

OKLAHOMA TAX COMMISSION

Form Number:_	
Form Title:	

Revision History

	Revision History
DATE	Description

State of Oklahoma

Taxpayer's First Name and Middle Initial

FARM INCOME AVERAGING

Enclose this form with your Oklahoma tax return.

Last Name

Taxpayer Social Security Number

1	Enter the 2017 taxable income from Form 511, line 13 or Form 511NR, line 14	00
2	Enter your elected farm income, but not more than the amount on line 1. (see instructions)	00
3	Subtract line 2 from line 1	00
4	Figure the tax on the amount on line 3. Use the 2017 Tax Table	00
5	Enter the 2014 taxable income. To determine taxable income see page 3. (if zero or less see instructions)	00
6	Divide the amount on line 2 by 3.0	00
7	Combine lines 5 and 6. If less than zero enter - 0 -	00
8	Figure the tax on the amount on line 7 using 2014 tax rates. (see page 2 for tax rate schedule)	00
9	Enter the 2015 taxable income. To determine taxable income see page 3. (if zero or less see instructions)	00
10	Enter the amount from line 6	00
11	Combine lines 9 and 10. If less than zero enter as a negative amount	00
12	Figure the tax on the amount on line 11 using 2015 tax rates. (see page 2 for tax rate schedule)	00
13	Enter the 2016 taxable income. To determine taxable income see page 3. (if zero or less see instructions)	00
14	Enter the amount from line 6	00
15	Combine lines 13 and 14. If less than zero enter as a negative amount	00
16	Figure the tax on the amount on line 15 using 2016 tax rates. (see page 2 for tax rate schedule)	00
17	Add lines 4, 8, 12 and 16	00
18	Enter the tax for 2014. To determine tax, see page 3	00
19	Enter the tax for 2015. To determine tax, see page 3	00
20	Enter the tax for 2016. To determine tax, see page 3	00
21	Add lines 18 through 20	00
22	Subtract line 21 from line 17, enter here and on Form 511, line 14 or Form 511NR, line 15. (Be sure and enter a "1" in the box for "Farm Income Averaging")	00

FARM INCOME AVERAGING INSTRUCTIONS

Use Form 573 to elect to figure your 2017 tax by averaging, over the previous 3 years (base years), all or part of your 2017 taxable income from your trade or business of farming. Making this election may give you a lower tax if your 2017 income from farming is high and your taxable income for one or more of the 3 prior years was low.

<u>Line 2</u>: Your "elected farm income" is the amount of your taxable income from your farming business, as defined in IRC Section 263A(e)(4), that you elect to include on line 2. You do not have to include all of your taxable income from farming on line 2.

A gain from the sale or other disposition of property, other than land, regularly used by you in your farming business for a substantial period shall be treated as attributable to such farming business.

<u>Lines 5, 9, and 13</u>: If your deductions exceed your gross income for any year that is a base year for 2017 (2014, 2015 or 2016), your taxable income for farm income averaging purposes for such year may be a negative amount. **However**, when you enter your taxable income,

- do not include such year's Net Operating Loss (NOL). The amount of the NOL, from your 511-NOL Schedule A or your 511NR-NOL Schedule A "Federal Amount Column", that is being carried to another year should be added back to arrive at the amount of the taxable income to enter.
- do not include any of an NOL carryover or carryback that was not used (absorbed) in such year. The
 amount of the NOL, from your 511-NOL Schedule B or your 511NR-NOL Schedule B "Federal Amount
 Column", that is being carried over to the following year should be added back to arrive at the amount
 of the taxable income to enter.

Line 22: Enter your tax on Form 511, line 14 or Form 511NR, line 15 and enter a "1" in the box for "Farm Income Averaging".

				OKI	LAHOM	Α	TAX	RA	TES FO	R TAX YEARS 2014 AND 2015			
N	larried Joi	nt, H	lead of Ho	usehol	d and Su	rviv	ing S	Single and Married Separate Filers					
If	taxable inc	ome	e is:					If taxable income is:					
	-0-	-	2,000	Pay	0.00	+ (0.5%	over	0	-0 1,000 Pay 0.00 +	0.5%	over	0
	2,000	-	5,000	Pay	10.00	+	1%	over	2,000	1,000 - 2,500 Pay 5.00 +	1%	over	1,000
	5,000	-	7,500	Pay	40.00	+	2%	over	5,000	2,500 - 3,750 Pay 20.00 +	2%	over	2,500
	7,500	-	9,800	Pay	90.00	+	3%	over	7,500	3,750 - 4,900 Pay 45.00 +	3%	over	3,750
	9,800	-	12,200	Pay	159.00	+	4%	over	9,800	4,900 - 7,200 Pay 79.50 +	4%	over	4,900
	12,200	-	15,000	Pay	255.00	+	5%	over	12,200	7,200 - 8,700 Pay 171.50 +	5%	over	7,200
	15,000	-	over	Pay	395.00	+ {	5.25%	6 over	15,000	8,700 - over Pay 246.50 +	5.25%	over	8,700

					UKI	_A	HUN	/IA I	AX KA	TES FOR TAX Y	EAI	7 2010	1		╧			
1	Married Joi	nt, H	lead of Ho	useholo	d and Sui	rviv	ring S	pouse	Single and	Single and Married Separate Filers								
li li	f taxable inc	come	is:			If taxable in	If taxable income is:											
	-0-	-	2,000	Pay	0.00	+ (0.5%	over	0	-0-	-	1,000	Pay	0.00	+ (0.5%	over	0
	2,000	-	5,000	Pay	10.00	+	1%	over	2,000	1,000	-	2,500	Pay	5.00	+	1%	over	1,000
	5,000	-	7,500	Pay	40.00	+	2%	over	5,000	2,500	-	3,750	Pay	20.00	+	2%	over	2,500
	7,500	-	9,800	Pay	90.00	+	3%	over	7,500	3,750	-	4,900	Pay	45.00	+	3%	over	3,750
	9,800	-	12,200	Pay	159.00	+	4%	over	9,800	4,900	-	7,200	Pay	79.50	+	4%	over	4,900
	12,200	-	over	Pay	255.00	+	5%	over	12,200	7,200	-	over	Pay	171.50	+	5%	over	7,200

OKLAHOMA TAY DATES FOR TAY VEAR 2016

FARM INCOME AVERAGING

Determination of Taxable Income and Tax for Tax Years 2014, 2015 and 2016

2014 Taxable Income

Line 5

If you used Form 573 to figure your tax for:

- 2016enter the amount from your 2016 Form 573, line 11. Stop here, go to line 6.
- 2015 and not 2016 enter the amount from your 2015 Form 573, line 15. Stop here, go to line 6.
- 2014 but not 2015 nor 2016...... enter the amount from your 2014 Form 573, line 3. Stop here, go to line 6.

If you did not use Form 573 in 2016, 2015 or 2014, enter the taxable income from your **2014** Form 511, line 13, or Form 511NR, line 14. If zero or less, see instructions.

2015 Taxable Income

Line 9

If you used Form 573 to figure your tax for:

- 2016enter the amount from your 2016 Form 573, line 15. Stop here, go to line 10.
- 2015 and not 2016enter the amount from your 2015 Form 573, line 3. Stop here, go to line 10.

If you did not use Form 573 in 2016 or 2015, enter the taxable income from your **2015** Form 511, line 13, or Form 511NR, line 14. If zero or less, see instructions.

2016 Taxable Income

Line 13

If you used Form 573 to figure your tax for:

• 2016enter the amount from your 2016 Form 573, line 3. Stop here, go to line 14.

If you did not use Form 573 in 2016, enter the taxable income from your **2016** Form 511, line 13, or Form 511NR, line 14. If zero or less, see instructions.

2014, 2015 & 2016 Tax

Line 18 - Tax for 2014

If you used Form 573 to figure your tax for:

- 2016enter the amount from your 2016 Form 573, line 12. Stop here, go to line 19.
- 2015 and not 2016enter the amount from your 2015 Form 573, line 16. Stop here, go to line 19.
- 2014 but not 2015 nor 2016...... enter the amount from your 2014 Form 573, line 4. Stop here, go to line 19.

Otherwise, enter the tax from your 2014 Form 511, line 14 or Form 511NR, line 15.

Line 19 - Tax for 2015

If you used Form 573 to figure your tax for:

- 2015 and not 2014enter the amount from your 2015 Form 573, line 4. Stop here, go to line 20.

Otherwise, enter the tax from your 2015 Form 511, line 14 or Form 511NR, line 15.

Line 20 - Tax for 2016

If you used Form 573 to figure your tax for:

• 2016enter the amount from your 2016 Form 573, line 4. Stop here, go to line 21.

Otherwise, enter the tax from your **2016** Form 511, line 14 or Form 511NR, line 15.