

INSTRUCTIONS FOR AR1000TC

LINE 1. 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 2. 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 continued to have taxable income from another state and the other state income is included as taxable income in Column C of the NR1.

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 3. 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 4. Enter the allowable Phenylketonuria Disorder Credit. Attach Form AR1113.

LINE 5. Enter the total allowable credit(s) claimed. Enter the BIC Code(s) and amount(s) on Lines 5A to 5F. If the primary and/or spouse are claiming credits earned by a pass-through entity, then the FEIN of that entity must also be entered. Enter the total amounts from Lines 5A to 5F in box 5. **A copy of the tax credit certificate(s) or appropriate documentation relevant to the tax credit(s) claimed must be attached to AR1000TC.**

NOTE: Recent legislation amended, increased, or extended some of the provisions for Business Incentives and Tax Credits. A summary of the Business Incentive and Tax Credit Programs can be found at www.dfa.arkansas.gov. If you have questions, please contact the Tax Credits/Special Refunds Section at (501) 682-7106.

LINE 6. Enter total amount here and on Line 34, AR2 or NR2, Line 23, AR1002/AR1002NR