**ALABAMA DEPARTMENT OF REVENUE**

**TEST SCENARIOS FOR THE 2021**

**ALABAMA INDIVIDUAL INCOME TAX RETURN**

**TEST # 1**

**FORMS REQUIRED:**

Form 40: Alabama Individual Income Tax Return

Schedule A: Itemized Deductions

Schedule B: Interest and Dividend Income

Schedule OC: Other Available Credits

Schedule D: Net Profit or Loss

Schedule E: Supplemental Income and Loss

Schedule ATP: Additional Taxes & Penalties

Schedule HBC: First-Time Second Chance Home Buyer Deduction

Schedule W-2: Wages, Salaries, Tips, etc.

4952A: Investment Interest Expense Deduction

2210AL: Underpayment of Estimated Tax by Individuals

**OTHER INFORMATION ABOUT THE TEST:**

**Payment Due Return**

**Taxpayer Name – Occupation – SSN**

**Name:** Paul A. Tarsus

**Occupation:** Accountant

**SSN:** 400-12-7401

**Address:** 321 Straight Street, Montgomery, AL 36108

**Complete all fields next to keying dots for Sections requested – if applicable**

**Form 40: Alabama Individual Income Tax Return**

**How/What to Complete the Form**

**Filing Status/Exemptions Section:**

**Filing Status:** Single

**Income and Adjustments Section:**

Complete Lines 5a – 10

Complete Schedule B

**Deductions Sections:**

Complete Lines 11a – 13, 15

Choose Itemized Deduction for Line 11a

Complete Schedule A

**Tax Section:**

Complete Lines 16 – 21

Schedule OC checkbox checked

Alabama Democratic Party $1 checked

Alabama Republican Party $none checked

**Payment Section:**

Compete Lines 22, 23, 27 and 29.

**Amount You Owe Section:**

Complete Lines 30 – 31

Complete 2210AL: Underpayment of Estimated Tax by Individuals

**Overpaid Section:**

Not completed – Payment Return

**Donations Section:**

Not completed – Payment Return

**Refund Section:**

Not completed – Payment Return

**Part 1: Other Income Section:**

Complete Lines 1, 3, 6, 8, 9

Complete Schedule D

Complete Schedule E

**Part 2: Adjustments to Income Section**

Complete Lines 2, 10, 11, 13, 14, 15 and 16

**Part 3: Dependents Section**

Do not complete this section

**Part 4: General Information Section:**

Complete Lines 1 – 5

Did you file an Alabama income tax return for the previous year? Yes

Do you have income reported on Federal, but not Alabama? Yes

Complete Source and Amount x 2

**Part 5: Direct Deposit Section**

Not completed – Payment Return

**Drivers License Info Section:**

Complete Section for Primary Taxpayer

**Authorization Section:**

Check the “authorization checkbox”

Complete Primary Tax Information

Complete the Paid Preparer’s Use Only Section

**Schedule Information**

**Schedule W-2: Wages, Salaries, Tips, etc.**

Complete 4 entries

Entries should be “AL” and “OS”

**Schedule OC: Other Available Credits**

Complete Section A.

Complete Section B, Part H. Veterans Employment Act - Business Startup Expense Credit.

Complete Section B, Part J. Qualified Irrigation System/Reservoir System Tax Credit.

 Type of Credit. Select Purchase or conversion of irrigation system credit and Pro-rata share of credit

Complete Section B. Part O. Career – Technical Dual Enrollment Credit

Complete Section B. Part P. Investment Credit – Alabama Jobs Act.

Complete Section B. Part Q. Port Credit – Alabama Renewal Act Credit.

Complete Section B. Part R. Alabama Renewal Act – Growing Alabama Credit.

Complete Section B. Part S. Apprenticeship Tax Credit.

Complete Section B. Part U. Railroad Modernization Act of 2019.

Complete Section C.

Complete Section D. Add ten credit carryforwards

Complete Section E.

**Schedule ATP: Additional Taxes & Penalties**

Complete Part I, Lines 1 and 3

Complete Part II

**Schedule HBC: First Time Second Chance Home Buyer Deduction**

Complete Part I.

Complete Part II.

Complete Part III.

Complete Part IV.