

# 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					
	00	1		00	1		00		00
1	Wages, salaries, tips, etc. . . . .	2		00	2		00		00
2	Taxable interest income . . . . .	3		00	3		00		00
3	Dividend income . . . . .	4		00	4		00		00
4	Taxable refunds, credit or offsets of state income tax . . . . .	5		00	5		00		00
5	Alimony received . . . . .	6		00	6		00		00
6	Business income or (loss) (Federal Schedule C or C-EZ) . . . . .	7		00	7		00		00
7	Capital gain or (loss) (Federal Schedule D) . . . . .	8		00	8		00		00
8	Other gains or (losses) (Federal Form 4797) . . . . .	9		00	9		00		00
9	Taxable IRA distribution . . . . .	10		00	10		00		00
10	Taxable pensions and annuities . . . . .	11		00	11		00		00
11	Rental real estate, royalties, partnerships, etc. . (Federal Sch. E)	12		00	12		00		00
12	Farm income (loss) (Federal Schedule F) . . . . .	13		00	13		00		00
13	Unemployment compensation . . . . .	14		00	14		00		00
14	Taxable Social Security benefits . . . . .	15		00	15		00		00
15	Other income (identify: _____) . . . . .	16		00	16		00		00
16	Total income: add lines 1 through 15 . . . . .	17		00	17		00		00
17	Educator expenses . . . . .	18		00	18		00		00
18	Certain business expenses of reservists, performing artists, and fee-basis government officials. . . . .	19		00	19		00		00
19	IRA deduction. . . . .	20		00	20		00		00
20	Student loan interest deduction . . . . .	21		00	21		00		00
21	Tuition and fees deduction . . . . .	22		00	22		00		00
22	Health savings account deduction . . . . .	23		00	23		00		00
23	Moving expenses . . . . .	24		00	24		00		00
24	One-half of self-employment tax . . . . .	25		00	25		00		00
25	Self-employed health insurance deduction. . . . .	26		00	26		00		00
26	Self-employed SEP, SIMPLE, and qualified plans . . . . .	27		00	27		00		00
27	Penalty on early withdrawal of savings . . . . .	28		00	28		00		00
28	Alimony paid . . . . .	29		00	29		00		00
29	Total Federal adjustments to income: add lines 17 through 28 . . . . .	30		00	30		00		00
30	Federal adjusted gross income: subtract line 29 from line 16 . . . . .								

- 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 Certain business expenses of reservists, performing artists, and fee-basis government officials. . . . .
- 19 IRA deduction. . . . .
- 20 Student loan interest deduction . . . . .
- 21 Tuition and fees deduction . . . . .
- 22 Health savings account deduction . . . . .
- 23 Moving expenses . . . . .
- 24 One-half of self-employment tax . . . . .
- 25 Self-employed health insurance deduction. . . . .
- 26 Self-employed SEP, SIMPLE, and qualified plans . . . . .
- 27 Penalty on early withdrawal of savings . . . . .
- 28 Alimony paid . . . . .
- 29 Total Federal adjustments to income: add lines 17 through 28 . . . . .
- 30 Federal adjusted gross income: subtract line 29 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
<b>Medical and Dental Expenses</b>							
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
<b>Taxes You Paid</b>							
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
<b>Interest You Paid</b>							
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
<b>Gifts to Charity</b>							
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
<b>Casualty and Theft Losses</b>							
19	Casualty or theft loss(es) . . . . .		19		00	19	00
<b>Job Expenses and Most Other Miscellaneous Deductions</b>							
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
<b>Other Miscellaneous Deductions</b>							
27	Other. List type and amount: _____		27		00	27	00
<b>Total Itemized Deductions</b>							
28	Is your Federal adjusted gross income over \$142,700 (over \$71,350 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 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.