



# State of Oklahoma RESIDENT/NONRESIDENT ALLOCATION

FORM **574** 2008

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	State of Residence <b>Oklahoma</b>	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	
2	Taxable interest income	00	2	00	2	00	
3	Dividend income	00	3	00	3	00	
4	Taxable refunds, credit or offsets of state income tax	00	4	00	4	00	
5	Alimony received	00	5	00	5	00	
6	Business income or (loss) (Federal Schedule C or C-EZ)	00	6	00	6	00	
7	Capital gain or (loss) (Federal Schedule D)	00	7	00	7	00	
8	Other gains or (losses) (Federal Form 4797)	00	8	00	8	00	
9	Taxable IRA distribution	00	9	00	9	00	
10	Taxable pensions and annuities	00	10	00	10	00	
11	Rental real estate, royalties, partnerships, etc. (Federal Sch. E)	00	11	00	11	00	
12	Farm income (loss) (Federal Schedule F)	00	12	00	12	00	
13	Unemployment compensation	00	13	00	13	00	
14	Taxable Social Security benefits	00	14	00	14	00	
15	Other income (identify: _____)	00	15	00	15	00	
16	Total income: add lines 1 through 15	00	16	00	16	00	
17	Educator expenses	00	17	00	17	00	
18	Certain business expenses of reservists, performing artists, and fee-basis government officials	00	18		18		
19	Health savings account deduction	00	19	00	19	00	
20	Moving expenses	00	20	00	20	00	
21	One-half of self-employment tax	00	21	00	21	00	
22	Self-employed SEP, SIMPLE, and qualified plans	00	22	00	22	00	
23	Self-employed health insurance deduction	00	23	00	23	00	
24	Penalty on early withdrawal of savings	00	24	00	24	00	
25	Alimony paid	00	25	00	25	00	
26	IRA deduction	00	26	00	26	00	
27	Student loan interest deduction	00	27	00	27	00	
28	Tuition and fees deduction	00	28	00	28	00	
29	Domestic production activities deduction	00	29	00	29	00	
30	Total Federal adjustments to income: add lines 17 through 29	00	30	00	30	00	
31	Federal adjusted gross income: subtract line 30 from line 16	00	31	00	31	00	

**FORM 574**



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**Part II: Itemized Deductions from Federal Schedule A**

Round to the nearest dollar		
A	=	B + C
Federal Amount	Resident Amount	Nonresident Amount
1	1	1
2	2	2
3	3	3
4	4	4
5	5	5
6	6	6
7	7	7
8	8	8
9	9	9
10	10	10
11	11	11
12	12	12
13	13	13
14	14	14
15	15	15
16	16	16
17	17	17
18	18	18
19	19	19
20	20	20
21	21	21
22	22	22
23	23	23
24	24	24
25	25	25
26	26	26
27	27	27
28	28	28
29	29	29

**Medical and Dental Expenses**

1	Medical and dental expenses.....	00
2	Enter your Federal adjusted gross income.....	00
3	Multiply line 2 above by 7.5% (.075) ..	00
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter "0".	

**Taxes You Paid**

5	State and local taxes.....	00
6	Real estate taxes.....	00
7	Personal property taxes .....	00
8	Other taxes: List type and amount: .....	00
9	Add lines 5 through 8 .....	

**Interest You Paid**

10	Home mortgage interest and points reported to you on Form 1098.....	00
11	Home mortgage interest not reported to you on Form 1098 .....	00
12	Points not reported to you on Form 1098 .....	00
13	Qualified mortgage insurance premiums.....	00
14	Investment interest.....	00
15	Add lines 10 through 14 .....	

**Gifts to Charity**

16	Gifts by cash or check.....	00
17	Gifts by other than cash or check....	00
18	Carryover from prior year .....	00
19	Add lines 16, 17 and 18.....	

**Casualty and Theft Losses**

20	Casualty or theft loss(es) .....	
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**Job Expenses and Most Other Miscellaneous Deductions**

21	Unreimbursed employee expenses - job travel, union dues, job education, etc. ....	00
22	Tax preparation fees.....	00
23	Other expenses - investment, safe deposit box, etc. ....	00
24	Add lines 21 through 23 .....	00
25	Enter Federal adjusted gross income .....	00
26	Multiply line 25 above by 2% (.02) ..	00
27	Subtract line 26 from line 24. If line 26 is more than line 24, enter "0" ....	

**Other Miscellaneous Deductions**

28	Other. List type and amount: .....	00
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**Total Itemized Deductions**

29	Is your Federal adjusted gross income over \$159,950 (over \$79,975 if married filing separate)?.....	00
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**No:** Your deduction is not limited. Add lines 4, 9, 15, 19, 20, 27, and 28. Enter the total on line 29.

**Yes:** Your deduction may be limited. On line 29, enter the amount from the Federal Itemized Deductions Worksheet.

# OKLAHOMA RESIDENT/NONRESIDENT ALLOCATION

## 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.