State of Oklahoma

CREDIT FOR TAX PAID TO ANOTHER STATE

TAX YEAR 2006

FORM **511TX**

Name(s) - as shown on Form 511 or Form 511NR	Social Security Number(s)

If taxes were paid to more than one state, a separate 511TX must be provided for each state and a complete copy of the other state's return, including W-2s, must be enclosed.

Who Qualifies?

A resident taxpayer who receives income for personal services performed in another state must report the full amount of such income on the Oklahoma return (Form 511). If another state taxes this income, the resident may qualify for this credit.

A part-year resident who receives income from personal services performed in another state while an Oklahoma resident must report the full amount of such income in the "Oklahoma Amount" column of Form 511NR. If another state taxes this income, the part-year resident may qualify for this credit.

Who does not Qualify?

A nonresident taxpayer does not qualify for this credit.

A taxpayer who has claimed credit for taxes paid to another state on the other state's income tax return does not qualify to claim this credit based on the same income.

1	Income for personal services taxed by both the other state and also Oklahoma ...	1					
2	Oklahoma Adjusted Gross Income (Form 511, line 7 or Form 511NR, line 23)	2					
3	Percentage Limitation (divide line 1 by line 2) (cannot exceed 100%)				3		%
4	Oklahoma Income Tax (Form 511, line 14 or Form 511NR, line 36) (not amount withheld)				4		
5	Limitation Amount (multiply line 4 by line 3)				5		
6	Income Tax paid to _____ (not amount withheld -see line 6 instructions).....				6		
7	Other state tax credit: enter the lesser of line 5 or line 6 here and on Form 511, line 16 or Form 511NR, line 37				7		

Enclose a complete copy of:

- **the other state's return, including W-2s, or**
- **Form W-2G if the taxing state (i.e. Mississippi) does not allow a return to be filed for gambling winnings.**

TITLE 68 O.S. 2357(B)(1) AND RULE 710:50-15-72

Instructions

This schedule, a complete copy of the other state's tax return and copies of all W-2 forms must be enclosed with the Oklahoma return. If the taxing state (i.e. Mississippi) does not allow a return to be filed for gambling winnings, enclose a copy of Form W-2G.

Line 1
Include only the amount of wages, salaries, commissions and other pay for personal services which is being taxed by Oklahoma and also the other state. Gambling winnings are considered income from personal services for purposes of this credit. Part-Year Residents include only the income for personal services which is included in the "Oklahoma Amount" column of Form 511NR and which was also taxed by another state.

Example 1. John is an Oklahoma resident, filing Form 511. He worked and owned rental property in another state. The other state's return shows wages of $20,000 and rental income of $10,000. Line 1 would be $20,000, the amount of income from personal services included in his Oklahoma adjusted gross income and taxed by another state.

Example 2. Beth is a part-year resident of Oklahoma, filing Form 511NR. She lived in Oklahoma until the end of September and on October 1 she moved to another state. She worked all year in the other state. Beth earned a salary of $30,000 for the year, $22,500 while she lived in Oklahoma and $7,500 while she lived in the other state. She also earned $10,000 rental income from farmland located in Oklahoma. Line 1 would be $22,500, the amount of personal service income included in the "Oklahoma Amount" column and taxed by another state. The $7,500 she earned while a nonresident of Oklahoma, is not taxed by Oklahoma.

Line 6
Include only the amount of the tax paid to another state which is attributable to the income from personal services reported on line 1. Do not use the withholding shown on your W-2 forms.

Example: $\frac{\text{personal services (from line 1)}}{\text{total income from another state}}$ X total tax paid to another state = tax paid to another state (not withholding tax)

Example 1. Bill is an Oklahoma resident, filing Form 511. The other state's return shows $5,000 in wages, $7,000 in rental income from the other state, and $8,000 from the sale of a house located in the other state. The other state's total tax liability is $546. Since only the $5,000 in wages is income from personal services subject to tax in both states, line 6 would be computed as follows: $\frac{\$5{,}000}{\$20{,}000}$ X $546 = $137

Example 2. (continued from Line 1, Example 2 above)
The other state taxed all of Beth's wage income; however, only the portion she earned while an Oklahoma resident was taxed by both states (see line 1). Her other state's total tax liability was $754. Beth determines the portion of the other state's tax that is attributable to the portion of her wage income which is being taxed in both states as follows:

$\frac{\$22{,}500}{\$30{,}000}$ X $754 = $566