

RESIDENT/NONRESIDENT ALLOCATION

Allocation of Federal income and deductions when one spouse is a resident and the other is a nonresident.

Resident's first name and initial	Last name

Social Security Number									

Nonresident's first name and initial	Last name

State of Residence

Social Security Number									

Be sure to enclose a copy of your Federal return and this form with your Form 511 or Form 511NR.

Part I: Federal Income from the Joint Federal Return

Round to the nearest dollar													
A				=	B				+	C			
Federal Amount					Resident Amount					Nonresident Amount			
1	Wages, salaries, tips, etc.	00	1		00	1		00		00	1		00
2	Taxable interest income	00	2		00	2		00		00	2		00
3	Dividend income	00	3		00	3		00		00	3		00
4	Taxable refunds, credit or offsets of state income tax	00	4		00	4		00		00	4		00
5	Alimony received	00	5		00	5		00		00	5		00
6	Business income or (loss) (Federal Schedule C or C-EZ)	00	6		00	6		00		00	6		00
7	Capital gain or (loss) (Federal Schedule D)	00	7		00	7		00		00	7		00
8	Other gains or (losses) (Federal Form 4797)	00	8		00	8		00		00	8		00
9	Taxable IRA distribution	00	9		00	9		00		00	9		00
10	Taxable pensions and annuities	00	10		00	10		00		00	10		00
11	Rental real estate, royalties, partnerships, etc. (Federal Sch. E)	00	11		00	11		00		00	11		00
12	Farm income (loss) (Federal Schedule F)	00	12		00	12		00		00	12		00
13	Unemployment compensation	00	13		00	13		00		00	13		00
14	Taxable Social Security benefits	00	14		00	14		00		00	14		00
15	Other income (identify: _____)	00	15		00	15		00		00	15		00
16	Total income: add lines 1 through 15	00	16		00	16		00		00	16		00
17	Educator expenses	00	17		00	17		00		00	17		00
18	IRA deduction	00	18		00	18		00		00	18		00
19	Student loan interest deduction	00	19		00	19		00		00	19		00
20	Tuition and fees deduction	00	20		00	20		00		00	20		00
21	Moving expenses	00	21		00	21		00		00	21		00
22	One-half of self-employment tax	00	22		00	22		00		00	22		00
23	Self-employed health insurance deduction	00	23		00	23		00		00	23		00
24	Self-employed SEP, SIMPLE, and qualified plans	00	24		00	24		00		00	24		00
25	Penalty on early withdrawal of savings	00	25		00	25		00		00	25		00
26	Alimony paid	00	26		00	26		00		00	26		00
27	Total Federal adjustments to income: add lines 17 through 26	00	27		00	27		00		00	27		00
28	Federal adjusted gross income: subtract line 27 from line 16	00	28		00	28		00		00	28		00

- 1 Wages, salaries, tips, etc.
- 2 Taxable interest income
- 3 Dividend income
- 4 Taxable refunds, credit or offsets of state income tax
- 5 Alimony received
- 6 Business income or (loss) (Federal Schedule C or C-EZ)
- 7 Capital gain or (loss) (Federal Schedule D)
- 8 Other gains or (losses) (Federal Form 4797)
- 9 Taxable IRA distribution
- 10 Taxable pensions and annuities
- 11 Rental real estate, royalties, partnerships, etc. (Federal Sch. E)
- 12 Farm income (loss) (Federal Schedule F)
- 13 Unemployment compensation
- 14 Taxable Social Security benefits
- 15 Other income (identify: _____)
- 16 Total income: add lines 1 through 15
- 17 Educator expenses
- 18 IRA deduction
- 19 Student loan interest deduction
- 20 Tuition and fees deduction
- 21 Moving expenses
- 22 One-half of self-employment tax
- 23 Self-employed health insurance deduction
- 24 Self-employed SEP, SIMPLE, and qualified plans
- 25 Penalty on early withdrawal of savings
- 26 Alimony paid
- 27 Total Federal adjustments to income: add lines 17 through 26
- 28 Federal adjusted gross income: subtract line 27 from line 16

Part II: Itemized Deductions from Federal Schedule A

			Round to the nearest dollar				
			A	=	B	+	C
			Federal Amount		Resident Amount		Nonresident Amount
Medical and Dental Expenses							
1	Medical and dental expenses	00	1				
2	Enter your Federal adjusted gross income	00	2				
3	Multiply line 2 above by 7.5% (.075)	00	3				
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter "0".		4		00	4	00
Taxes You Paid							
5	State and local income taxes	00	5				
6	Real estate taxes	00	6				
7	Personal property taxes	00	7				
8	Other taxes: List type and amount: _____	00	8				
9	Add lines 5 through 8		9		00	9	00
Interest You Paid							
10	Home mortgage interest and points reported to you on Form 1098	00	10				
11	Home mortgage interest not reported to you on Form 1098	00	11				
12	Points not reported to you on Form 1098	00	12				
13	Investment interest	00	13				
14	Add lines 10 through 13		14		00	14	00
Gifts to Charity							
15	Gifts by cash or check	00	15				
16	Gifts by other than cash or check	00	16				
17	Carryover from prior year	00	17				
18	Add lines 15 through 17		18		00	18	00
Casualty and Theft Losses							
19	Casualty or theft loss(es)		19		00	19	00
Job Expenses and Most Other Miscellaneous Deductions							
20	Unreimbursed employee expenses - job travel, union dues, job education, etc.	00	20				
21	Tax preparation fees	00	21				
22	Other expenses - investment, safe deposit box, etc.	00	22				
23	Add lines 20 through 23	00	23				
24	Enter Federal adjusted gross income	00	24				
25	Multiply line 24 above by 2% (.02)	00	25				
26	Subtract line 25 from line 23. If line 25 is more than line 23, enter "0"		26		00	26	00
Other Miscellaneous Deductions							
27	Other. List type and amount: _____		27		00	27	00
Total Itemized Deductions							
28	Is your Federal adjusted gross income over \$139,500 (over \$69,750 if married filing separate)?		28		00	28	00

- No:** Your deduction is not limited. Add lines 4, 9, 14, 18, 19, 26, and 27. Enter the total on line 28.
- Yes:** Your deduction may be limited. On line 28, enter the amount from the Federal Itemized Deductions Worksheet.

Form 574 Instructions

An Oklahoma resident who files a joint Federal return with a nonresident civilian (non-military) spouse, may elect to file a married filing separate return in Oklahoma using Form 511, enclosing Form 574. If this election is not made, a joint return must be filed using Form 511 and reporting all of the income of both taxpayers as if both were residents.

If the election is made to file separate returns and the nonresident civilian spouse has an Oklahoma filing requirement, the nonresident should file a Form 511NR, enclosing Form 574.

Note: An Oklahoma resident who files a Federal return with a nonresident **military** spouse, does not have the election to file a married filing separate return in Oklahoma. They shall file Form 511NR, using the same filing status as on the Federal return.

The methods prescribed in the Internal Revenue Code (IRC) for allocating income and deductions on married filing separate returns will be used when allocating joint income and deductions between the resident and the nonresident.

Adjusted Gross Income...

Complete Part I "Federal Income" to determine the portion of the joint Federal adjusted gross income to report on the Oklahoma return(s). For the resident, enter your share of the joint Federal adjusted gross income on Form 511, line 1. For the nonresident who is also required to file, enter your share of the joint Federal adjusted gross income on Form 511NR lines 1 through 18 of the Federal Amount column.

Deductions and Exemptions...

Complete Part II "Itemized Deductions" to determine the portion of the Federal itemized deductions to report on the Oklahoma return(s). If you did not itemize, use the Oklahoma standard deduction for married filing separate.

The regular personal exemption for the resident and all of the dependency exemptions will be allowed the same as on the Federal return. However, if the nonresident spouse also has an Oklahoma filing requirement, the dependency exemptions will be allocated between the resident's and nonresident's returns. Generally, the resident cannot claim the personal exemption for the nonresident spouse.

If the resident has out-of-state income (Form 511, line 4) his/her share of the deductions and exemptions must be prorated. Use the Schedule 511-D.

Federal Tax Deduction...

To determine the amount of the Federal tax deduction allowed on the Oklahoma return(s), prorate the Federal tax on the basis of the resident's/nonresident's Federal AGI as reported on the Oklahoma return to joint Federal AGI as reported on the Federal return.

If the resident's Oklahoma AGI is less than his/her allocated share of the Federal AGI, the deduction must be prorated. Use the Schedule 511-E or the Schedule 511NR-D.