

# FARM INCOME AVERAGING

FORM **573**

Enclose this form with your Oklahoma tax return.

Taxpayer's first name and initial	Last name

Taxpayer Social Security Number									

**INSTRUCTIONS...**

*Use Form 573 to elect to figure your 2003 tax by averaging, over the previous 3 years (base years), all or part of your 2003 taxable income from your trade or business of farming. Making this election may give you a lower tax if your 2003 income from farming is high and your taxable income for one or more of the 3 prior years was low.*

**Line 2** 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.

**Lines 10, 14, 19, 23, 28 and 32** If your deductions exceed your gross income for any year that is a base year for 2003 (2000, 2001 or 2002), 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 any of an NOL carryover or carryback that was not used (absorbed) in such year. The amount of NOL, from your 511-NOL Schedule B, that is being carried over to the following year should be added back to arrive at the amount of taxable income to enter.

**Line 44** Enter your tax on Form 511, line 18 or Form 511NR, line 36 and check the box for "Farm Income Averaging".

1 Enter the 2003 taxable income from Form 511, line 13 or Form 511NR, line 31 . . . . .		<b>00</b>
2 Enter your elected farm income, but not more than the amount on line 1. (see instructions) . . . . .		<b>00</b>
3 Subtract line 2 from line 1 . . . . .		<b>00</b>
4 Figure the tax on the amount on line 3. Use the 2003 Tax Table 1 . . . . .		<b>00</b>
5 Enter the 2003 taxable income from Form 511, Line 16 or Form 511NR, line 34 . . . . .		<b>00</b>
6 Enter your elected farm income, but not more than the amount on line 5 . . . . .		<b>00</b>
7 Subtract line 6 from line 5 . . . . .		<b>00</b>
8 Figure the tax on the amount on line 7. Use the 2003 Tax Table 2 . . . . .		<b>00</b>
9 Enter the lesser of line 4 or line 8 . . . . .		<b>00</b>
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10 Enter the taxable income from your 2000 Form 511, line 39; Form 511EZ, line 7 or Form 511NR, line 54. (if zero or less, see instructions) . . . . .		<b>00</b>
11 Divide the amount on line 2 by 3.0 . . . . .		<b>00</b>
12 Combine lines 10 and 11. If zero or less, enter -0- . . . . .		<b>00</b>
13 Figure the tax on the amount on line 12 using 2000 Method 1 tax rates. (see page 3 for tax rate schedule) . . . . .		<b>00</b>
14 Enter the taxable income from your 2000 Form 511, line 42; Form 511EZ, line 10 or Form 511NR, line 57. (if zero or less, see instructions) . . . . .		<b>00</b>
15 Divide the amount on line 2 by 3.0 . . . . .		<b>00</b>
16 Combine lines 14 and 15. If zero or less, enter -0- . . . . .		<b>00</b>
17 Figure the tax on the amount on line 16 using 2000 Method 2 tax rates. (see page 3 for tax rate schedule) . . . . .		<b>00</b>
18 Enter the lesser of line 13 or line 17 . . . . .		<b>00</b>

**2003 Form 573: Farm Income Averaging**  
**Page 2**

19 Enter the taxable income from your 2001 Form 511, line 13 or Form 511NR, line 31. (if zero or less, see instructions) . . . . .	00
20 Enter the amount from line 11 . . . . .	00
21 Combine lines 19 and 20. If less than zero, enter as a negative amount . . . . .	00
22 Figure the tax on the amount on line 21 using 2001 Method 1 tax rates. (see page 3 for tax rate schedule) . . . . .	00
23 Enter the taxable income from your 2001 Form 511, line 16 or Form 511NR, line 34. (if zero or less, see instructions) . . . . .	00
24 Enter the amount from line 11 . . . . .	00
25 Combine lines 23 and 24. If zero or less, enter as a negative amount . . . . .	00
26 Figure the tax on the amount on line 25 using 2001 Method 2 tax rates. (see page 3 for tax rate schedule) . . . . .	00
27 Enter the lesser of line 22 or line 26 . . . . .	00
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28 Enter the taxable income from your 2002 Form 511, line 13 or Form 511NR, line 31. (if zero or less, see instructions) . . . . .	00
29 Enter the amount from line 11 . . . . .	00
30 Combine lines 28 and 29. If less than zero, enter as a negative amount . . . . .	00
31 Figure the tax on the amount on line 30 using 2002 Method 1 tax rates. (see page 3 for tax rate schedule) . . . . .	00
32 Enter the taxable income from your 2002 Form 511, line 16 or Form 511NR, line 34. (if zero or less, see instructions) . . . . .	00
33 Enter the amount from line 11 . . . . .	00
34 Combine lines 32 and 33. If zero or less, enter as a negative amount . . . . .	00
35 Figure the tax on the amount on line 34 using 2002 Method 2 tax rates. (see page 3 for tax rate schedule) . . . . .	00
36 Enter the lesser of line 31 or line 35 . . . . .	00
37 Add lines 9, 18, 27 and 36 . . . . .	00
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38 Enter the tax from your 2000 Form 511, line 44; Form 511EZ, line 12 or Form 511NR, line 59 . . . . .	00
39 Enter the tax from your 2001 Form 511, line 18 or Form 511NR, line 36 . . . . .	00
40 Enter the tax from your 2002 Form 511, line 18 or Form 511NR, line 36 . . . . .	00
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41 Add lines 38 through 40 . . . . .	00
42 Subtract line 41 from line 37, enter here and on Form 511, line 18 or Form 511NR, line 36. (Be sure and check the box for "Farm Income Averaging") . . . . .	00

**OKLAHOMA TAX RATES FOR TAX YEARS 2000 AND 2001**

**METHOD 1** Married Joint, Head of Household and Surviving Spouse Filers

If taxable income is:

-0-	-	2,000	Pay		0.50%		
2,000	-	5,000	Pay	10.00	+ 1%	over	2,000
5,000	-	7,500	Pay	40.00	+ 2%	over	5,000
7,500	-	9,800	Pay	90.00	+ 3%	over	7,500
9,800	-	12,200	Pay	159.00	+ 4%	over	9,800
12,200	-	15,000	Pay	255.00	+ 5%	over	12,200
15,000	-	21,000	Pay	395.00	+ 6%	over	15,000
21,000	-	over	Pay	755.00	+6.75%	over	21,000

**METHOD 1** Single and Married Separate Filers

If taxable income is:

-0-	-	1,000	Pay		0.50%		
1,000	-	2,500	Pay	5.00	+ 1%	over	1,000
2,500	-	3,750	Pay	20.00	+ 2%	over	2,500
3,750	-	4,900	Pay	45.00	+ 3%	over	3,750
4,900	-	6,200	Pay	79.50	+ 4%	over	4,900
6,200	-	7,700	Pay	131.50	+ 5%	over	6,200
7,700	-	10,000	Pay	206.50	+ 6%	over	7,700
10,000	-	over	Pay	344.50	+6.75%	over	10,000

**METHOD 2** Married Joint, Head of Household and Surviving Spouse Filers

If taxable income is:

-0-	-	2,000	Pay		0.50%		
2,000	-	5,000	Pay	10.00	+ 1%	over	2,000
5,000	-	7,500	Pay	40.00	+ 2%	over	5,000
7,500	-	8,900	Pay	90.00	+ 3%	over	7,500
8,900	-	10,400	Pay	132.00	+ 4%	over	8,900
10,400	-	12,000	Pay	192.00	+ 5%	over	10,400
12,000	-	13,250	Pay	272.00	+ 6%	over	12,000
13,250	-	15,000	Pay	347.00	+ 7%	over	13,250
15,000	-	18,000	Pay	469.50	+ 8%	over	15,000
18,000	-	24,000	Pay	709.50	+ 9%	over	18,000
24,000	-	over	Pay	1249.50	+ 10%	over	24,000

**METHOD 2** Single and Married Separate Filers

If taxable income is:

-0-	-	1,000	Pay		0.50%		
1,000	-	2,500	Pay	5.00	+ 1%	over	1,000
2,500	-	3,750	Pay	20.00	+ 2%	over	2,500
3,750	-	4,900	Pay	45.00	+ 3%	over	3,750
4,900	-	6,100	Pay	79.50	+ 4%	over	4,900
6,100	-	7,500	Pay	127.50	+ 5%	over	6,100
7,500	-	9,000	Pay	197.50	+ 6%	over	7,500
9,000	-	10,500	Pay	287.50	+ 7%	over	9,000
10,500	-	12,500	Pay	392.50	+ 8%	over	10,500
12,500	-	16,000	Pay	552.50	+ 9%	over	12,500
16,000	-	over	Pay	867.50	+ 10%	over	16,000

**OKLAHOMA TAX RATES FOR TAX YEAR 2002**

**METHOD 1** Married Joint, Head of Household and Surviving Spouse Filers

If taxable income is:

-0-	-	2,000	Pay		0.50%		
2,000	-	5,000	Pay	10.00	+ 1%	over	2,000
5,000	-	7,500	Pay	40.00	+ 2%	over	5,000
7,500	-	9,800	Pay	90.00	+ 3%	over	7,500
9,800	-	12,200	Pay	159.00	+ 4%	over	9,800
12,200	-	15,000	Pay	255.00	+ 5%	over	12,200
15,000	-	21,000	Pay	395.00	+ 6%	over	15,000
21,000	-	over	Pay	755.00	+ 7%	over	21,000

**METHOD 1** Single and Married Separate Filers

If taxable income is:

-0-	-	1,000	Pay		0.50%		
1,000	-	2,500	Pay	5.00	+ 1%	over	1,000
2,500	-	3,750	Pay	20.00	+ 2%	over	2,500
3,750	-	4,900	Pay	45.00	+ 3%	over	3,750
4,900	-	6,200	Pay	79.50	+ 4%	over	4,900
6,200	-	7,700	Pay	131.50	+ 5%	over	6,200
7,700	-	10,000	Pay	206.50	+ 6%	over	7,700
10,000	-	over	Pay	344.50	+ 7%	over	10,000

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7,500	-	8,900	Pay	90.00	+ 3%	over	7,500
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10,400	-	12,000	Pay	192.00	+ 5%	over	10,400
12,000	-	13,250	Pay	272.00	+ 6%	over	12,000
13,250	-	15,000	Pay	347.00	+ 7%	over	13,250
15,000	-	18,000	Pay	469.50	+ 8%	over	15,000
18,000	-	24,000	Pay	709.50	+ 9%	over	18,000
24,000	-	over	Pay	1249.50	+ 10%	over	24,000

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4,900	-	6,100	Pay	79.50	+ 4%	over	4,900
6,100	-	7,500	Pay	127.50	+ 5%	over	6,100
7,500	-	9,000	Pay	197.50	+ 6%	over	7,500
9,000	-	10,500	Pay	287.50	+ 7%	over	9,000
10,500	-	12,500	Pay	392.50	+ 8%	over	10,500
12,500	-	16,000	Pay	552.50	+ 9%	over	12,500
16,000	-	over	Pay	867.50	+ 10%	over	16,000