



INSTRUCTIONS FOR AR1000TC

LINE 1. A credit of up to \$50.00 per taxpayer (\$100.00 for a joint return) is allowed against your Arkansas individual income tax liability for cash contributions made by the taxpayer(s) to one of the following:

- (1) A candidate seeking nomination or election to a public office or to the candidate's campaign committee.
- (2) An approved political action committee as defined by Arkansas Code Annotated § 7-6-201.
- (3) An organized political party as defined in Arkansas Code Annotated § 7-1-101.

For the purposes of this credit, "public office" means any office created by or under the authority of the laws of the State of Arkansas, or a subdivision thereof, that is filled by the voters. The credit does not apply to **contributions made to candidates for federal offices**. The contribution must be made by **April 15, 2019** to be claimed on the **2018** tax return.

Enter the amount of allowable State Political Contributions Credit(s) on this line. The allowable credit(s) cannot exceed \$50.00 for Filing Status 1, 3, 5 or 6 or \$100.00 total for Filing Status 2 or 4.

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 Form 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 their 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 may have amended, increased, or extended some of the provisions for Business Incentive Credits. Use of any credit is subject to the limitations and carryover provisions provided by the respective Arkansas statute. A summary of the Business Incentive 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 on Line 36, Form AR1000F/AR1000NR, or Line 23, Form AR1002F/AR1002NR.