



STATE OF ARKANSAS Amended Individual Income Tax Return and Instructions

GENERAL INSTRUCTIONS

If you need to adjust your Arkansas Income Tax Return, complete either the AR1000A or the AR1000ANR Amended Form.

This package contains:

1. Instructions to complete form AR1000A and AR1000ANR.
2. Form AR1000A, Full Year Resident Form.
3. Form AR1000ANR, Nonresident and Part-Year Resident Form.

An Amended Tax Return for refund of an overpayment of Arkansas State Income Tax must be filed within three (3) years from the time the original return was due to be filed or two (2) years from the time the tax was paid, whichever period is later. When filing an Amended Return for the current year, please allow time for the original AR1000 or AR1000NR return to process. If you are due a refund on the original return, please wait until you receive your refund check before you file the Amended Return. Please cash the original refund check upon receipt.

If you are notified by the Income Tax Section that there is an error on your original return, **do not file an Amended Return until you receive your refund or Notice of Proposed Billing and/or Tax Adjustment Letter.**

If your Federal Return is adjusted by the IRS for any reason, it may change your Arkansas income tax liability. You must file an Amended Return to reflect these adjustments within thirty (30) days in accordance with Arkansas tax law.

NOTE: If amending to change your filing status from Single (status 1), Unmarried Head of Household (status 3), or Married Filing Separately on Different Returns (status 5), you cannot add a spouse using status 2 or 4 unless the spouse has already filed an AR1000/AR1000NR return.

HOW TO COMPLETE FORMS AR1000A/AR1000ANR

The following instructions will apply to both forms unless indicated.

STAPLE ALL REQUIRED W-2(s), 1099(s), SCHEDULES, AND EXPLANATIONS TO THE RETURN ALONG WITH YOUR FEDERAL RETURN, IF REQUIRED.

NAME AND ADDRESS

Complete all information regarding name, address, city, state, zip code, social security numbers, tax year you are amending and telephone numbers.

FILING STATUS AND RESIDENCY (Lines 1 through 6)

Please check the appropriate filing status (Single, Married Filing Joint, etc.) Be sure to include any residency or Federal information requested on the Amended Form.

PERSONAL CREDITS (Lines 7A through 7D)

Line 7A. 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.) Multiply the number of boxes checked by \$20 and enter the result in the box at the right.

Line 7B. Multiply the number of dependents listed by \$20 and enter the result in the box at the right.

Line 7C. Multiply the number of developmentally disabled individuals listed by \$500 and enter the result in the box at the right. If you are claiming the Developmentally Disabled Individual Credit for the first time, **you must** attach the form AR1000RC5 to the Amended Return.

Line 7D. Add the amounts listed in Lines 7A, 7B, and 7C and enter the result in the box at the right.

Check if your return was adjusted by the IRS. **ATTACH A COPY OF THE FEDERAL REVENUE AGENT'S REPORT.**

NET TAXABLE INCOME (Lines 8 through 12)

Part 1. Report the information you originally filed on your AR1000 or AR1000NR Arkansas Tax Return, or as previously adjusted. Please enter these amounts on the appropriate lines.

Part 2. Report the information that is being adjusted. Enter the amounts as you are amending them and if you change the "Itemized Deduction Schedule" please be sure you attach an amended copy.

IF YOU HAVE A NET CAPITAL GAIN – If you have a Net Capital Gain reported on Federal Schedule D, Line 16, Form 1040, Line 13, or Form 1040A, Line 10, reduce the amount by 30% before adding it to your Total Income. **Short Term Capital Gains are taxed at 100%.** To calculate your deduction, **use the Capital Gains Worksheet provided on the next page.**

NOTE: If you are filing the AR1000A (Full Year Resident), you must list the total income from all sources in column(s) A and/or B.

If you are filing the AR1000ANR (Nonresident and Part-Year Resident) you must list the total income from all sources in column(s) A and/or B. List only the Arkansas income in column C. **DO NOT USE THE SHADED AREAS IN COLUMN C.**

NOTE: Support for Permanently Disabled Individual is an adjustment to income and not a personal tax credit. (Developmentally Disabled Individual Credit is a personal tax credit.)

Line 11. Enter your Standard Deduction or Itemized Deductions whichever is greater.

NOTE: If you qualify for and use the Low Income Tax Table enter zero (0) in Line 11. The Standard Deduction is already calculated for you and is built into the low income tax table.

Line 12. Subtract Line 11 from Line 10. This is your Net Taxable Income.

TAX COMPUTATION (Lines 13 through 18)

NOTE: Use the appropriate tax tables for the year you are amending. You can access the tax tables on the internet at www.arkansas.gov/dfayourtaxes/ or call 501-682-1100.

For both forms AR1000A and AR1000ANR, use the net taxable income from column(s) A and/or B. The amounts in these columns reflect the total income from all sources. Nonresidents/part-year residents filing the AR1000ANR – **DO NOT USE COLUMN C TO COMPUTE THE TAX FROM THE TAX TABLES.** Your tax liability will be prorated in the tax apportionment section on page 2 of AR1000ANR.

Line 13. Select the correct tax table and enter the amount of tax on this line.

Line 14. Enter the total of Lines 13A and 13B on Line 14.

Line 15. For tax years **2003** and **2004**, multiply the amount on Line 13 by 3% (.03) and enter the result on this line. Taxpayers claiming the Border City Exemption for 2003 and 2004 must use the Income Tax Surcharge Worksheet.

Lines 16 and 17. Enter the amount of tax from the averaging schedule (AR1000TD) on Line 16 and IRA withdrawal and/or overpayment penalties on Line 17. (Be sure to attach any applicable schedules.)

Line 18. Enter the total of Lines 14 through 17.

TOTAL CREDITS (Lines 19 through 27)

NOTE: The credit for taxes paid to another state is not available to nonresidents but may be partially available to part-year residents. **The working taxpayer credit is not available for tax years after 2002.**

Line 27. Add Lines 19 through 26 and enter the amount of credits on Line 27.

TAX LIABILITY (Lines 28 and 29)

AR1000A – (FULL YEAR RESIDENTS ONLY), Subtract Line 27 from Line 18 and enter this amount on Lines 28 and 29.

AR1000ANR – (NONRESIDENTS AND PART-YEAR RESIDENTS ONLY). Subtract Line 27 from Line 18 and enter this amount on Lines 28 and 29. This is your net tax before apportionment.

TAX APPORTIONMENT (FOR USE WITH AR1000ANR ONLY)

If you are using AR1000ANR, add the adjusted income from Line 10, part 2, Column C and enter the total on Line 29A. Divide the amount on Line 29A by the amount on Line 29B. On Line 29C, **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 zero, carry the figure out to six additional places to the right of the decimal.

This percentage represents the ratio between your Arkansas income and your total income (your Arkansas percentage of income). Multiply the tax liability on Line 29 by the percentage on Line 29C and enter result on Line 29D. This amount is your Arkansas apportioned tax liability.

PAYMENTS (Lines 30 through 37)

Enter all payments on Line 30 through 34 and enter the total of these payments on Line 35. If you have been issued a corrected W-2, be sure to attach the state copy. On Line 36, enter the amount of any previous overpayment/refund/estimate carried forward from your original tax return and/or any previous amended tax return. The amount of overpayment/refund is the gross amount of your refund and may not necessarily be the amount of your refund check. Check the overpayment/refund line on your original tax return. Subtract Line 36 from 35. This is the amount which will be applied to your Arkansas tax liability.

REFUND OR AMOUNT DUE

If Line 37 is greater than Line 29 of the AR1000A or Line 29D of the AR1000ANR, you have overpaid your tax. Enter the difference on Line 38. This is your refund.

If Line 29 of the AR1000A or Line 29D of the AR1000ANR is greater than Line 37, you owe additional tax. Enter the difference on Line 39. This is the amount you owe. (You cannot use your estimate carryforward from your AR1000/AR1000NR to pay the amount due on an Amended Return.)

You must provide a complete explanation of your reasons for filing the Arkansas Amended Return. Be sure to attach all necessary documentation and additional schedules. If you have been audited by the Internal Revenue Service, be sure to attach a complete copy of the Federal Audit. Failure to attach the proper documentation could delay the processing of your amended return.

Please mail your Amended Tax Return to:

Arkansas State Income Tax
Amended Tax Section
P.O. Box 3628
Little Rock, AR 72203-3628

If you owe tax, please make your check payable to:

Department of Finance and Administration

Be sure to write your Social Security Number on your check.

If you have any questions concerning the Arkansas Amended Tax Form, please contact the Arkansas Income Tax Section at either (501) 682-1100 or toll free at 1-800-882-9275 and access the Amended segment of the recording.

CAPITAL GAIN OR LOSS WORKSHEET

Complete this worksheet if you have a **NET CAPITAL GAIN OR LOSS** reported on Federal Schedule D, or if Sch. D is not required, a gain reported on Federal Form 1040, Line 13. Arkansas has not adopted federal bonus depreciation or the increased Internal Revenue Code §179 provisions. These and any other differences should be reconciled using the adjustment lines in the worksheet below.

(References to federal line numbers are for 2004 federal forms)		Per Federal Sch D	You	Your Spouse
1.	Enter Federal Long-Term Capital Gain or Loss reported on Line 15, Federal Schedule D or Form 1040, Line 13. 1	00	00	00
2.	Enter adjustment, if any, for differences in federal and state amounts. 2		00	00
3.	Arkansas Long-Term Capital Gain or Loss, add (or subtract) Line 1 and Line 2. 3		00	00
4.	Enter Federal Net Short-Term Capital Loss, if any, reported on Line 7, Federal Schedule D. 4	00	00	00
5.	Enter adjustment, if any, for differences in federal and state amounts. 5		00	00
6.	Arkansas Net Short-Term Capital Loss, add (or subtract) Line 4 and Line 5. 6		00	00
7.	Arkansas Net Capital Gain or Loss, (If gain, subtract Line 6 from 3. If loss, add Lines 6 and 3) 7		00	00
8.	Arkansas Taxable Amount, if a Gain multiply Line 7 by 70 percent (.70), otherwise enter loss. . 8		00	00
9.	Enter Federal Short-Term Capital Gain, if any, reported on Line 7, Federal Schedule D. 9	00	00	00
10.	Enter adjustment, if any, for differences in federal and state amounts. 10		00	00
11.	Arkansas Short-Term Capital Gain, add (or subtract) Line 9 and Line 10. 11		00	00
12.	Total taxable Arkansas Capital Gain or Loss, add Lines 8 and 11, enter here and include in Total Income, Line 8, Form AR1000A/AR1000ANR. 12		00	00