

Chart A—For Most People

IF your filing status is . . .	AND at the end of 2011 you were* . . .	THEN file a return if your gross income** was at least . . .
Single (see the instructions for line 1)	under 65 65 or older	\$9,500 10,950
Married filing jointly*** (see the instructions for line 2)	under 65 (both spouses) 65 or older (one spouse) 65 or older (both spouses)	\$19,000 20,150 21,300
Married filing separately (see the instructions for line 3)	any age	\$3,700
Head of household (see the instructions for line 4)	under 65 65 or older	\$12,200 13,650
Qualifying widow(er) with dependent child (see the instructions for line 5)	under 65 65 or older	\$15,300 16,450

*If you were born on January 1, 1947, you are considered to be age 65 at the end of 2011.

****Gross income** means all income you received in the form of money, goods, property, and services that is not exempt from tax, including any income from sources outside the United States or from the sale of your main home (even if you can exclude part or all of it). Do not include any social security benefits unless (a) you are married filing a separate return and you lived with your spouse at any time in 2011 or (b) one-half of your social security benefits plus your other gross income and any tax-exempt interest is more than \$25,000 (\$32,000 if married filing jointly). If (a) or (b) applies, see the instructions for lines 20a and 20b to figure the taxable part of social security benefits you must include in gross income. Gross income includes gains, but not losses, reported on Form 8949. Gross income from a business means, for example, the amount on Schedule C, line 7, or Schedule F, line 9. But, in figuring gross income, do not reduce your income by any losses, including any loss on Schedule C, line 7, or Schedule F, line 9.

***If you did not live with your spouse at the end of 2011 (or on the date your spouse died) and your gross income was at least \$3,700, you must file a return regardless of your age.

Chart B—For Children and Other Dependents (See the instructions for line 6c to find out if someone can claim you as a dependent.)

If your parent (or someone else) can claim you as a dependent, use this chart to see if you must file a return.

In this chart, **unearned income** includes taxable interest, ordinary dividends, and capital gain distributions. It also includes unemployment compensation, taxable social security benefits, pensions, annuities, and distributions of unearned income from a trust. **Earned income** includes salaries, wages, tips, professional fees, and taxable scholarship and fellowship grants. **Gross income** is the total of your unearned and earned income.

Single dependents. Were you **either** age 65 or older **or** blind?

- No.** You must file a return if **any** of the following apply.
- Your unearned income was over \$950.
 - Your earned income was over \$5,800.
 - Your gross income was more than the **larger** of—
 - \$950, or
 - Your earned income (up to \$5,500) plus \$300.
- Yes.** You must file a return if **any** of the following apply.
- Your unearned income was over \$2,400 (\$3,850 if 65 or older **and** blind).
 - Your earned income was over \$7,250 (\$8,700 if 65 or older **and** blind).
 - Your gross income was more than the **larger** of—
 - \$2,400 (\$3,850 if 65 or older **and** blind), or
 - Your earned income (up to \$5,500) plus \$1,750 (\$3,200 if 65 or older **and** blind).

Married dependents. Were you **either** age 65 or older **or** blind?

- No.** You must file a return if **any** of the following apply.
- Your unearned income was over \$950.
 - Your earned income was over \$5,800.
 - Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions.
 - Your gross income was more than the **larger** of—
 - \$950, or
 - Your earned income (up to \$5,500) plus \$300.
- Yes.** You must file a return if **any** of the following apply.
- Your unearned income was over \$2,100 (\$3,250 if 65 or older **and** blind).
 - Your earned income was over \$6,950 (\$8,100 if 65 or older **and** blind).
 - Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions.
 - Your gross income was more than the **larger** of—
 - \$2,100 (\$3,250 if 65 or older **and** blind), or
 - Your earned income (up to \$5,500) plus \$1,450 (\$2,600 if 65 or older **and** blind).

Chart C—Other Situations When You Must File

You must file a return if any of the four conditions below apply for 2011.

1. You owe any special taxes, including any of the following.
 - a. Alternative minimum tax.
 - b. Additional tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. But if you are filing a return only because you owe this tax, you can file **Form 5329** by itself.
 - c. Household employment taxes. But if you are filing a return only because you owe this tax, you can file **Schedule H** by itself.
 - d. Social security and Medicare tax on tips you did not report to your employer or on wages you received from an employer who did not withhold these taxes.
 - e. Recapture of first-time homebuyer credit. See the instructions for line 59b.
 - f. Write-in taxes, including uncollected social security and Medicare or RRTA tax on tips you reported to your employer or on group-term life insurance and additional taxes on health savings accounts. See the instructions for line 60.
 - g. Recapture taxes. See the instructions for line 44 and line 60.
2. You (or your spouse, if filing jointly) received HSA, Archer MSA, or Medicare Advantage MSA distributions.
3. You had net earnings from self-employment of at least \$400.
4. You had wages of \$108.28 or more from a church or qualified church-controlled organization that is exempt from employer social security and Medicare taxes.

the period of absence or actual place of residence, until proof as to change of home of record has been made. The burden of proof is on the taxpayer though he owns no property, earns no income, or has no place of abode in Alabama. Under the provisions of the Soldiers' and Sailors' Civil Relief Act, military personnel are not deemed to have lost their permanent residence in any state solely because they are absent in compliance with military orders. In addition, persons are not deemed to have acquired permanent residence in another state when they are required to be absent from their home state by virtue of military orders. If the husband and wife are both in military service, each could be a resident of a different state under the Soldiers' and Sailors' Civil Relief Act. A spouse not in military service has the same domicile as the military spouse unless proven otherwise.

Military Personnel (Nonresidents). Nonresident military personnel merely having a duty station within Alabama (whose legal residence is not Alabama) are not required to file an Alabama income tax return unless they have earned income from Alabama sources other than military pay. If they have earned income in Alabama other than military pay, they are required to file Alabama Form 40NR. A married nonresident with income earned in Alabama may file either a separate return claiming himself or herself only, or a joint return claiming the total allowable personal exemption.

Dependent's and Student's Income. Dependents who are residents of Alabama must file a return if they meet the requirements under **You Must File A Return If...** on this page. A student's income is fully taxable to the same extent as other individuals who are required to file a return. The dependent or student can claim a personal exemption of \$1,500, and his or her parents may claim a dependent exemption if they provided more than 50% of his or her total support. See **Dependent Exemption** on page 8.

When To File

You should file as soon as you can after January 1, 2012, but no later than April 17, 2012. If you file late you will have to pay penalties and interest. (See Penalties and Interest in these instructions.) If April 15 falls on a Saturday, Sunday, or state holiday, the return will be due the following business day.

If you know you cannot file your return by the due date you do not need to file for an extension. You will automatically be granted an extension until October 15, 2012. If you anticipate that you will owe additional tax on your return you should submit your payment with a payment voucher (Form 40V) with the box "Automatic Extension Payment" checked by April 17, 2012.

Except in cases where taxpayers are abroad, no ex-

ension will be granted for more than 6 months.

An extension means only that you will not be assessed a penalty for filing your return after the due date. Interest on the additional tax due from the due date of the return and any penalties will be assessed if applicable to your return.

Original returns must be filed within two years of the date the taxes are paid to be eligible for a refund. Criminal Liability could result from a continued failure to file returns. (Refer to "Criminal Liability" on Page 16.)

Which Form To File

You MAY Use Form 40A If You Meet ALL The Following Conditions:

- You were a resident of Alabama for the entire year.
- You do not itemize deductions.
- You do not claim any adjustments to income, such as an IRA deduction, alimony paid, Federal income tax paid for a prior year, etc.
- You do not have income from sources other than salaries and wages except for interest and dividend income which cannot exceed \$1500.00.
- You are not claiming income or loss from Schedules C, D, E, or F.
- You are not claiming credit for taxes paid to another state.

You MUST Use Form 40 If:

- You were a full or part-year resident of Alabama and do not meet ALL of the requirements to file Form 40A.
- You are itemizing deductions.

Part Year Residents

Part-year residents of Alabama should only report income earned while a resident of Alabama. Itemized deductions must be prorated to reflect only those expenses incurred while a resident of Alabama. Federal Tax Liability must be prorated by applying a percentage of Alabama adjusted gross income to Federal adjusted gross income in order to calculate the amount deductible on line 12 of Form 40. Part-year residents are allowed to deduct the full standard deduction, personal, and dependent exemptions.

You MUST Use Form 40NR If:

- You are not a resident of Alabama and you received taxable income from Alabama sources or for performing services within Alabama and your gross income from Alabama sources exceeds the allowable prorated

personal exemption. Nonresidents must prorate the personal exemption. If your Alabama gross income exceeds the prorated amount, a return must be filed.

You MUST Use Both Form 40 and Form 40NR If:

- You had sufficient income to require the filing of a part-year return and also had income from Alabama sources while a nonresident during the same tax year. In this case, both the total personal exemption and the dependent exemption must be claimed on the part-year resident return. No exemption can be claimed on the nonresident return. The part year resident return should include only income and deductions during the period of residency, and the nonresident return should include only income and deductions during the period of non-residency.

SECTION

2 Steps for Preparing Your Return

By following these six useful steps, and reading the specific instructions, you should be able to prepare your return quickly and accurately.

Step 1

Collect all your necessary records.

Income Records. These include any **Forms W-2, W-2G, and 1099** that you have. If you do not receive a Form W-2 by February 1, OR if the one you receive is incorrect, please contact your employer as soon as possible. Only your employer can give you a Form W-2, and only he or she can correct it.

If you have someone prepare your return for you, make sure that person has all your income and expense records so he or she can fill in your return correctly. Remember, if someone else prepares your return incorrectly — **you are still responsible.**

Step 2

Obtain any forms or schedules you may need.

In general, we mail forms and schedules to you based on the return you filed last year. Before filling in your return, look it over to see if you need more forms or schedules.

You Must File A Return If...

You were a:	and your marital status at the end of 2011 was:	and your filing status is:	and your gross income was at least:
Full Year Resident	Single (including divorced and legally separated)	Single	\$ 4,000
	Married and living with your spouse at the end of 2011 (or on the date your spouse died)	Head of family	\$ 7,700
		Married, joint return	\$10,500
		Married, separate return	\$ 5,250
Part Year Resident	Single (including divorced and legally separated)	Single	\$ 4,000 (while an Alabama resident)
	Married and living with your spouse at the end of 2011 (or on the date your spouse died)	Head of family	\$ 7,700 (while an Alabama resident)
		Married, joint return	\$10,500 (while an Alabama resident)
		Married, separate return	\$ 5,250 (while an Alabama resident)
Nonresident	Single (including divorced and legally separated)	Single or head of family	Over the allowable prorated exemption: See above page for further instructions.
	Married and living with your spouse at the end of 2011 (or on the date your spouse died)	Married, joint return	
		Married, separate return	