Enter unreimbursed employee business expenses. Arkansas recognizes the federal mileage allowance for computing business travel expenses. **Attach Federal Form 2106.**

LINE 22. Other deductions include:

Union or professional dues
Tax return preparation fees
Expenses for safety equipment
Expenses of entertaining customers
Tools and supplies
Fees paid to employment agencies

Attach supporting schedule or statement.

LINE 23. Add Lines 21 and 22.

LINE 24. Enter combined amount from Form AR1000/AR1000NR, Lines 28A and 28B.

LINE 25. Multiply Line 24 by **2%** (.02).

LINE 26. Subtract Line 25 from Line 23. This is your total allowable miscellaneous deductions.

OTHER MISCELLANEOUS DEDUCTIONS

LINE 27. Enter your miscellaneous deductions not subject to the 2% AGI limit. **Attach detailed schedule of each deduction.**

LINE 28. Add Lines 4,7,12,18,19,20,26 and 27. If the amount(s) on AR1000/AR1000NR Lines 28A and 28B are greater than \$156,400 (\$78,200 if married filing separately on separate returns), then complete the itemized deduction worksheet on Page 20 to calculate the amount you may deduct.

PRORATED ITEMIZED DEDUCTIONS

LINE 29. If you are filing separately, Status 4 or 5, you must prorate your itemized deductions between spouses. Enter your AGI from Line 28, Column A and your spouse's AGI from Line 28, Column B of the AR1000/AR1000NR.

LINE 30. Add Lines 29A and 29B.

LINE 31. Divide Line 29A by Line 30 and enter the percentage here. **Round to the nearest whole percent.**

LINE 32. Multiply the total itemized deductions reported on Line 28 by your percentage on Line 31. Enter result here and on AR1000/AR1000NR, Line 29, Column A.

LINE 33. Subtract Line 32 from Line 28. Enter result here and on AR1000/AR1000NR, Line 29, Column B. If you and your spouse are using Filing Status 5, this is the amount of the total itemized deductions your spouse is allowed to claim on his/her tax return.

Deductible vs. Non-deductible Medical Expenses

The chart below lists specific types of expenses and whether or not a deduction for the expense is permitted.

Deductible

Treatment of Alcoholism
Ambulance hire
Attendant to accompany blind or deaf student
Chiropractors
Contact lenses
Dental fees
Contraceptives, prescription
Drug addiction, recovery from
Drugs, prescription
Eye examinations and glasses
Hearing aids
Insulin
Laser eye surgery
Long-term care expenses
Orthopedic shoes
Psychiatric care
Psychologist
Smoking, program to stop
Wheelchair
X-rays

Non-deductible

Baby-sitting expenses to enable parent to see doctor
Diaper Service
Cosmetic surgery, unnecessary
Ear piercing
Electrolysis
Funeral expenses
Gravestone
Hair transplants, surgical
Hygienic supplies
Marriage counseling
Maternity clothes
Spiritual guidance
Tattoos
Teeth, whitening
Toilet articles
Trips, general health improvement
Insurance premiums-loss of income
Insurance premiums-loss of limb
Health club dues
Anticipated medical expenses

ITEMIZED DEDUCTIONS WORKSHEET

(Keep for your records)

Page AR3, Line 28

Taxpayers with higher incomes may not be able to deduct all of their itemized deductions. If the combined AGI amount on Form AR1000/AR1000NR, Lines 27A and 27B, is more than \$156,400 (\$78,200 if filing status 5), use the worksheet below to figure the amount you may deduct.

1. Add the amounts on page AR3, Lines 4, 7, 12, 18, 19, 20, 26, and 27, and enter the total..... 1. _____
2. Add the amounts on page AR3, Lines 4, 11, and 19, plus any gambling losses included on Line 27 and enter the total 2. _____
3. Is the amount on Line 2 less than the amount on Line 1?
 NO. Your deduction is not limited. Enter the amount from Line 1 above on Form AR3, Line 28.
 YES. Subtract Line 2 from Line 1 3. _____
4. Multiply the amount on Line 3 above by 80% (.80) and *enter the result* 4. _____
5. Enter the amount from Columns A and B of AR1000/AR1000NR, Line 27.
(Enter total of columns A and B if filing Status 4) 5. _____
6. Enter \$156,400 if Filing Status is 1, 2, 3, 4 or 6 (\$78,200 if Filing Status is 5) 6. _____
7. Is the amount on Line 6 less than the amount on Line 5?
 NO. Your deduction is not limited. Enter the amount from Line 1 above on Form AR3, Line 28.
 YES. Subtract Line 6 from Line 5 7. _____
8. Multiply the amount on Line 7 above by 3% (.03) and enter the result 8. _____
9. Enter the **SMALLER** of Line 4 or Line 8 9. _____
10. **Total Itemized Deductions.** Subtract Line 9 from Line 1.
*Enter the result here and on page AR3, Line 28. See **Note** below.* 10. _____

NOTE: Also enter on Form AR1000/AR1000NR, Line 29, the larger of the amount you entered on page AR3, Line 28, or your standard deduction.

SELF-EMPLOYED HEALTH INSURANCE DEDUCTION WORKSHEET

(Keep for your records)

1. Enter the amount you paid in 2007 for health insurance for you, your spouse, and your dependents. 1 _____
2. Enter your net profit and any other income* from the business under which the insurance plan is established, less any deductions you will claim on **Form AR1000ADJ, Line 8**. 2 _____
3. Enter the smaller of Line 1 or Line 2 here and on **Form AR1000ADJ, Line 7**.
(Do not include this amount in figuring your medical expense deduction on the Itemized Deduction Schedule.) ... 3 _____

*Earned income includes net earnings and gains from the sale, transfer, or licensing of property you created. It does not include capital gain income. If you were more than a 2% shareholder in an S Corporation, earned income is your wages from that corporation.

STUDENT LOAN INTEREST WORKSHEET

1. Enter the total interest you paid in 2007 on qualified student loans 1 _____
 2. Enter the smaller of Line 1 above or \$2,500..... 2 _____
 3. Enter the amount(s) from AR1000/AR1000NR, Line(s) 22A and 22B 3 _____
 4. Enter total adjustments without regard to the Deduction for Interest Paid
on Student Loans, Line 4, AR1000ADJ 4 _____
 5. Modified AGI. Subtract Line 4 from Line 3 5 _____
- Note:** If line 5 is \$70,000 or more and you are filing Status 1, 3, or 6 **or** \$140,000 or more and you are filing Status 2 or 4, **STOP HERE**, you **cannot** take the deduction.
6. Enter: \$55,000 if filing Status 1, 3, or 6; \$110,000 if filing Status 2 or 4 6 _____
 7. Subtract Line 6 from Line 5.
If zero or less, enter -0- here and on Line 9, skip Line 8, and go to Line 10..... 7 _____
 8. Divide Line 7 by \$15,000 (\$30,000 if filing status 2 or 4.)
Enter result as a decimal (rounded to at least three places) 8 _____
 9. Multiply Line 2 by Line 8 9 _____
 10. Allowable Deduction: Subtract Line 9 from Line 2.
Enter result here and on Form AR1000ADJ, Line 4. 10 _____

IRA PHASE OUT CHART

IF YOUR FILING STATUS IS:	YOUR ALLOWABLE IRA DEDUCTION	
	Phases Out When AGI Exceeds:	Will Be Zero When AGI Is:
Single, Head of Household	\$52,000	\$62,000
Married Filing on Same Return (Status 2 or 4), or Qualifying Widow(er)	\$83,000	\$103,000
Married Filing on Separate Returns	\$0	\$10,000
Nonactive Spouse (Income Computed Jointly)	\$156,000	\$166,000

McFADDEN vs. WEISS LAWSUIT INFORMATION

In *McFadden vs. Weiss*, a class action lawsuit for tax years 1999-2002, the State of Arkansas was ordered by the Court to issue refunds to retirees who had any unrecovered cost of contribution in their retirement plans as of January 1, 1999.

The costs of contributions to be recovered were from after tax contributions to the plan(s). The Court ordered that the recovery be paid using the "front-end loaded" method of payments.

Federal rules for recovery of cost were used to calculate the unrecovered cost of contribution as of January 1, 1999. Any cost remaining unrecovered on January 1, 1999, was to be recovered in full by offsetting the "front-end loaded" recovery figure against previously reported annuity amounts.

The refunds for retirees who received benefits from federal retirement system paid through OPM, was calculated using data supplied by OPM. Refunds for other retirees were calculated from information supplied by their *McFadden Retiree Claim Forms*. The deadline for submission of the Claim Forms was March 15, 2006. For additional information on this case, access the state website at www.arkansas.gov/dfa.

MAPLES vs. WEISS LAWSUIT INFORMATION

The Pulaski County Chancery Court has ordered an income tax refund in *Maples, et al v. Weiss*, a class action lawsuit filed in Pulaski County Chancery Court Case No. CV 04-3685. The Arkansas Supreme Court upheld the decision of the trial court. The court held that the State of Arkansas unconstitutionally taxed the after-tax contributions made to retirement plans. Under this refund methodology, you are entitled to deduct your after-tax contributions you did not deduct in tax years before 2003 to the extent of your retirement income received during the tax years 2003 and 2004. Refunds will be calculated by excluding such amounts of retirement income from the amount of income that is subject to Arkansas income tax. If you fully recovered your cost of contribution as a result of the *McFadden v. Weiss* lawsuit, you will not be entitled to a refund in the *Maples v. Weiss* case. The recovery of your after-tax contributions for tax years 2003 and 2004 is not limited to the IRS §72 deduction you may have used on your federal income tax return during the same tax years.

The class members represented in the case include all persons who filed a tax return with the State of Arkansas for tax years 2003 and 2004, and who reported income from an employment-related retirement plan in which they made after-tax contributions. Refunds have already been processed and mailed for retirees from the Federal Office of Personnel Management, Arkansas Public Employees Retirement System, and Arkansas Teachers Retirement System.

Additional information concerning this case will be available at the state website, www.arkansas.gov/dfa and will be updated and posted as it becomes available.

HOW TO FILL OUT YOUR CHECK

Make your check payable to "Department of Finance and Administration."

Date and mail payment on or before April 15th, 2008.

Jim and Nancy Taxpayer 678 Old Highway Home, AR 00000 Phone (501) 555-1234	1011
PAY TO THE ORDER OF: Dept. of Finance and Administration	Date April 15, 2008
Twenty five and no/100	\$ 25.00 DOLLARS
MEMO: Tax year 2007 SSN 000-00-0000	<i>Jim and Nancy Taxpayer</i>

Include your Social Security Number and the tax year on the memo line.

Don't forget to sign your check!

PRESERVATION OF TAX RECORDS

A taxpayer who files an Arkansas income tax return is required to retain suitable records to prove the accuracy of that return. The records must be retained for at least six years (unless otherwise provided by law) and are subject to examination by the director at any reasonable time during that period.

When a taxpayer fails to preserve and maintain the records required, the director may make an estimated assessment based upon any available information as to the amount of tax due by the taxpayer. Per ACA 26-18-506, the burden of proof of refuting this estimated assessment is upon the taxpayer.

MILEAGE AND DEPLETION ALLOWANCES



Mileage Allowance

Business	48.5 cents per mile
Charitable	14 cents per mile
Mail Carrier (rural):	Reimbursement received
Medical and Moving.....	20 cents per mile



Depletion Allowance

Depletion (gas and oil).....	Same as Federal (15% for most gas and oil production)
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DEPRECIATION INFORMATION

Section 179 Facts

Arkansas adopted IRC §179 as in effect on January 1, 2007, thus allowing greater dollar limits and phase out thresholds.

- Deduction Limit – \$112,000
- Cost of qualifying property limit – \$450,000
- No deduction allowed above \$562,000
- More than one property placed in service – limit \$112,000 deduction per taxpayer per year
- Any cost not deducted in one year may be carried forward to next year
- Deduction may not be used to reduce taxable income below zero

Note: Arkansas has not yet adopted the most recent federal changes.

IN CASE THE IRS AUDITS YOU

If the Internal Revenue Service examines your return for any tax year and changes your net taxable income, you must report the changes to the Arkansas Department of Finance and Administration within ninety (90) days from the receipt of the notice and demand for payment by the Internal Revenue Service.

File Arkansas Form AR1000A/AR1000ANR Amended Individual Income Tax Return, for the year(s) involved reporting the changes to your state return. **Attach a copy of the federal changes.**

If you fail to notify this Department within ninety (90) days and do not file the required amended return, the Statue of Limitations will remain open for eight (8) years on the year(s) in question. Additional interest will be figured on any tax you owe the State of Arkansas.

TAXPAYER BILL OF RIGHTS

You have the right to full explanation of all actions by any agent of the Commissioner of Revenue both during an audit and during collection activities.

- All tax information contained in the records and files of the Commissioner of Revenue (hereinafter "Commissioner") pertaining to you or your business is confidential.
- You may represent yourself in any proceeding or interview before the Commissioner or you may be represented by anyone whom you authorize in writing to be your representative.
- You have the right to consult with a lawyer, accountant, or other representative at any time during an interview with an agent of the Commissioner. The Commissioner shall terminate the interview to allow you to consult with your representative.
- You may record any interview with the Commissioner or his agent at your own expense. You should let the Commissioner or his agent know in advance of your intention to record the interview. The Commissioner may likewise record an interview, and a copy may be obtained within a reasonable time at your expense.
- You may request an administrative review of any proposed assessment of tax. You must request this review within 60 days of your receipt of a proposed assessment. The administrative review may be based on a court hearing, a telephone hearing, or consideration of written documents. If you do not request an administrative hearing, you may still pursue your judicial remedies by filing an action in the circuit court.
- If you receive an unfavorable decision from your administrative review, then you may request a review of the decision by the Commissioner. This review should be requested within 20 days of your receipt of the administrative decision. If you receive an unfavorable decision from the Commissioner on any issue, you may pursue judicial remedies as discussed below.
- After the issuance of the final assessment and demand for payment, you may appeal the tax assessment to circuit court, regardless of whether you protested the assessment and requested an administrative review. To pursue your appeal of a tax assessment to circuit court you must either:
 - (a) pay the entire amount of tax due for any taxable period(s) covered by the final assessment within one year of the date of the final assessment or
 - (b) file a bond for double the amount of the tax deficiency within 30 days of the issuance of the final assessment. You must file your lawsuit within one year from the date of paying or within 30 days of filing a bond. Within 30 days of the final assessment, the Revenue Division may proceed with collection activities, including the filing of a lien, for any tax, penalty, or interest that is unpaid or not covered by a bond.
- A taxpayer may file an amended return or a verified claim for credit or refund of an overpayment of any State tax within three years of the time the return was filed or two years from the date the tax was paid, whichever is later. Any amended return or claim for refund should be filed with the office of the Revenue Division which administers the type of tax in question.
- If the Commissioner disallows the refund claim either in whole or in part, the Commissioner will issue a proposed notice of refund claim disallowance. You may request an administrative review of the refund disallowance. This request must be made within 60 days of your receipt of the proposed notice. If you receive an unfavorable decision from your administrative review, you may request a review of the decision by the Commissioner. This request must be made within 20 days of your receipt of the administrative decision.
- Following an administrative review, the Commissioner will issue a final notice of refund claim disallowance. After the issuance of the final notice of claim disallowance, you may appeal the decision to circuit court. Judicial review is available whether or not you requested an administrative review. To pursue your appeal of a claim disallowance to circuit court, you must file suit within one year of the date of the final notice of claim disallowance. If the director fails to issue a written decision within six months of the date a claim for refund is filed, the taxpayer may then file suit to recover the amount claimed.

Any taxpayer who wishes to file a complaint regarding any activity concerning the administration or collection of any State tax by the Revenue Division should make the complaint in writing to:

Commissioner of Revenues
Ledbetter Building, Room 2440
PO Box 1272
Little Rock, Arkansas 72203-1272

- In administering the State tax laws, the Commissioner is authorized by law to make an examination or investigation of the business, books, and records of the taxpayer. If the Commissioner determines that an additional amount of tax is due, then a proposed assessment shall be issued to the taxpayer. The taxpayer may seek relief from the proposed assessment as outlined above. If the taxpayer fails to preserve and maintain records suitable to determine the amount of tax due or to prove accuracy of any return, the Commissioner may make an estimated assessment based upon the best information available as to the amount of tax due by the taxpayer.
- The Commissioner may issue a jeopardy assessment against any taxpayer (1) whose tax liability exceeds any bond on file indemnifying the State for the payment of a State tax, (2) who intends to leave the State, remove his property, or conceal himself or his property, (3) who intends to discontinue his business without making adequate provisions for payment of State taxes or, (4) who does any other act tending to prejudice or jeopardize the Commissioner's ability to compute, assess, or collect any State tax. Any taxpayer seeking relief from a jeopardy assessment must request an administrative hearing within five days from the receipt of the notice of jeopardy assessment.
- When collecting any State tax due from a taxpayer, the Commissioner is authorized to file a certificate of indebtedness with the circuit clerk of any county of this State certifying that the person named therein is indebted to the State for the amount of tax due as established by the Commissioner. The certificate of indebtedness shall have the same force and effect as the entry of a judgment rendered by a circuit court and shall constitute a lien upon the title of any real and personal property of the taxpayer in the county where the certificate of indebtedness is recorded.
- After the filing of the certificate of indebtedness, the Commissioner may take all steps authorized by law for the collection of the tax, including the issuance of a writ of execution, garnishment, and cancellation of any State tax permits or registrations.

Any court costs or sheriff's fees which result from the Commissioner's attempt to collect delinquent taxes shall be collected from the taxpayer in addition to the tax, interest, and penalties included in the certificate of indebtedness.

2007 Low Income Tax Tables

QUALIFICATIONS:

1. Your total income **from all sources (regardless of whether the income is taxable to Arkansas)** must fall within the limits of the appropriate table based on your filing status.
2. Married couples must file a joint return (*Filing Status 2*) to qualify to use these tables.
3. If you use an exemption for military compensation or employment related pension income, you do not qualify.
4. If you itemize your deductions, you must use the Regular Tax Table.
5. Find your Adjusted Gross Income in the appropriate table below. Your tax is to the right of this amount.

Single (FILING STATUS 1)		
IF YOUR ADJUSTED GROSS INCOME IS		YOUR TAX IS
FROM	TO	
0	10,200	0
10,201	10,300	29
10,301	10,400	37
10,401	10,500	44
10,501	10,600	52
10,601	10,700	59
10,701	10,800	67
10,801	10,900	74
10,901	11,000	82
11,001	11,100	89
11,101	11,200	97
11,201	11,300	104
11,301	11,400	112
11,401	11,500	119
11,501	11,600	127
11,601	11,700	134
11,701	11,800	142
11,801	11,900	149
11,901	12,000	157
12,001	12,100	164
12,101	12,200	172
12,201	12,300	179
12,301	12,400	187
12,401	12,500	194
12,501	12,600	202
12,601	12,700	209
12,701	12,800	217
12,801	12,900	224
12,901	13,000	232
13,001	13,100	239
13,101	13,200	247
13,201	13,300	256
13,301	13,400	264
13,401	13,500	273

*Above \$13,500, use Standard or Itemized Deductions and Regular Tax Table

(Rev 11/6/07)

Head of Household/Qualifying Widow(er) (FILING STATUS 3 or 6)		
IF YOUR ADJUSTED GROSS INCOME IS		YOUR TAX IS
FROM	TO	
0	14,500	0
14,501	14,600	59
14,601	14,700	70
14,701	14,800	80
14,801	14,900	91
14,901	15,000	101
15,001	15,100	112
15,101	15,200	122
15,201	15,300	133
15,301	15,400	143
15,401	15,500	154
15,501	15,600	164
15,601	15,700	175
15,701	15,800	185
15,801	15,900	196
15,901	16,000	206
16,001	16,100	217
16,101	16,200	227
16,201	16,300	238
16,301	16,400	248
16,401	16,500	259
16,501	16,600	269
16,601	16,700	280
16,701	16,800	290
16,801	16,900	301
16,901	17,000	311
17,001	17,100	322
17,101	17,200	332
17,201	17,300	343
17,301	17,400	353
17,401	17,500	364
17,501	17,600	374
17,601	17,700	385
17,701	17,800	395
17,801	17,900	406
17,901	18,000	416
18,001	18,100	427
18,101	18,200	437
18,201	18,300	448
18,301	18,400	458
18,401	18,500	469
18,501	18,600	479
18,601	18,700	490
18,701	18,800	500
18,801	18,900	511
18,901	19,000	521

*Above \$19,000, use Standard or Itemized Deductions and Regular Tax Table

2007 Low Income Tax Tables

QUALIFICATIONS:

1. Your total income **from all sources (regardless of whether the income is taxable to Arkansas)** must fall within the limits of the appropriate table based on your filing status.
2. Married couples must file a joint return (*Filing Status 2*) to qualify to use these tables.
3. If you use an exemption for military compensation or employment related pension income, you do not qualify.
4. If you itemize your deductions, you must use the Regular Tax Table.
5. Find your Adjusted Gross Income in the appropriate table below. Your tax is to the right of this amount.

Married Filing Joint With One or Less Dependents (FILING STATUS 2)		
IF YOUR ADJUSTED GROSS INCOME IS		YOUR TAX IS
FROM	TO	
0	17,200	0
17,201	17,300	66
17,301	17,400	77
17,401	17,500	89
17,501	17,600	100
17,601	17,700	112
17,701	17,800	123
17,801	17,900	135
17,901	18,000	146
18,001	18,100	158
18,101	18,200	169
18,201	18,300	181
18,301	18,400	192
18,401	18,500	204
18,501	18,600	215
18,601	18,700	227
18,701	18,800	238
18,801	18,900	250
18,901	19,000	261
19,001	19,100	273
19,101	19,200	284
19,201	19,300	296
19,301	19,400	307
19,401	19,500	319
19,501	19,600	330
19,601	19,700	342
19,701	19,800	353
19,801	19,900	365
19,901	20,000	376
20,001	20,100	388
20,101	20,200	399
20,201	20,300	411
20,301	20,400	422
20,401	20,500	434
20,501	20,600	445
20,601	20,700	457
20,701	20,800	468
20,801	20,900	480
20,901	21,000	491
21,001	21,100	503
21,101	21,200	514
21,201	21,300	526
21,301	21,400	537

*Above \$21,400, use Standard or Itemized Deductions and Regular Tax Table

(Rev 11/6/07)

Married Filing Joint With Two or More Dependents (FILING STATUS 2)		
IF YOUR ADJUSTED GROSS INCOME IS		YOUR TAX IS
FROM	TO	
0	20,700	0
20,701	20,800	97
20,801	20,900	109
20,901	21,000	120
21,001	21,100	132
21,101	21,200	143
21,201	21,300	155
21,301	21,400	166
21,401	21,500	178
21,501	21,600	189
21,601	21,700	201
21,701	21,800	212
21,801	21,900	224
21,901	22,000	235
22,001	22,100	247
22,101	22,200	258
22,201	22,300	270
22,301	22,400	281
22,401	22,500	293
22,501	22,600	304
22,601	22,700	317
22,701	22,800	330
22,801	22,900	343
22,901	23,000	356
23,001	23,100	369
23,101	23,200	382
23,201	23,300	395
23,301	23,400	408
23,401	23,500	421
23,501	23,600	434
23,601	23,700	447
23,701	23,800	460
23,801	23,900	473
23,901	24,000	486
24,001	24,100	499
24,101	24,200	512
24,201	24,300	525
24,301	24,400	538
24,401	24,500	551
24,501	24,600	564
24,601	24,700	577
24,701	24,800	590
24,801	24,900	603
24,901	25,000	616
25,001	25,100	629
25,101	25,200	642
25,201	25,300	655
25,301	25,400	668
25,401	25,500	681
25,501	25,600	694
25,601	25,700	707
25,701	25,800	720
25,801	25,900	733
25,901	26,000	746
26,001	26,100	759
26,101	26,200	772
26,201	26,300	785
26,301	26,400	798
26,401	26,500	811
26,501	26,600	824
26,601	26,700	837

*Above \$26,700, use Standard or Itemized Deductions and Regular Tax Table

2007 Regular Tax Table

Instructions:

1. Find your net taxable income in the table below. Your tax is to the right of this amount.
2. Married couples must use the same filing status and tax table. If one spouse uses the Regular Tax Table, then both must use Regular Tax Table.

Current year indexed tax brackets are available on the Individual Income Tax website at www.arkansas.gov/dfa/income_tax/tax_individual.html

If Your Income is		YOUR TAX IS	If Your Income is		YOUR TAX IS	If Your Income is		YOUR TAX IS
As Much As	But Less Than		As Much As	But Less Than		As Much As	But Less Than	
			5,000			10,000		
0	100	1	5,000	5,100	71	10,000	10,100	222
100	200	2	5,100	5,200	73	10,100	10,200	226
200	300	3	5,200	5,300	76	10,200	10,300	229
300	400	4	5,300	5,400	78	10,300	10,400	233
400	500	5	5,400	5,500	81	10,400	10,500	236
500	600	6	5,500	5,600	83	10,500	10,600	240
600	700	7	5,600	5,700	86	10,600	10,700	243
700	800	8	5,700	5,800	88	10,700	10,800	247
800	900	9	5,800	5,900	91	10,800	10,900	250
900	1,000	10	5,900	6,000	93	10,900	11,000	254
1,000			6,000			11,000		
1,000	1,100	11	6,000	6,100	96	11,000	11,100	257
1,100	1,200	12	6,100	6,200	98	11,100	11,200	261
1,200	1,300	13	6,200	6,300	101	11,200	11,300	266
1,300	1,400	14	6,300	6,400	103	11,300	11,400	270
1,400	1,500	15	6,400	6,500	106	11,400	11,500	275
1,500	1,600	16	6,500	6,600	108	11,500	11,600	279
1,600	1,700	17	6,600	6,700	111	11,600	11,700	284
1,700	1,800	18	6,700	6,800	113	11,700	11,800	288
1,800	1,900	19	6,800	6,900	116	11,800	11,900	293
1,900	2,000	20	6,900	7,000	118	11,900	12,000	297
2,000			7,000			12,000		
2,000	2,100	21	7,000	7,100	121	12,000	12,100	302
2,100	2,200	22	7,100	7,200	123	12,100	12,200	306
2,200	2,300	23	7,200	7,300	126	12,200	12,300	311
2,300	2,400	24	7,300	7,400	128	12,300	12,400	315
2,400	2,500	25	7,400	7,500	131	12,400	12,500	320
2,500	2,600	26	7,500	7,600	135	12,500	12,600	324
2,600	2,700	27	7,600	7,700	138	12,600	12,700	329
2,700	2,800	28	7,700	7,800	142	12,700	12,800	333
2,800	2,900	29	7,800	7,900	145	12,800	12,900	338
2,900	3,000	30	7,900	8,000	149	12,900	13,000	342
3,000			8,000			13,000		
3,000	3,100	31	8,000	8,100	152	13,000	13,100	347
3,100	3,200	32	8,100	8,200	156	13,100	13,200	351
3,200	3,300	33	8,200	8,300	159	13,200	13,300	356
3,300	3,400	34	8,300	8,400	163	13,300	13,400	360
3,400	3,500	35	8,400	8,500	166	13,400	13,500	365
3,500	3,600	36	8,500	8,600	170	13,500	13,600	369
3,600	3,700	37	8,600	8,700	173	13,600	13,700	374
3,700	3,800	38	8,700	8,800	177	13,700	13,800	378
3,800	3,900	41	8,800	8,900	180	13,800	13,900	383
3,900	4,000	43	8,900	9,000	184	13,900	14,000	387
4,000			9,000			14,000		
4,000	4,100	46	9,000	9,100	187	14,000	14,100	392
4,100	4,200	48	9,100	9,200	191	14,100	14,200	396
4,200	4,300	51	9,200	9,300	194	14,200	14,300	401
4,300	4,400	53	9,300	9,400	198	14,300	14,400	405
4,400	4,500	56	9,400	9,500	201	14,400	14,500	410
4,500	4,600	58	9,500	9,600	205	14,500	14,600	414
4,600	4,700	61	9,600	9,700	208	14,600	14,700	419
4,700	4,800	63	9,700	9,800	212	14,700	14,800	423
4,800	4,900	66	9,800	9,900	215	14,800	14,900	428
4,900	5,000	68	9,900	10,000	219	14,900	15,000	432

2007 Regular Tax Table

If Your Income is		YOUR TAX IS	If Your Income is		YOUR TAX IS	If Your Income is		YOUR TAX IS
As Much As	But Less Than		As Much As	But Less Than		As Much As	But Less Than	
15,000			21,000			27,000		
15,000	15,100	437	21,000	21,100	744	27,000	27,100	1,104
15,100	15,200	441	21,100	21,200	750	27,100	27,200	1,110
15,200	15,300	446	21,200	21,300	756	27,200	27,300	1,116
15,300	15,400	450	21,300	21,400	762	27,300	27,400	1,122
15,400	15,500	455	21,400	21,500	768	27,400	27,500	1,128
15,500	15,600	459	21,500	21,600	774	27,500	27,600	1,134
15,600	15,700	464	21,600	21,700	780	27,600	27,700	1,140
15,700	15,800	468	21,700	21,800	786	27,700	27,800	1,146
15,800	15,900	473	21,800	21,900	792	27,800	27,900	1,152
15,900	16,000	477	21,900	22,000	798	27,900	28,000	1,158
16,000			22,000			28,000		
16,000	16,100	482	22,000	22,100	804	28,000	28,100	1,164
16,100	16,200	486	22,100	22,200	810	28,100	28,200	1,170
16,200	16,300	491	22,200	22,300	816	28,200	28,300	1,176
16,300	16,400	495	22,300	22,400	822	28,300	28,400	1,182
16,400	16,500	500	22,400	22,500	828	28,400	28,500	1,188
16,500	16,600	504	22,500	22,600	834	28,500	28,600	1,194
16,600	16,700	509	22,600	22,700	840	28,600	28,700	1,200
16,700	16,800	513	22,700	22,800	846	28,700	28,800	1,206
16,800	16,900	518	22,800	22,900	852	28,800	28,900	1,212
16,900	17,000	522	22,900	23,000	858	28,900	29,000	1,218
17,000			23,000			29,000		
17,000	17,100	527	23,000	23,100	864	29,000	29,100	1,224
17,100	17,200	531	23,100	23,200	870	29,100	29,200	1,230
17,200	17,300	536	23,200	23,300	876	29,200	29,300	1,236
17,300	17,400	540	23,300	23,400	882	29,300	29,400	1,242
17,400	17,500	545	23,400	23,500	888	29,400	29,500	1,248
17,500	17,600	549	23,500	23,600	894	29,500	29,600	1,254
17,600	17,700	554	23,600	23,700	900	29,600	29,700	1,260
17,700	17,800	558	23,700	23,800	906	29,700	29,800	1,266
17,800	17,900	563	23,800	23,900	912	29,800	29,900	1,272
17,900	18,000	567	23,900	24,000	918	29,900	30,000	1,278
18,000			24,000			30,000		
18,000	18,100	572	24,000	24,100	924	30,000	30,100	1,284
18,100	18,200	576	24,100	24,200	930	30,100	30,200	1,290
18,200	18,300	581	24,200	24,300	936	30,200	30,300	1,296
18,300	18,400	585	24,300	24,400	942	30,300	30,400	1,302
18,400	18,500	590	24,400	24,500	948	30,400	30,500	1,308
18,500	18,600	594	24,500	24,600	954	30,500	30,600	1,314
18,600	18,700	600	24,600	24,700	960	30,600	30,700	1,320
18,700	18,800	606	24,700	24,800	966	30,700	30,800	1,326
18,800	18,900	612	24,800	24,900	972	30,800	30,900	1,332
18,900	19,000	618	24,900	25,000	978	30,900	31,000	1,338
19,000			25,000			31,000		
19,000	19,100	624	25,000	25,100	984	31,000	31,100	1,344
19,100	19,200	630	25,100	25,200	990	31,100	31,200	1,351
19,200	19,300	636	25,200	25,300	996	31,200	31,300	1,358
19,300	19,400	642	25,300	25,400	1,002	31,300	31,400	1,365
19,400	19,500	648	25,400	25,500	1,008	31,400	31,500	1,372
19,500	19,600	654	25,500	25,600	1,014	31,500	31,600	1,379
19,600	19,700	660	25,600	25,700	1,020	31,600	31,700	1,386
19,700	19,800	666	25,700	25,800	1,026	31,700	31,800	1,393
19,800	19,900	672	25,800	25,900	1,032	31,800	31,900	1,400
19,900	20,000	678	25,900	26,000	1,038	31,900	32,000	1,407
20,000			26,000			32,000		
20,000	20,100	684	26,000	26,100	1,044	32,000	32,100	1,414
20,100	20,200	690	26,100	26,200	1,050	32,100	32,200	1,421
20,200	20,300	696	26,200	26,300	1,056	32,200	32,300	1,428
20,300	20,400	702	26,300	26,400	1,062	32,300	32,400	1,435
20,400	20,500	708	26,400	26,500	1,068	32,400	32,500	1,442
20,500	20,600	714	26,500	26,600	1,074	32,500	32,600	1,449
20,600	20,700	720	26,600	26,700	1,080	32,600	32,700	1,456
20,700	20,800	726	26,700	26,800	1,086	32,700	32,800	1,463
20,800	20,900	732	26,800	26,900	1,092	32,800	32,900	1,470
20,900	21,000	738	26,900	27,000	1,098	32,900	33,000	1,477

2007 Regular Tax Table

If Your Income is		YOUR TAX IS	If Your Income is		YOUR TAX IS	If Your Income is		YOUR TAX IS
As Much As	But Less Than		As Much As	But Less Than		As Much As	But Less Than	
33,000			39,000			45,000		
33,000	33,100	1,484	39,000	39,100	1,904	45,000	45,100	2,324
33,100	33,200	1,491	39,100	39,200	1,911	45,100	45,200	2,331
33,200	33,300	1,498	39,200	39,300	1,918	45,200	45,300	2,338
33,300	33,400	1,505	39,300	39,400	1,925	45,300	45,400	2,345
33,400	33,500	1,512	39,400	39,500	1,932	45,400	45,500	2,352
33,500	33,600	1,519	39,500	39,600	1,939	45,500	45,600	2,359
33,600	33,700	1,526	39,600	39,700	1,946	45,600	45,700	2,366
33,700	33,800	1,533	39,700	39,800	1,953	45,700	45,800	2,373
33,800	33,900	1,540	39,800	39,900	1,960	45,800	45,900	2,380
33,900	34,000	1,547	39,900	40,000	1,967	45,900	46,000	2,387
34,000			40,000			46,000		
34,000	34,100	1,554	40,000	40,100	1,974	46,000	46,100	2,394
34,100	34,200	1,561	40,100	40,200	1,981	46,100	46,200	2,401
34,200	34,300	1,568	40,200	40,300	1,988	46,200	46,300	2,408
34,300	34,400	1,575	40,300	40,400	1,995	46,300	46,400	2,415
34,400	34,500	1,582	40,400	40,500	2,002	46,400	46,500	2,422
34,500	34,600	1,589	40,500	40,600	2,009	46,500	46,600	2,429
34,600	34,700	1,596	40,600	40,700	2,016	46,600	46,700	2,436
34,700	34,800	1,603	40,700	40,800	2,023	46,700	46,800	2,443
34,800	34,900	1,610	40,800	40,900	2,030	46,800	46,900	2,450
34,900	35,000	1,617	40,900	41,000	2,037	46,900	47,000	2,457
35,000			41,000			47,000		
35,000	35,100	1,624	41,000	41,100	2,044	47,000	47,100	2,464
35,100	35,200	1,631	41,100	41,200	2,051	47,100	47,200	2,471
35,200	35,300	1,638	41,200	41,300	2,058	47,200	47,300	2,478
35,300	35,400	1,645	41,300	41,400	2,065	47,300	47,400	2,485
35,400	35,500	1,652	41,400	41,500	2,072	47,400	47,500	2,492
35,500	35,600	1,659	41,500	41,600	2,079	47,500	47,600	2,499
35,600	35,700	1,666	41,600	41,700	2,086	47,600	47,700	2,506
35,700	35,800	1,673	41,700	41,800	2,093	47,700	47,800	2,513
35,800	35,900	1,680	41,800	41,900	2,100	47,800	47,900	2,520
35,900	36,000	1,687	41,900	42,000	2,107	47,900	48,000	2,527
36,000			42,000			48,000		
36,000	36,100	1,694	42,000	42,100	2,114	48,000	48,100	2,534
36,100	36,200	1,701	42,100	42,200	2,121	48,100	48,200	2,541
36,200	36,300	1,708	42,200	42,300	2,128	48,200	48,300	2,548
36,300	36,400	1,715	42,300	42,400	2,135	48,300	48,400	2,555
36,400	36,500	1,722	42,400	42,500	2,142	48,400	48,500	2,562
36,500	36,600	1,729	42,500	42,600	2,149	48,500	48,600	2,569
36,600	36,700	1,736	42,600	42,700	2,156	48,600	48,700	2,576
36,700	36,800	1,743	42,700	42,800	2,163	48,700	48,800	2,583
36,800	36,900	1,750	42,800	42,900	2,170	48,800	48,900	2,590
36,900	37,000	1,757	42,900	43,000	2,177	48,900	49,000	2,597
37,000			43,000			49,000		
37,000	37,100	1,764	43,000	43,100	2,184	49,000	49,100	2,604
37,100	37,200	1,771	43,100	43,200	2,191	49,100	49,200	2,611
37,200	37,300	1,778	43,200	43,300	2,198	49,200	49,300	2,618
37,300	37,400	1,785	43,300	43,400	2,205	49,300	49,400	2,625
37,400	37,500	1,792	43,400	43,500	2,212	49,400	49,500	2,632
37,500	37,600	1,799	43,500	43,600	2,219	49,500	49,600	2,639
37,600	37,700	1,806	43,600	43,700	2,226	49,600	49,700	2,646
37,700	37,800	1,813	43,700	43,800	2,233	49,700	49,800	2,653
37,800	37,900	1,820	43,800	43,900	2,240	49,800	49,900	2,660
37,900	38,000	1,827	43,900	44,000	2,247	49,900	50,000	2,667
38,000			44,000			PLEASE NOTE: For \$50,000 and over, your tax is \$2,667 + 7% of the excess over \$49,999.		
38,000	38,100	1,834	44,000	44,100	2,254			
38,100	38,200	1,841	44,100	44,200	2,261			
38,200	38,300	1,848	44,200	44,300	2,268			
38,300	38,400	1,855	44,300	44,400	2,275			
38,400	38,500	1,862	44,400	44,500	2,282			
38,500	38,600	1,869	44,500	44,600	2,289			
38,600	38,700	1,876	44,600	44,700	2,296			
38,700	38,800	1,883	44,700	44,800	2,303			
38,800	38,900	1,890	44,800	44,900	2,310			
38,900	39,000	1,897	44,900	45,000	2,317			