

Subject 505

Other State Tax Credit

Arkansas allows a credit for taxes paid to another state if the amount of income you are required to report to Arkansas as Arkansas income is also being taxed by the other state. This credit is available to full-year residents and part-year residents. Non-residents of Arkansas are not allowed this credit. **You must attach a complete copy of the other state's tax return** to verify the tax liability due the other state. The amount withheld on your W-2 form for the other state is not the amount of credit you should take. This credit cannot exceed the Arkansas income tax on the same income and cannot exceed the total tax you owe Arkansas.