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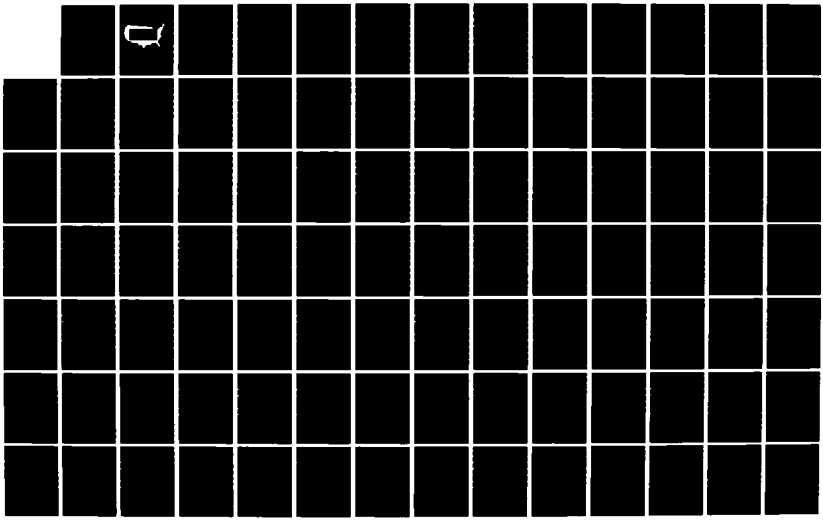

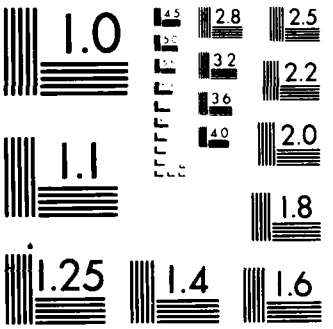

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ALL STATES INCOME TAX GUIDE

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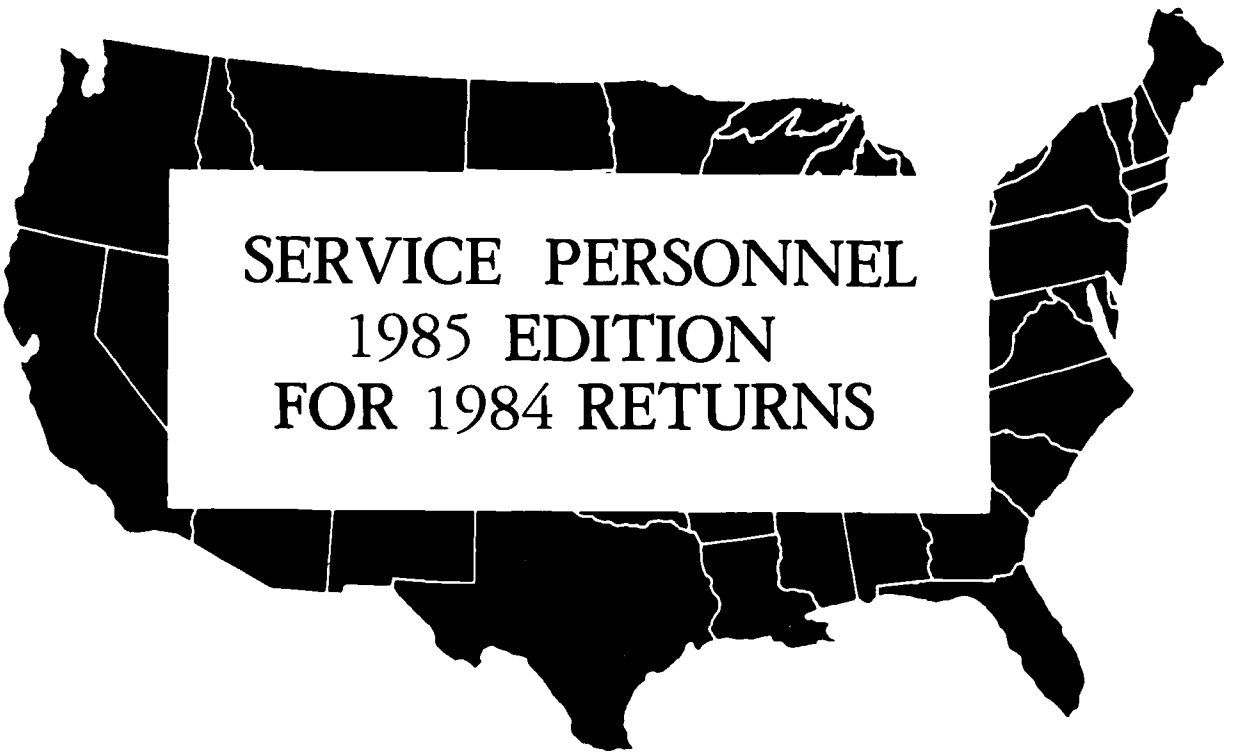

SERVICE PERSONNEL 1985 EDITION FOR 1984 RETURNS

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ALL STATES INCOME TAX GUIDE
OFFICE OF THE JUDGE ADVOCATE GENERAL
PREVENTIVE LAW AND LEGAL AID GROUP
HQ USAF, WASHINGTON, D.C. 20330-5120

Introduction to the 1985 Edition

The purpose of this pamphlet is to furnish information to personnel in the Armed Services with respect to their possible liability for income tax to the several states of the United States.

Paragraph 11, Air Force Regulation 30-30, provides in part: "Air Force personnel must pay each just financial obligation in a proper and timely manner, especially those imposed by law, such as Federal, state or local taxes." The Army and Navy have similar regulatory provisions.

In the past, many persons were able to avoid payment of state taxes because the courts of one state refused to entertain suits for the collection of taxes due to another state. Statutes have now been enacted in most states requiring their courts to recognize and enforce, on a reciprocal basis, the liability for taxes imposed by another state. Under these statutes any state or political subdivision has the right to sue in the courts of another state to recover any tax which may be owing to it provided a like right is accorded by the state bringing suit to the one whose courts are used. Statutes permitting reciprocal enforcement of income taxes have been enacted in:

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Delaware, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, Nebraska, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Virginia, Washington, West Virginia and Wisconsin.

As the states have become increasingly pressed for funds they have become increasingly aggressive in the collection of taxes. Military personnel should be cautioned against relying either on widespread exemptions from state tax liability permitted during wartime, or on the absence of prior attempts by the states to collect taxes due.

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Personnel of the Armed Forces should be aware that a statement of a member's earnings is sent to the state indicated by the member as his/her state of domicile (legal residence). The Tax Reform Act of 1976 amended 5 U.S.C. 5516 and 5517 to permit the withholding of state and District of Columbia income taxes from military pay under certain circumstances. The following states have entered into agreements with the Treasury Department to begin withholding state income taxes:

Alabama, Arkansas, California, Colorado, Delaware, District of Columbia, Georgia, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Nebraska, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Utah, Virginia and Wisconsin.

Such methods as comparing automobile registrations and voter's rolls with tax returns are used to discover delinquent taxpayers. The collection of accumulated tax liabilities may cause a substantial hardship that regular and prompt periodic payments could avoid. The voluntary remittance of current taxes will often induce state tax authorities, on a case-by-case basis, to waive penalties, interest, or even the taxes themselves, on unpaid accounts from prior years. Although the statutes of limitation on collection of unpaid taxes are generally rather short (between three and six years), they do not begin to run until a return has been filed. Generally, they are also inapplicable in cases of fraudulent failure to file or pay taxes.

The Federal Government imposes a tax on the income of all United States citizens wherever they live and on the income of all other persons residing in the United States. This is the Federal income tax. In addition, a number of the states (and some cities and counties), and the District of Columbia, impose a tax on the income of persons subject to their jurisdiction. Members of the Armed Forces of the United States are <u>not</u> excused or exempt from such state or local income taxes unless the law of the particular state or locality so provides.

As a general rule, the states that impose income taxes do so on two classes of persons: (a) Those "resident" or "domiciled" in the state at relevant times during the tax year, regardless of the sources of income; and (b) Those not resident in the state but deriving income from sources within the state.

If that general rule were literally applied, a person in the Armed Forces could be liable for income tax to two or more states; first, to the state of which he/she is a "resident", and second, to the state in which he/she is stationed and thus "deriving" income. Many persons maintaining a residence in one state but working in another are subject to this double taxation. However, the Soldiers' and Sailors' Civil Relief Act provides service members with relief from this possible double taxation. The Act provides, substantially, that a member of the Armed Forces who is a legal resident of one state but living in another solely by reason of military orders, is not liable to the second state for income taxes on his/her service pay. However, this law does not exempt retired pay, separate income of a spouse or other members of the service member's family, nor the income of service personnel derived from off-duty employment, investments, businesses, rents, bank deposits, and other sources. The following examples illustrate these principles:

a. Airman Jim Jones who is a legal resident (domiciled) in Texas was ordered to duty in, and moved his family to, New York. He has no income other than his active service pay. Texas has no state income tax, therefore he is not required to pay income tax to the State of Texas; and because of the Soldiers' and Sailors' Civil Relief Act, he is not liable for New York State income tax either.

b. Sergeant John Smith, whose domicile is Virginia, and to which he is liable for income taxes, is on active duty in California. He buys a house there, not for the purpose of changing his legal domicile, but for the purpose of providing a place of shelter for himself and his family while on duty in California. It is his intention to maintain his domicile in Virginia, and to return there upon release from active duty. He will be required to continue filing his state return to Virginia; and, under the Soldiers' and Sailors' Civil Relief Act, California will not be permitted to impose an income tax on his service pay, even though he owns real property in that State. If, however, he is transferred from California and rents the house he owns in that State, thus receiving income from his California property, he may find himself required to file a California return to report the rental income. In addition, he has a liability for filing a Virginia return on his service pay as well as his rental income. If, in this example, the service member decided to change his domicile to California, he would thereby confer upon California jurisdiction to impose an income tax upon his income from all sources, and likewise deprive Virginia of its taxing jurisdiction over him.

c. Another member, Sergeant Jane Doe, was domiciled in Virginia, but while stationed in California took a part-time job during her off-duty hours. Her compensation derived from this part-time employment is not covered by the Soldiers' and Sailors' Civil Relief Act. With respect to such compensation, she would be required to file a California state income tax return and also report that income on her Virginia income tax return. Although this income would be reported to two states, it would probably be taxed only once. In this particular example, the income would be taxed in Virginia, and that tax credited against California tax liability on the off-duty income. Had the service member been a domiciliary of Delaware, she would have paid the tax to California and credited that payment against her Delaware tax liability.

An increasing number of military spouses obtain employment on or near bases where the member is stationed. It is important to note that these spouses often become taxpayers of the state in which they are temporarily residing, although their service member-spouse will not be so considered. Some states have taken the position that working civilian spouses become "residents" for tax purposes if they have been within the state for a prescribed number of months. The military spouse is protected from such treatment by the Soldiers' and Sailors' Civil Relief Act. Other states have ruled that civilian spouses are taxable as "nonresidents deriving income from within the state." In either case, the civilian spouse generally cannot file joint state returns with the military member whose income is exempt from the state's tax. Thus, if a serviceman and his wife are residents of New York but living at Dover AFB, Delaware, while he is stationed at the base, if he has no income other than his service pay, he is exempt from Delaware tax. If his wife works at the BX, however, she will be considered a resident of Delaware and should file an individual Delaware tax return. She may also be required to file a New York return (as would her husband on his income), but could credit the tax paid to Delaware against her New York income tax.

Several states, including Kansas, Utah, Missouri, Nebraska, Vermont and California, have enacted laws or developed procedures which consider military income, though exempt from taxation under the Soldiers' and Sailors' Civil Relief Act, as reportable for purposes of determining the rate at which other non-exempt income of either the member or spouse (on joint return) will be taxed. The United States has challenged the application of such state tax procedures to non-resident service members, and a case involving the Kansas law is currently in the federal courts.

A number of states require taxpayers of such states to file Declaration of Estimated Tax. Persons, resident in states having a withholding system similar to that of the Federal Government, but whose income is not subject to withholding at the source, must usually file such declarations. Of course, withholding of state taxes under an agreement with the Secretary of the Treasury would normally render filing of a declaration of estimated tax unnecessary.

As a number of states have adopted the Federal income tax law as the basis upon which state income taxes are collected, so have they relied on the greater scrutiny given Federal tax returns by Internal Revenue Service. Most such states, as well as others, have adopted provisions requiring taxpayers to file with the state report of changes in their Federal returns. Such changes usually occur after an audit by the Internal Revenue Service and may include such things as disallowance of claimed deductions or exemptions, correction of errors in arithmetic, or a shift of a capital gain claimed as "long-term" to "short-term". After such changes in the Federal returns become final, taxpayers are usually given 30 to 90 days to report them to the state. In a move toward efficient tax collection, a number of states have entered into agreements with Internal Revenue Service for the exchange of tax data. States having such agreements are:

> Alabama, Alaska, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

It should be obvious that an individual's obligation to pay state income taxes is just as real and valid as any other legal obligation. The benefits an individual derives from timely compliance with applicable state tax laws can be substantial. The tax-paying service members will find no difficulty in placing their qualified children in state-supported institutions of higher learning at resident rates. In like manner, availability of state services provided disabled or incompetent persons is

generally predicated on domiciliary status. One of the strongest evidences of domicile is payment of state income taxes.

We strongly suggest that since many cities and counties within the various states are imposing city or county income taxes, all military personnel should ascertain their liabilities for such taxes.

More than 50% of the states have some provision for either total exemption, partial exemption, or POW/MIA exclusions of military pay from taxation. Therefore, each individual should consult the "MILITARY PROVISIONS" of his particular state for specific exclusions, if any.

Any state income tax questions not answered by your tax advisor or in this publication should be referred directly to the "TAX AUTHORITY" of the particular state. The address is listed at the end of each state section.

MATT C. C. BRISTOL III, Lt Colonel, USAF
Chief, Preventive Law and Legal Aid Group
Office of The Judge Advocate General

ALABAMA

STATE LAW: Code of Alabama 1975, Section 40-18-1 et seq.

TAXPAYERS: Residents with a net income of $1,500 or more if single, or with a net income of $3,000 if married and filing jointly, and nonresidents receiving income from business conducted or property owned within the State which is more than their prorated Alabama personal exemption.

FILING: See "TAXPAYERS". If the requirements are met, an Alabama income tax return must be filed although tax may not be due.

Resident taxpayers whose gross income is not more than $20,000 if single or $40,000 if married and filing a joint return and who do have income other than salaries and wages in excess of $1,500 and do not desire to itemize their deductions should file on Form 40-A. All other resident taxpayers should file on Form 40. Nonresident Taxpayers having income from Alabama should file on Form 40NR.

Under Alabama Income Tax Law, unless proved otherwise, a wife is presumed to have the same residence as her husband. Thus, wives of military personnel who are residents of Alabama are also residents of Alabama for income tax purposes unless they have never left the state of which they were residents before their marriage. Wives who are also military personnel may retain their residence in the state from which they entered military service.

MILITARY PROVISIONS: (a) Military pay received by service members is taxable, except that which is received for active duty in a Presidentially designated combat zone [there was no such zone in 1984]; (b) First $8,000 of military retirement pay and benefits received under the Retired Serviceman's Family Protection Plan (RSFPP) and/or Survivors' Benefit Plan (SBP) are exempt. Amounts withheld from military retirement pay to provide an annuity for survivors are considered a part of the retirement pay and are taxable in the year withheld. Benefits under both plans are taxed as an annuity, the basis of which is the amount contributed by the retiree; (c) Military disability retirement is not taxable.

RESIDENTS: Residents include all persons domiciled in the State and every other person maintaining an abode in the State or spending in the aggregate more than seven months of the tax year in the State. The burden of proof as to a change in domicile/residence is on the taxpayer. Report of Attorney General, April-June 1940, p. 150, State v. Woodruff, 253 Ala. 620, 46 So.2d 553.

INCOME EXCLUSIONS: (a) First $8,000 of military retirement pay and survivor benefits derived therefrom (see "MILITARY

PROVISIONS"); (b) Life, accident, health, war, unemployment insurance; (c) Veteran's benefits; (d) Public assistance to the blind and dependent children; (e) Interest on obligations of the United States, Alabama, or its political subdivisions; (f) Gain from involuntary conversion due to requisition or condemnation by a government authority is not taxable.

Gain on sale of personal residence may be deferred in the same manner as allowed by Federal Income Tax Law in effect July 20, 1981, except that the term "new residence" means and includes only property located within the State of Alabama. Alabama will allow military personnel a suspension of the replacement period for up to 4 years of the time they are overseas.

Rates: Taxable Income	Single, Head of Family, Married Filing Separate	Married Filing Joint
2%	0 - $ 500	0 - $1,000
4%	$ 500 - $3,000	$1,000 - $6,000
5%	$3,000 and over	$6,000 and over

Taxpayers who qualify for the short form (Form 40A) will use the standard tax tables.

DEDUCTIONS: (a) Expenses related to transactions entered into with the expectation of a profit, such as stock, bond, and investment property transactions; (b) Medical expenses are treated and computed on the same basis as the Federal law in effect January 1, 1982; (c) Contributions are allowed as provided in Federal law in effect January 1, 1982, except that no deduction is allowed taxpayers who do not itemize their deductions; (d) Federal income taxes, Federal Insurance Contribution Act taxes, State, local, and foreign occupational license taxes, contributions to State Unemployment funds, and all taxes allowed as an itemized deduction under Federal law except State Income Tax; (e) Interest; (f) Dues to unions/professional societies; (g) Small tools and supplies; (h) Professional periodicals; (i) Casualty losses in excess of $100 per casualty.

Standard Optional Deduction for a single taxpayer, head of family, or a married person filing a separate return is 20% of adjusted gross income or $2,000, whichever is less. For a married couple filing a joint return, the Standard Optional Deduction is 20% of adjusted gross income or $4,000, whichever is less. In addition to the Standard Optional Deduction, a deduction for Federal income tax paid is allowed. If one spouse itemizes deductions when filing a separate return, the other spouse may not elect to claim the standard optional deduction.

ALABAMA

EXEMPTIONS:	Single person or married person filing separate return*.....	$1,500
	Married couple filing joint return or head of family**.....	3,000
	Dependents (each).....	300

* Married persons filing separate returns must each claim their own personal exemption of $1,500.

** Not Federal test for "Head of Household" - To qualify as Head of family, taxpayer must (1) be unmarried; (2) furnish more than half of support of dependent claimed; (3) maintain home for self and dependent; (4) exercise family control; (5) actual relationship to dependent by blood, marriage, or adoption, supported by legal or moral obligation; (6) actual dependence of person claimed as dependent, not mere economic convenience.

Nonresident individuals are allowed itemized deductions, federal income tax, and personal exemption and credit for dependents prorated by the ratio of the adjusted gross income from sources within Alabama and without Alabama. As an exception, however, casualty losses occurring to property within the State are not subject to proration.

CAPITAL GAINS AND LOSSES: Gains are taxed as ordinary income. Losses are not deductible unless incurred in trade or business transactions entered into for profit. Sale of personal residence by resident taxpayers will be treated similar to Federal law for like sales, the only exception being the new residence must be located within the State of Alabama. Taxpayers over 55 may exclude gain of up to $100,000, one time in the life of the taxpayer or spouse, on the sale of a personal residence. Capital gains distributions of mutual funds are treated as ordinary income.

PAYMENTS: Returns and tax in full due 15 April. Alabama utilizes both resident and nonresident income tax returns. Estimated tax is due from persons with net income exceeding $1,500 (or married couple with net income exceeding $3,000) not subject to withholding. It is payable in four equal installments -- 15 April, June, September and January. Taxpayers may apply for an extension of time for filing returns and paying tax. The extension, except in cases of taxpayers outside the Continental United States, shall not exceed six months.

TAX AUTHORITY: State of Alabama, Department of Revenue, Income Tax Division, Montgomery, Alabama 36130.

NOTE: The following cities impose an occupational tax on all income earned within the city, at the rates shown:

Auburn	1%
Birmingham	1%
Gadsden	2%
Mountain Brook	1%
Opelika	1%

ALASKA

No State Income Tax.

heads of household, and surviving spouses, and $60 for other individuals. A return must be filed to claim this refundable credit even if there is no liability to file otherwise.

TAX ON PREFERENCE INCOME: Schedule P (Form 540), Tax on Preference Income, must be filed if the taxpayer had items of tax preference income (accelerated depreciation, stock options, depletion, net farm loss, or capital gains) in excess of $8,000 ($4,000 if single or married filing separately) although there is no tax due.

PAYMENTS: Return and full payment due 15 April. Resident and nonresident taxpayers whose estimated tax liability will exceed by $100 ($50 if married and filing separate returns) the California income tax to be withheld from wages, may be required to file a Declaration of Estimated Tax. Filing and payment dates are the same as Federal. If a taxpayer worked for two or more employers during the tax year and had California State Disability Insurance (SDI) in excess of $114 deducted from his/her earnings, the excess deduction may be claimed as a credit against his/her income tax liability. Attach Form DE 1964 to the face of return. A balance due of $1.00 or less after taking credit for tax withheld and payment of estimated tax, need not be paid; and an overpayment of estimated tax of $1.00 or less will not be refunded unless specifically requested. There is no statute of limitations on the failure to file a tax return when required to do so. All returns required to be filed must be filed. Penalties: The late filing penalty is 5% per month (maximum 25%) of balance due; the late payment penalty is 5% of balance due plus .5% per each month unpaid (not to exceed 36 months); the penalty for failure to file after notice and demand is 25% of the tax due before withholding and other credits.

TAX AUTHORITY: State of California, Franchise Tax Board, Sacramento, California 95867.

For your information, the following are publications which focus on California tax law:

1. Guidebook to California Taxes, by Russell S. Bock. Published by Commerce Clearing House.

2. California Tax Handbook by Herbert K. Frentz. Published by Prentice-Hall.

assets held one year or less; (c) Capital loss "carry-over" permitted only for tax years beginning 1 January 1959; (d) "Capital gains distribution" of mutual funds treated as ordinary income. Federal rules concerning sale of residence are applicable; (e) Effective January 1, 1982, the percentage of gain taken into taxable income for certain "non-productive assets" held one to five years is 70% instead of 65%. "Non-productive assets" are described as gold, jewelry, objects of art, antiques, stamps, and the like. Secondly, gain realized on the sale of "small business stock" (statutorily defined) held more than three years is not taxed. Up to three years the regular percentages apply.

CREDITS: (a) Residents receive credit for income taxes paid to Alabama, Alaska, Arkansas, Colorado, Delaware, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota (except personal service income), Mississippi, Missouri, Montana, Nebraska, New Mexico, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Utah, Vermont, Virginia (on Virginia-source income), and Wisconsin. Residents paying taxes to the following states should obtain credit there for taxes paid to California, and thus, cannot credit taxes paid to such states: Arizona, District of Columbia, Guam, Indiana, Maryland, Minnesota (on personal service income), Virginia and West Virginia; (b) A tax credit of 3% of the qualified employment related expenses is allowed for child care expenses. The credit is reduced by 2% for each $100 of adjusted gross income in excess of $15,000; (c) A refundable credit may be claimed by "qualified renters." A qualified renter is an individual who, on 1 March of the taxable year, was a resident of California and on such date rented and occupied premises (other than military housing) in California which constituted his/her principal place of residence. A California resident who is absent from California on March 1 becuase of military service but rents and lives in California during 50 percent of the taxable year, including January 1 or December 31, will be considered a qualified renter. If a husband and wife file separate returns, the credit may be taken by either or equally divided between them except as noted below. If one spouse was a resident for the entire taxable year and the other was a nonresident for all or part of the taxable year, the resident spouse shall be allowed one-half of the credit allowed to married persons and the nonresident spouse shall be allowed one-half the credit allowed to married persons, prorated at the rate of 1/12th for each full month of residence. If both spouses were nonresidents for part of the taxable year, the credit allowed to married persons shall be divided equally between them subject to proration at the rate of 1/12th for each full month of residency. The amount of the credit is $137 for married couples,

Nonresidents and part-year residents are taxed as though they were residents but with the tax computed according to the ratio of California-Source adjusted gross income to adjusted gross income from all sources. For this purpose, the total income from all sources is the income that would have been subject to California tax if the taxpayer had been a California resident for the entire year.

NON-DEDUCTIBLE TAXES: (a) State, Federal or foreign income taxes; (b) Social Security withheld from wages; (c) Railroad retirement tax; (d) Federal excise taxes on tires, jewelry, furs, luggage, cosmetics, telephone service, theater admissions, and transportation tickets; (e) Irrigation or water district assessments; (f) Federal gasoline tax; (g) Liquor tax; (h) Safety deposit box tax; (i) Estate, inheritance, and gift taxes; (j) Auto registration fee (annual "registration fee" is $11 and is nondeductible, however, any balance is deductible as the in-lieu tax "license fee"); (k) Federal self-employment tax; (l) Federal stamp tax; (m) Driver's license fees; (n) State cigarette tax; (o) Hunting, fishing and dog licenses.

EXEMPTION CREDITS: The following exemption credits are deductible from the tax computed on the above rates, or from the tax as shown in the optional tax table.

Single or married filing separately	$ 40
Married couple, widow(er) with dependent child, or Head of Household	80
Blind (additional).....	13
Dependents (each).....	13

If separate returns are filed by a married couple both residents for the entire year, the $80 exemption credit must be divided equally between them. If one spouse was a resident for the entire tax year and the other was a nonresident for all or any portion of the year, the personal exemption credit of $40 deductible by the nonresident must be apportioned as explained in "DEDUCTIONS". No credit is allowed for the dependent qualifying the taxpayer as head of household.

NOTE: The personal exemption credit of nonresident military personnel is not subject to proration.

CAPITAL GAINS AND LOSSES: Same as Federal, except: (a) Different holding period and recognized percentages apply -- one year or less - 100%; over one year but not more than five - 65%; over five years - 50%; (b) Nonbusiness bad debts treated as capital

39,040 -	43,720	1,702.40	+	9%	39,040
43,720 -	48,400	2,123.60	+	10%	43,720
48,400 AND OVER		2,591.60	+	11%	48,400

SCHEDULE 3. UNMARRIED HEAD OF HOUSEHOLD

IF THE TAXABLE INCOME IS . . . OVER -	BUT NOT OVER -	COMPUTED TAX IS . . .			OF AMOUNT OVER . . .
0 -	6,250,	0.0	+	1%	0
6,250 -	9,360,	62.50	+	2%	6,250
9,360 -	11,710,	124.70	+	3%	9,360
11,710 -	14,050,	195.20	+	4%	11,710
14,050 -	16,400,	288.80	+	5%	14,050
16,400 -	18,750,	406.30	+	6%	16,400
18,750 -	21,080,	547.30	+	7%	18,750
21,080 -	23,420,	710.40	+	8%	21,080
23,420 -	25,770,	897.60	+	9%	23,420
25,770 -	28,110,	1,109.10	+	10%	25,770
28,110 AND OVER		1,343.10	+	11%	28,110

DEDUCTIONS: (a) Ordinary and necessary business expenses; (b) Interest paid; (c) State, local and foreign taxes on real property. State and local taxes on personal property. "In-lieu" portion of auto license fees. See "Non-Deductible Taxes" below; (d) Uncompensated casualty losses in excess of $100 for each casualty; (e) Bad debts (with nonbusiness bad debts treated as capital assets held one year or less); (f) Political contributions up to $100 (joint return $200); (g) Charitable contributions up to 20% of adjusted gross income. Nonitemizers may deduct 25 percent of the first $300 of charitable contributions from gross income; (h) Medical expenses same treatment as under the Internal Revenue Code; (i) Expenses incurred in production or collection of income; (j) Dues to unions and professional societies; (k) Child adoption expenses in excess of 3% of adjusted gross income (maximum deduction $500 for married taxpayers filing separate returns, $1,000 for all other taxpayers); for adoption of hard to place children the 3% limitation is eliminated but the same maximum limitations apply; (l) California does not permit the Accelerated Cost Recovery System (ACRS) for depreciation.

A standard deduction of $1,580 is allowed all taxpayers, except head of household, widow(er) with dependent child whose spouse died within the last two years, or married taxpayers filing jointly ---- $3,160.

of employer; (k) "Sick pay" in accordance with Federal law; (l) Contributions to the Retired Serviceman's Family Protection Plan (RSFPP) and/or Survivors' Benefit Plan (SBP) treated the same as Federal, including recoupment feature; (m) combat pay and certain other military compensation as defined by sections 17146.5 and 17146.8; (n) Exemption for military or civilian employees of the United States who die as a result of wounds or injuries incurred outside the United States in a terrorist or military action treated the same as federal.

1983 TAX RATE SCHEDULES

SCHEDULE 1. SINGLE TAXPAYERS AND MARRIED FILING SEPARATE RETURNS

IF THE TAXABLE INCOME IS . . . OVER-	BUT NOT OVER-	COMPUTED TAX IS . . .			OF AMOUNT OVER . . .
0 -	3,120	0.0	+	1%	0
3,120 -	5,450	31.20	+	2%	3,120
5,450 -	7,790	77.80	+	3%	5,450
7,790 -	10,160	148.00	+	4%	7,790
10,160 -	12,500	242.80	+	5%	10,160
12,500 -	14,850	359.80	+	6%	12,500
14,850 -	17,170	500.30	+	7%	14,850
17,170 -	19,520	663.20	+	8%	17,170
19,520 -	21,860	851.20	+	9%	19,520
21,860 -	24,200	1,061.80	+	10%	21,860
24,200 AND OVER		1,295.80	+	11%	24,200

SCHEDULE 2. JOINT TAXPAYERS AND SURVIVING SPOUSES WITH DEPENDENTS

IF THE TAXABLE INCOME IS . . . OVER -	BUT NOT OVER-	COMPUTED TAX IS . . .			OF AMOUNT OVER . . .
0 -	6,240	0.0	+	1%	0
6,240 -	10,900	62.40	+	2%	6,240
10,900 -	15,580	155.50	+	3%	10,900
15,580 -	20,320	296.00	+	4%	15,580
20,320 -	25,000	485.60	+	5%	20,320
25,000 -	29,700	719.60	+	6%	25,000
29,700 -	34,340	1,001.60	+	7%	29,700
34,340 -	39,040	1,326.40	+	8%	34,340

tax. Only penalties may be reduced or waived. Arkansas revenue authorities have been lenient in assessing penalties on service members who voluntarily file their delinquent income tax returns. Service members are only liable for taxes beginning with the year 1972. Prior to that time active duty pay and retirement pay were not taxable. The failure to file penalty is 4-1/2% a month to a maximum of 22-1/2%. The penalty for failure to pay is 1/2% a month to a maximum of 25%. Total penalty can reach 47-1/2% for failure to file and failure to pay. Interest is due on a delinquent return, or on returns extended by extension of time to file, at the rate of 10% per annum.

NOTE: SPECIAL EXEMPTION: Under the provisions of Acts 48 and 177 of 1977, effective 1 January 1978, the residents of Texarkana, Arkansas will not have to pay income tax on income received while residents of Texarkana. Military members whose home of record is Texarkana, Arkansas are considered residents for this purpose. A post office box does not constitute a residence. Residence must be within the city limits of Texarkana, Arkansas. A TAX RETURN MUST BE FILED.

ADDITIONAL NOTE: For tax year 1983 Arkansas has adopted the Federal Code on Individual Retirement Accounts and on Deferred Payment Plans. See tax return booklet for further details concerning these exclusions. Also for tax year beginning 1983 alimony must be reported as income, alimony paid can be taken as an income deduction adjustment.

TAX AUTHORITY: Department of Finance and Administration, Income Tax Section, P.O. Box 3628, Little Rock, Arkansas 72203.

ARKANSAS

RATES:			
	First	$ 3,000	1.0%
	Second	3,000	2.5%
	Third	3,000	3.5%
	Next	6,000	4.5%
	Next	10,000	6.0%
	Over	25,000	7.0%

Income splitting on joint returns is not permitted.

DEDUCTIONS: (a) Ordinary business expenses; (b) Interest; (c) Taxes, except Federal and Arkansas income taxes, and estate taxes; (d) Losses; (e) Bad debts; (f) Charitable contributions; (g) Medical expenses (computed same as Federal); (h) Dues to unions or professional societies; (j) Fees paid to employment agencies; (k) Alimony paid. NOTE: Moving expenses are not deductible.

Standard Optional Deduction for married persons filing separate returns or separately on the same return is 10% of gross income or $500, whichever is the lesser.

PERSONAL AND DEPENDENT CREDITS:

Individuals	$17.50
Married Couple or Head of Family	35.00
Dependents	6.00

Nonresidents are allowed personal and dependent credits and itemized deductions only to the extent that the ratio of Arkansas gross income bears to total gross income.

CREDITS: Credit is given residents for income tax paid to other states, not to exceed what tax would be on out-of-state income if added to Arkansas income and calculated at Arkansas income tax rates.

CAPITAL GAINS AND LOSSES: Taxed as ordinary income; that is, 100% of the gain. Gains from sale of personal residence are handled the same as federal except reinvestment of gain on sale of Arkansas residence must be in another Arkansas residence (Act 914, Section 3 of 1981).

PAYMENTS: Tax return and payment due 15 May. Any service member who expects his tax liability at the time of filing a return to exceed $100.00 is required to file a Declaration of Estimated Tax (AR-1000-ES) and make quarterly payments toward expected tax liability. There is no statutory authority to waive or excuse

military compensation, plus his/her own earnings. Nonresidents are taxed only on income from California sources, such as rents, royalties, sales of property, and income from business conducted in California. Nonresidents are not taxed on income from intangibles, such as dividends, interest and sales of stock. A nonresident service member stationed in California does not become a resident unless a California domicile is adopted. The spouse of a nonresident service member stationed in California is considered to be a resident for income tax purposes (however, the community interest in the military member's income is not taxable unless the military member adopts a California domicile); (b) First $1,000 of compensation for extended active duty is exempt. Extended active duty means any period of active duty pursuant to call, or order to such duty, for a period in excess of 90 days, or for any indefinite period; (c) Military compensation attributable to time spent as a POW/MIA is exempt from state taxation (exemption applies to the spouse's community interest in such income); (d) Retired service members who have elected to forfeit a portion of their retirement pay to provide a survivor's annuity and annuity payment to survivors are treated the same as under the Internal Revenue Code; (e) Nondisability retirement pay up to $1,000, reduced by 50¢ for each dollar of adjusted gross income (before exclusion) in excess of $15,000, is exempt. If taxpayer is married, the combined adjusted gross income of both spouses must be considered; where each spouse is qualified to claim this exclusion, one-half of their combined gross income is attributable to each; (f) Disability retirement pay is treated the same as under the Internal Revenue Code.

RESIDENTS: Every individual in the State for other than a temporary or transitory purpose, and every individual domiciled in the State who is outside the State for a temporary or transitory purpose. Residence continues despite temporary absence. A rebuttable presumption exists that every person spending more than nine months in the State is a resident (unless presence is due to military orders).

INCOME EXCLUSIONS: (a) Military compensation up to $1,000 for extended active duty (more than 90 days); (b) Military mustering out pay, terminal leave or unused leave pay, and educational benefits; (c) Veterans' benefits, except nondisability retirement pay; (d) Employee death benefits; (e) Life insurance proceeds; (f) Gifts, bequests and devises; (g) Annuities or endowment payments beginning prior to 1968, excess of annual payments over 3% of taxpayer's cost, until cost is recovered, thereafter fully taxable; (h) Annuities or endowment payments beginning after 1967, based on life expectancy, in accordance with Federal law; (i) Scholarships; (j) Meals and lodgings furnished for the benefit

CALIFORNIA

STATE LAW: California Revenue & Taxation Code, Sec. 17001 et seq.

TAXPAYERS: Residents are required to file California income tax returns where income is equal to or greater than:

	Gross Income	or	Adjusted Gross	or	Total Tax Preference Items Exceed
Single Person	$10,000		$ 5,000		$4,000
Married Person*	12,000		10,000		8,000

*If married taxpayers file separately, California requires them to file when the total amounts exceed amounts shown. Nonresidents are taxed only on income derived from sources in California. This is a community property state.

FILING: See "TAXPAYERS". If these requirements are met an income tax return must be filed although tax may not be due. A return must be filed to recover taxes withheld, payments of estimated tax in excess of tax liability, and to claim rent credit, if qualified. A nonresident or part-year residents must file a return if any tax is due irrespective of the amount of income to be reported. A joint return may not be filed if one spouse was a resident for the entire tax year and the other was a nonresident for all or any part of the year, unless one or both spouses were in the military service during the tax year. A married couple who anticipate filing jointly on the Form 540NR (nonresident or part-year resident form) may find it advantageous, when the spouse has his or her own income from California sources and the military member isnot a legal resident of California, to compute their tax liability using the resident return (Form 540 or 540A) and the filing status of married filing separately, and list only the spouse's income. This procedure could result in a net savings to the couple in taxes owed, especially where there is a great disparity between the spouse's income and the military member's income.

MILITARY PROVISIONS: (a) Service members who are legal residents of California but maintain a place of abode in another jurisdiction are subject to taxation. However, residents who leave the State under permanent change of station orders are considered as nonresidents for income tax purposes at the time of departure. All income received or accrued to date of departure is taxable. If pursuant to a permanent change of station, a California domiciliary service member becomes a nonresident (for tax purposes) but his/her spouse remains in California, the spouse is taxable on one-half of the community income, including taxable

ARKANSAS

Forms mailed to an Arkansas address are sent via bulk mail and are not forwarded automatically by the Postal Service. Taxpayers filing with an address outside Arkansas will receive their forms by first class mail. Anyone who has not received a booklet by mid-February should write or contact Income Tax Forms, P.O. Box 3628, Little Rock, Arkansas 72203.

MILITARY PROVISIONS: (a) Arkansas imposes an income tax on service members who are residents of Arkansas but maintain an abode elsewhere. The first $6,000 of service pay or allowances of members of the Armed Forces, and the first $6,000 of retirement pay received by retired members of the Armed Forces or their surviving spouses are exempt from Arkansas taxation. This does not exempt members from filing Arkansas income tax returns; (b) Disability benefits received by disabled veterans are exempt from taxation; (c) Benefits derived under the G. I. Bill resulting from active service in the Armed Forces are excluded; (d) There are no specific exemptions relating to military pay or tax liability of military members who are POW/MIA (or their spouses); (e) Overseas assignment does not exempt one from filing.

RESIDENTS: Sec. 84-2001(1) defines resident as any person domiciled in Arkansas and any other person who maintains a permanent place of abode within Arkansas and spends more than six months of the tax year within Arkansas. Nonresident is defined as any person domiciled outside Arkansas, or who maintains a permanent place of abode outside Arkansas and spends more than six months of the tax year outside Arkansas. However, a person does not lose his/her residence in Arkansas because of military service. Unless specifically designated otherwise, wives of servicemen are assumed to have the same residence as their husbands.

INCOME EXCLUSIONS: (a) Life insurance proceeds; (b) Return of premiums on life insurance; (c) Gifts and devises, except income from such property; (d) Interest upon obligations of the United States, its possessions, the District of Columbia, or the State of Arkansas or any political subdivision thereof; (e) Proceeds from accident and health insurance; (f) Workman's compensation and damages; (g) Pension and annuity benefits until contributions are exceeded; (h) Child support payments; (i) First $6,000 of retirement annuities received by retired Federal, State, County or City employees through Federal, State, County and Municipal operated retirement systems. In the case of husband and wife, the combined exemption for annuity income shall not exceed $6,000 per year. The first $2,000 for tax year 1984 received from a private retirement plan established by an employer is exempt.

ARKANSAS

STATE LAW: Arkansas Statutes, 1947, 84-2001 et seq.

TAXPAYERS: All residents who, if single, have gross income in excess of $3,000; or married filing jointly, with no dependent children, whose gross income exceeds $4,000; or married couple filing jointly, with one dependent child, whose gross income exceeds $4,500; or married couple filing jointly, with two or more dependent children, whose gross income exceeds $5,000. A nonresident who derives income from Arkansas must file an Arkansas income tax return. If a non-resident military taxpayer or spouse earns income within the State of Arkansas (other than military income) an Arkansas tax return must be filed reporting the Arkansas income.

FILING: See "TAXPAYERS". If requirements are met, a return must be filed although no tax is due. Due date 15 May.

Extension of Time to File: Act 403 of 1981 allows a taxpayer to use a Federal Extension on the Arkansas return. If a Federal automatic extension of time has been granted, that extension (Federal Form 4868) may apply for the same period of time (April 16 to August 15) to the filing of an Arkansas return. To qualify, an executed copy of Federal Form 4868 must be attached to the Arkansas return. If an additional extension of time has been granted for filing a Federal return on Federal Form 2688, this too will be honored on the Arkansas return for the same period of time granted by the Internal Revenue Service. An executed copy of this Form 2688 must also be attached to the face of the Arkansas return.

If a Federal extension has not been obtained, a request must be made on an Arkansas Form AR-1055. This request must be mailed before the filing date and approved by the Manager, Income Tax Section, P.O. Box 3628, Little Rock, Arkansas 72203 and attached to the return when filed.

Section 27 of Act 401 of 1979 requires, in part, that the date of the postmark as stamped by the United States Postal Service shall be deemed to be the date of delivery.

Withholding: Act 917 of 1981 provides for the withholding of State Income Tax on all military personnel whose home of record is the State of Arkansas. All Arkansas residents in the Armed Forces should make provisions to have proper withholding taxes deducted on their military pay. The first $6,000 of military pay is not subject to Arkansas taxation although a return is required to be filed.

Forms: A tax booklet with forms is mailed to each taxpayer who filed an Arkansas return the previous year. They are mailed to the address on the previous year return.

ARIZONA

EXEMPTIONS:	1981 ONLY	1982 ONLY	1983 ONLY	1984 ONLY
Single person	$1,589	$1,729	$1,759	$1,834
Couple or Head-of-Household	3,178	3,458	3,518	3,668
Blind - (additional)	795	865	880	917
Dependents (each)	954	1,038	1,056	1,100
Taxpayer over 65 years	1,589	1,729	1,759	1,834
Taxpayer's spouse over 65 years	1,589	1,729	1,759	1,834

CREDITS: Tax credit for net income taxes paid to another state is allowable provided the other state does not allow a tax credit for income taxes paid to Arizona. Others; see instructions.

PAYMENTS: Return and tax payment due 15 April. Arizona utilizes both resident and nonresident income tax returns. Individuals are required to pay estimated taxes for tax years beginning from and after 31 December 1982 through 31 December 1984, if 10% of the individual's Federal income tax liability is $1,000 or more (excluding income exempt from Arizona taxation). If this applies, Arizona estimated tax payments are required to be remitted in the amount of 10%, 15% or 20% of the amount paid to the U.S. Internal Revenue Service. Payments for Calendar years filers are due on or before 15 April; 15 June; 15 September and 15 January (of the following year). Payments for Fiscal year taxpayers, follow the same rules, but make the first payment for current fiscal year by the 15th day of the 4th month of the fiscal year. Later installment payments are due on the 15th day of 1st month after the end of the fiscal year. Failure to pay the required amount of estimated Arizona income tax liability on or before the dates prescribed may result in a penalty of 16% per year on the unpaid estimated tax until that payment is received. Federal exemptions to the estimated tax requirement (Form 2210) will apply for Arizona purposes.

NOTE: Military members who are delinquent in filing Arizona income tax returns ordinarily will be required to file returns for four consecutive calendar years prior to the current year plus the current year inclusive if such delinquencies are not the result of willful intent. The question of any waiver or penalties is referred to the Director of the Arizona Department of Revenue for action.

TAX AUTHORITY: Arizona Department of Revenue, Division of Taxation, West Wing State Capitol, Phoenix, Arizona 85007.

care of dependents enabling taxpayer to be employed, but inapplicable if all taxpayers in the household receive over $6,000; (f) Trade or business expenses; (g) Interest; (h) Federal income tax; (i) Other taxes, ex ɜpt other states and foreign income, inheritance, legacy, gift or special taxes increasing the value of property; (j) Dividends from corporations which do over 50% of the business of the corporation in Arizona; Other; See instructions for Form 140.

RATES: TAXABLE INCOME

Single or Married Filing Separately

at least	but less than		
$ 0 -	$1,061	at 2% of the amount	
1,061 -	2,122	- 3% of the amount less	$ 11
2,122 -	3,183	- 4% of the amount less	32
3,183 -	4,244	- 5% of the amount less	64
4,244 -	5,305	- 6% of the amount less	106
5,305 -	6,366	- 7% of the amount less	159
Over	6,366	- 8% of the amount less	223

Married Filing Jointly or Head of Household

at least	but less than		
$ 0 -	$2,122	at 2% of the amount	
2,122 -	$ 4,244	- 3% of the amount less	$ 21
4,244 -	6,366	- 4% of the amount less	32
6,366 -	8,488	- 5% of the amount less	127
8,488 -	10,610	- 6% of the amount less	212
10,610 -	12,732	- 7% of the amount less	318
Over	$12,732	- 8% of the amount less	445

Standard Optional Deduction is $917 or 18% of adjusted gross income, whichever is less, for a single person. For a married couple filing jointly, it is $1,834 or 18% of the adjusted gross income whichever is less.

ARIZONA

STATE LAW: Revised Statutes, 1978, Sec. 43-101 et seq.

TAXPAYERS: Residents and those persons deriving income from Arizona sources, who if single have an Arizona adjusted gross income of $1,834 or over, or a gross income of $5,000 or over, or who, if married filing jointly have an Arizona adjusted gross income of $3,668 or over, or a gross income of $5,000 or over. This is a community property state.

FILING: See "TAXPAYERS". If the requirements are met, an Arizona income tax return must be filed although tax may not be due. Certain amounts shown for taxpayers subject to inflation indexing for each tax year.

MILITARY PROVISIONS: (a) First $1,000 of compensation for active duty service as members of the Armed Forces of the United States is exempt from Arizona taxation; (b) Military members outside the United States may defer filing tax returns or paying tax until returning to the United States or discharge. The taxpayer may request in writing to the Income Tax Audit Section that the delay be disregarded citing the circumstances. If approved, penalty and interest will be waived; (c) Disability income is excludable up to $100 per week reduced dollar for dollar by the amount of adjusted gross income over $15,000; (d) Combat pay is taxable.

RESIDENTS: (a) Every individual in Arizona for other than temporary or transitory purposes, and (b) Every individual domiciled in Arizona who is outside the State for temporary or transitory purposes. Residents, including military members, who leave Arizona for a temporary or transitory stay are considered to be residents during their absence and are subject to Arizona income tax regardless where stationed or the period of absence from the State pursuant to military orders unless a permanent residence is established elsewhere.

INCOME EXCLUSIONS: See instructions for Form 140.

RATES: See new Tax Rates Schedules X or Y. Optional Tax Table for Arizona adjusted gross income below $20,000 for single and $40,000 filing jointly.

DEDUCTIONS: (a) Uncompensated casualty losses; (b) Wagering losses to extent of gains; (c) Adoption expenses exceeding 5% of gross income, not to exceed $1,250 on a single return or $2,500 on a joint return; (d) Medical expenses deduction is unlimited if properly substantiated; (e) Expenses up to $100 per month for

COLORADO

STATE LAW: 39-21-101 through 39-21-119, 39-22-101 through 39-22-803 CRS, 1973, as amended.

TAXPAYERS: Colorado income tax returns are required of the following if Colorado adjusted gross income exceeds the indicated amounts, regardless of tax liability:

Full-year residents:

Single	$2,620
Single and over 65	3,820
Married, filing jointly	3,820
Married and either over 65, filing jointly	5,020
Married and both over 65, filing jointly	6,220
Married, filing separately	1,200
Married and over 65, filing separately	2,400

Part-year residents: $100.00 per month of residence.

Nonresidents: Prorated personal exemption.

FILING: See "TAXPAYERS". Military members meeting these requirements generally, must file a Colorado income tax return although tax may not be due.

MILITARY PROVISIONS: (a) Service members who are domiciliaries (legal residents) of Colorado and maintain an abode outside Colorado are taxed as residents. Colorado uses the military "home of record" to determine the residency unless sufficient evidence is submitted to prove otherwise; (b) Tax liability of service members who are POW/MIA (and spouses) is postponed until 180 days after such members are recovered; (c) Contributions to the Retired Serviceman's Family Protection Plan (RSFPP) and/or Survivors' Benefit Plan (SBP), and sick pay exclusion on early retirement, are treated the same as under the Internal Revenue Code; (d) Disability retirement income is not taxable. Nondisability retirement income is taxable subject to the following exclusions: (1) For persons who have not reached the age of 55 by the close of the tax year, the exclusion is limited to $2,000. (2) For persons who have reached the age of 55 by the close of the tax year, the exclusion is limited to $20,000 (effective 1982 and thereafter).

Any amounts excluded for Federal income tax purposes will be exempt for Colorado purposes. Returns are due at the same time as Federal, including extensions provided for in the Internal Revenue Code. Colorado law no longer permits deferred filing of income tax returns by military personnel.

COLORADO

The only deferment is for military members in a designated combat zone. There is no exemption for the income of a military member's spouse if the member is a Colorado resident, or if the income is earned in Colorado. It is departmental policy to allow a nonresident military spouse to file as a resident (or as a part-year resident) if the spouse files a separate return and does not claim more than the spouse's proportionate share of the deductions.

RESIDENTS: The term "resident" means: (a) Every individual who is in Colorado for other than temporary or transitory purposes; (b) Every individual who is domiciled in Colorado; (c) Every individual domiciled within Colorado but who is outside the State for a temporary or transitory purpose. A person who is a resident of Colorado does not terminate the residency upon entering the United States Armed Forces. A person transferred into Colorado under military orders is not deemed to be a resident solely because of such transfer.

RATES:

First	$1,420	3.0%	Seventh	$ 1,420	6.0%
Second	1,410	3.5%	Eighth	1,410	6.5%
Third	1,420	4.0%	Ninth	1,420	7.0%
Fourth	1,410	4.5%	Tenth	1,410	7.5%
Fifth	1,420	5.0%	Over	14,150	8.0%
Sixth	1,410	5.5%			

NOTE: The tax table is for adjusted gross incomes up to $20,000 but their use for incomes over $10,000 is optional. Income splitting on joint returns is not permitted. There is an additional surtax of 2% on all interest and dividends in excess of $15,000.

INCOME: Income reported on the Federal tax return must be reported to Colorado, with the following modifications:

Subtract -- (a) Federal bond interest; (b) All pension and annuity income up to $20,000 per taxpayer; (c) First $200 ($400 joint) interest income; first $200 ($400 joint) dividend income - minus federal interest and dividend exclusion.

Add -- Non Colorado Municipal bond interest.

DEDUCTIONS: Federal income tax deductions are, with modifications, allowed with either itemized or standard deductions. Deductions are built into the tax tables if the standard deductions are used. Itemized deductions allowed in determining net income are the dollar amounts claimed on the Federal return reduced by any state income taxes paid. An additional deduction is allowed for Federal income tax as accrued. Nonresidents and part-year residents must apportion Federal income tax.

COLORADO

Standard deduction is Federal income tax liability plus $1,420, or $710 for a married person filing separately.

Beginning in 1978, Colorado permitted taxpayers to itemize deductions on Colorado returns even if they did not do so for Federal income tax purposes.

EXEMPTIONS: $1,200 per person exemption. An additional exemption of $1,200 is allowed for mentally retarded dependents (defined as having an I.Q. of less than 75 as certified by a physician or psychologist). Part-year residents are allowed $100.00 per month of residence for each allowable exemption.

CREDITS: Residents receive credit for income taxes paid to other states, subject to certain limitations. Residential energy credit adopted for years beginning on or after 1 January 1980.

PAYMENTS: Return and tax due 15 April. Colorado Form 104PN is for use by both part-year residents and nonresidents. Estimated tax returns are required if future tax not withheld is expected to exceed $1,000. Estimated tax payments are due in four equal installments on 15 April, June, September, and January.

Delinquent filing penalty is 5% of the balance of tax due for the first month plus 1/2% for each additional month, not exceeding 12%, in the aggregate. Delinquent payment penalty is 5% of the balance of tax due for the first month plus 1/2% for each additional month, not exceeding 12%, in the aggregate. If both penalties apply, then only the larger will be asserted. Minimum penalty in either case is $5.

Colorado has no provision for forgiveness of past unpaid taxes upon voluntary filing of a current return by military members. However, the Department of Revenue does have the authority to compromise the total amount of tax, penalty, and interest due. Once all delinquent returns are filed and the total amount due is determined, any reasonable offer of a compromise settlement will be considered.

SPECIAL PROVISIONS: For the 1984 tax year, each taxpayer's form contains designations for contribution to the Colorado Nongame Wildlife Program, the Colorado Domestic Abuse Program, and the United States Olympic Committee Program through a decrease in refund or increase in payment due.

TAX AUTHORITY: State of Colorado, Department of Revenue, 1375 Sherman Street, Denver, Colorado 80261. Toll Free: 1-800-332-2086.

CONNECTICUT

STATE LAW: General Statutes of Connecticut, Title 12, Chapter 224, as amended.

NOTE: Connecticut has no personal income tax, but has a tax on: (1) Dividends taxable for Federal income tax purposes; (2) All net gains from the sale or exchange of capital assets over and above allowable exemptions; (3) Interest including out-of-state municipal bonds.

TAXPAYERS: Taxpayer is defined as husband and wife both of whom are residents of Connecticut and who file for the tax year a single Federal income tax return jointly; and each and every other individual resident who has earnings subject to the tax (Sec. 12-505). Fiduciaries are liable for the filing of the decedant's tax return.

FILING: (1) Taxpayers who receive dividend and/or interest income and have a Federal adjusted gross income of $50,000 or more, and/or (2) have a net gain in excess of $100, or in the case of a husband and wife filing jointly have a net gain in excess of $200. No tax return need be filed nor any tax paid if the tax liability is less than $10.

Capital gains Tax is 7%.

Income brackets and applicable tax rates for Interest and Dividends are:

Adjusted Gross Income	But Less Than	Rate
$ 50,000	$ 60,000	6%
60,000	70,000	8%
70,000	80,000	10%
80,000	100,000	12%
100,000	---	13%

MILITARY PROVISIONS: (a) Service members who are domiciled in Connecticut but maintain an abode in another jurisdiction are subject to taxation if they spend an aggregate of more than thirty days in Connecticut; (b) Treatment of tax liability of military members who are POW/MIA (and their spouses) is the same as under the Internal Revenue Code; (c) Service members have the same filing requirements as other taxpayers.

EXCLUSIONS: (1) Dividends and interest to the extent the taxpayer's adjusted gross income is less than $50,000; (2) Interest from direct obligations of the U.S. Government, State of Connecticut and its political subdivisions; (3) Capital gains on

notes, bonds, or other obligations of Connecticut, political subdivisions thereof, or their respective agencies or instrumentalities; (4) Any shareholder in a small business corporation, as defined in section 1371 of the Internal Revenue Code, which corporation has made an election not to be subject to tax as a corporation under the Federal income tax in accordance with section 1372 of the Internal Revenue Code, shall not be subject to tax under section 12-506 of the general statutes with respect to any gains from the sale or exchange of capital assets, as defined in section 12-505, included in the income of such corporation for purposes of determining the tax imposed on such corporation under chapter 208 of the general statutes. (5) Filing and payment of the Capital Gains and Dividends Tax is not required if the amount of the obligation is under $10.

EXEMPTIONS: (1) Dividends (see "EXCLUSIONS"); (2) Capital gains:

Individuals	$100
Blind	100
Over 65	100

Spouses filing a joint return, or any other taxpayer, are allowed an additional exemption of the gain realized from the sale or exchange of a residence owned and occupied by either spouse, or other taxpayer, for at least five of the past eight years immediately preceding the date of sale provided either or both spouses, or other taxpayer, had attained the age of 65 on the date of sale. The exemption once claimed is not available for future sales. Neither capital gains nor loss from Connecticut obligations is recognizable.

PAYMENTS: Return and payment due on or before the 15th day of the 4th month following the close of the tax year.

NOTE: There is no statutory authority for waiving the requirement for filing delinquent returns. The waiver of any penalties is decided on an individual basis. If the circumstances justify, a time payment plan may be arranged.

For years commencing on or after January 1, 1983, a taxpayer must file an estimated return by the 15th day of the 6th month if the taxpayer can reasonably expect that the dividends and interest tax due will exceed $200. If the requirements are first met after the 6th month of the income year but before the 12th month, the declaration is to be filed on or before the 15th day of the 12th month of the income year. An estimated tax payment for the interest income liability is not required for the 1983 year only.

CONNECTICUT

For years beginning January 1, 1984, the taxpayer must file an estimated return by the 15th day of the 6th month if the taxpayer can reasonably expect that the dividend and interest tax due will exceed $200. If the requirements are first met after the 6th month of the income year, but before the 12th month, the declaration is to be filed on or before the 15th day of the 12th month of the income year.

Ordinary gains reported on Federal Form 4797 are taxable if they are in excess of the statutory exemption.

TAX AUTHORITY: State of Connecticut, Commissioner of Revenue Services, Hartford, Connecticut 06105.

DELAWARE

STATE LAW: Delaware Code, Title 30, Chapter 11 et seq.

TAXPAYERS: Residents and nonresidents receiving income from sources within Delaware with a gross income in excess of $600, or a married couple with a gross income in excess of $1,200.

FILING: See "TAXPAYERS". Persons meeting this definition generally, must file a Delaware income tax return although tax may not be due.

MILITARY PROVISIONS: (a) Service members who are legal residents of Delaware but maintain an abode outside the State are required to file Delaware income tax returns; (b) Delaware taxable income is based on Federal adjusted gross income; therefore, Federal provisions which exclude military pay apply for Delaware income tax purposes; (c) Disability, nondisability, and such sums forfeited to provide a survivor's annuity are treated the same as under the Internal Revenue Code.

RESIDENTS: A resident is defined as an individual (1) who is domiciled in Delaware to the extent of the period of such domicile, provided, however, an individual who (a) is present in a foreign country or countries for at least 495 full days in any consecutive 18 month period, and (b) during such period of 18 consecutive months is not present in Delaware for more than 45 days, and does not maintain a permanent place of abode in this State at which his/her spouse, children or parents are present for more than 45 days, and (c) is not an employee of the United States, its agencies or instrumentalities (including members of the Armed Forces) shall not be considered a resident of this State during such period; or (2) who maintains a place of abode in Delaware and spends in the aggregate more than 183 days of the tax year in Delaware.

NOTE: Income earned in Delaware by the spouse of a service member is taxable in full. The spouse is entitled to her/his own personal exemption and may not claim her/his spouse as an exemption or dependent. Other dependents may be claimed by the spouse providing over 50% of their support.

INCOME EXCLUSIONS: Same as Federal, which includes (a) Life insurance proceeds; (b) Inheritances and gifts; (c) Interest on obligations of the United States, Delaware, or District of Columbia, but not other states; (d) Compensation for injuries sustained while on active duty in the Armed Forces; (e) G.I. Bill Benefits; (f) Social Security Act payments to children or the aged.

DELAWARE

RATES: TAXABLE INCOME

Over	Not Over	Rate		
$....	1,000...	1.4%		
1,000	2,000...	$ 14.00 + 2.0%	over	1,000
2,000	3,000...	34.00 + 3.0%	over	2,000
3,000	4,000...	64.00 + 4.2%	over	3,000
4,000	5,000...	106.00 + 5.2%	over	4,000
5,000	6,000...	158.00 + 6.2%	over	5,000
6,000	8,000...	220.00 + 7.2%	over	6,000
8,000	10,000...	364.00 + 8.0%	over	8,000
10,000	15,000...	524.00 + 8.2%	over	10,000
15,000	20,000...	934.00 + 8.4%	over	15,000
20,000	25,000...	1,354.00 + 8.8%	over	20,000
25,000	30,000...	1,794.00 + 9.4%	over	25,000
30,000	40,000...	2,264.00 +11.0%	over	30,000
40,000	50,000...	3,364.00 +12.2%	over	40,000
50,000	and over...	4,584.00 +13.5%	over	50,000

INCOME: The taxable income of a Delaware resident is his/her Federal adjusted gross income (as defined in the Internal Revenue Code) with the following modifications:

Subtract - (a) Interest or dividends on obligations of the United States, its territories and possessions, or any authority, includable in gross income for Federal income tax purposes, but exempt from state income tax under the laws of the United States; (b) Retirement income exclusions of $2,000 ($4,000 if joint return) if individual is totally and permanently disabled or over 60 years of age and does not have more than $2,500 earned income ($5,000 if joint return) or more than $10,000 adjusted gross income ($20,000 if joint return) for the tax year; (c) Pension income (not to exceed $2,000) received from employers, United States, or Delaware; (d) Social Security benefits included in federal adjusted gross income. (Senate Bill 278, approved January 26, 1984).

Add - Interest or dividends on obligations or securities of any state, political subdivision or authority thereof (other than the State of Delaware, its political subdivisions and authorities).

DEDUCTIONS: (a) Income taxes paid to the United States, but not to exceed $300 on a separate return, or $600 on a joint return; (b) If a resident itemizes deductions for Federal income tax purposes, in lieu of the standard deduction, he/she may itemize deductions for Delaware income tax purposes, reduced by: (1) income taxes paid to Delaware; (2) any income tax imposed

for the tax year by another state of the United States, a political subdivision thereof, or the District of Columbia, on income derived from sources therein if he/she elects to take such amount as a credit; (3) any charitable contribution in excess of 20% of Federal adjusted gross income as modified. If one spouse elects to itemize deductions, both must itemize.

The standard deduction is 10% of adjusted gross income, but limited to $1,000 on a joint or single return, or $500 if married filing separately.

EXEMPTIONS:		
	Individual	$600
	Spouse	600
	Over 65 or blind	600
	Dependents (each)	600

CAPITAL GAINS AND LOSSES: Capital gains are taxable in the same manner as under the Internal Revenue Code (no adjustment required on the Delaware income tax return).

CREDITS: A Delaware resident is allowed a proportional credit against his/her Delaware taxes for the amount of any income tax imposed on him/her and paid to another state on income derived from the other state during the tax year and included in his/her Delaware income tax return.

PAYMENTS: Return and payment in full due 30 April. Declaration and payment of estimated tax is the same as the Federal declaration and payments.

TAX AUTHORITY: Division of Revenue, 820 French Street, Wilmington, Delaware 19899.

DISTRICT OF COLUMBIA

STATE LAW: D.C. Code Sec. 47-1801 et seq.

FILING: Returns are now required when gross income exceeds sum of allowance for personal exemptions plus applicable zero bracket amount. Returns of married persons, filing separately, are required when gross income exceeds personal exemptions.

If these requirements are met, a District of Columbia income tax return must be filed although tax may not be due.

MILITARY PROVISIONS: (a) Service members who are legal residents of the District of Columbia but maintain an abode in another jurisdiction are subject to taxation; (b) There are no specific exemptions relating to military pay or to tax liability of military members who are POW/MIA (and their spouses). However, persons outside the United States subject to taxation may, upon written application and good cause shown, receive a twelve-month delay from due date for filing and payment of tax. Persons within the United States may similarly obtain up to a six-month delay. Interest at 1 1/4% per month on unpaid tax is collected. A letter from the Revenue Division (5 December 1964) states, "This division will follow its established policy of leniency in the waiver of penalty and interest in the case of volunteers."; (c) Disability pay is not taxable; (d) Survivor's annuity is taxable to the survivor; (e) Filing requirements for military members are the same as for other taxpayers.

RESIDENTS: Resident is defined as every person domiciled in the District of Columbia at any time during the calendar year and every individual who maintains an abode in the District of Columbia for more than 183 days, whether or not domiciled in the District. Persons residing in the District claiming status of "nonresident", or nonresidents seeking a refund of District taxes withheld, must file Form D-40B, D.C., Nonresident Request for Refund and Ruling. Persons who file part-year returns must pro-rate exemptions and the zero bracket amount. A District resident, who, on or before 31 December, changes his/her domicile to another jurisdiction is taxable for that part of the calendar year during which he/she was a bona fide domiciliary of the District. An individual who, during the calendar year, acquires a domicile in the District is taxed on the amount of gross income received after the date he/she became a bona fide District domiciliary.

DISTRICT OF COLUMBIA

Gross Income and Adjusted Gross Income. Conforms with Internal Revenue Code Sections 61 and 62 with modifications to exclude interest on federal and municipal obligations, income tax refunds, income reported on other D.C. returns, and the 2-wage earner married couple adjustment (marriage penalty correction). Keough and IRA contributions are now allowable as adjustments to gross income, and the 3% rule for reporting pensions and annuities no longer exists. The Disability Income Exclusion repealed by the Internal Revenue Service is still allowable for District purposes. Further, no portion of social security benefits is subject to taxation.

RATES: TAXABLE INCOME

Over	Not Over	Rate
.....	$ 1,000	2%
$ 1,000	2,000	$ 20 plus 3% of excess over $ 1,000
2,000	3,000	50 plus 4% of excess over 2,000
3,000	4,000	90 plus 5% of excess over 3,000
4,000	5,000	140 plus 6% of excess over 4,000
5,000	10,000	200 plus 7% of excess over 5,000
10,000	13,000	550 plus 8% of excess over 10,000
13,000	17,000	790 plus 9% of excess over 13,000
17,000	25,000	1,150 plus 10% of excess over 17,000
Over	25,000	1,950 plus 11% of excess over 25,000

DEDUCTIONS. Individuals, estates, and trusts are now allowed the same deductions permitted by the Internal Revenue Code (as of 8-13-81) except for deductions of income taxes, D.C. franchise tax and carryovers of contributions made prior to January 1, 1982.

Zero Bracket Amount. (Replaces previous standard deduction based on percentage of AGI).

$1,000 - Single individual, head of household, joint returns of husband and wife.

$ 500 - Married, filing separately.

EXEMPTIONS:

Individual	$ 750
Married couple filing jointly ..	1,500
Head of Household.....	1,500
Blind or over 65 (taxpayer or spouse) (additional).....	750
Each dependent	750

DISTRICT OF COLUMBIA

If the spouse of a military member is a resident of the District of Columbia and the military member is not, a personal exemption of $750 is allowable to a married person filing separately.

CAPITAL GAINS AND LOSSES: Same general treatment as under the Internal Revenue Code, including cost basis, amount realized, and amount recognized.

TAX CREDIT: Residents are allowed a credit for income taxes required to be paid and in fact paid to any state, territory or possession of the United States, or political subdivision thereof upon income attributable to such jurisdiction which is also subject to tax in the District. The credit shall not exceed the proportion of the tax due the District that the individual's gross income received by him/her subject to tax in the other jurisdiction bears to his/her adjusted gross income subject to taxation in the District.

A credit equal to 50% of campaign contributions for the District of Columbia or national office is allowed up to a maximum of $100 on a joint return and $50 on all others.

Child-Care Credit. Credit allowable on full year returns is 30% of federal credit. Part-year taxpayers will compute credit in the same manner as in prior years.

NOTE: With respect to delinquent returns, the Associate Director for Tax Administration of the District of Columbia, Department of Finance and Revenue, in a letter dated March 30, 1976, advised that: "On an individual basis, consideration will be given upon request to payment schedules, waiver of penalty and interest, and abatement of prior year taxes" but that "criminal prosecution will be considered for long-term tax delinquents who are identified through our compliance programs."

TAX AUTHORITY: Government of the District of Columbia, Department of Finance and Revenue, Municipal Center, 300 Indiana Avenue, N.W., Washington, D.C. 20001.

FLORIDA

STATE INCOME TAX:

Florida income tax is limited in its application to corporations and other artificial entities. The tax does not extend to "natural persons". There is, therefore, no income tax consequence to an individual resident of Florida and no required withholding for state income tax purposes.

STATE INTANGIBLE PERSONAL PROPERTY TAX:

In Florida, intangible personal property including, but not limited to, stocks, bonds, beneficial interest in trust, loans, notes and accounts receivable are subject to an annual tax of one mill (one dollar per thousand dollars of property value) as of January 1 of the tax year. The tax must be paid by June 30; and becomes delinquent on or after July 1. Discounts for early payment are January 1 through April 1, 4%; May 1 through May 31, 2%; no discount is allowed for payments made in June.

Cash, certificates of deposit, annuities and the cash surrender value of life insurance which were previously taxable are exempt.

The Legislature of Florida provides a $20,000 property exemption for natural persons, a double exemption for husband and wife filing a joint return. A taxpayer must owe $5 before being required to pay a tax.

In addition to the above, there is a nonrecurring tax of two mills (two dollars per thousand dollars of value) on notes, bonds and other obligations for payment of money which are secured by mortgage, deed of trust, or other lien upon real property situated in the State which is due and payable at the time of recording.

Interested personnel should direct their inquiries to the Florida Department of Revenue, Taxpayer Assistance Section, Carlton Building, Tallahassee, Florida 32301.

GEORGIA

STATE LAW: Title 48 - Official Code of Georgia Annotated

TAXPAYERS: All residents and nonresidents deriving income within the State, who, if single, had a Federal adjusted gross income, less certain additions and deductions, of more than $1,500, or who, if married and filing jointly, had a gross income of more than $3,000.

FILING: See "TAXPAYERS". If a Federal income tax return is filed, a Georgia income tax return must be filed although there may be no tax liability. When husband and wife file a Federal joint income tax return, a Georgia joint income tax return is required. See MILITARY PROVISIONS for military couple exception.

MILITARY PROVISIONS: (a) Service members who are legal residents of Georgia and maintain a place of abode in another jurisdiction are subject to taxation and must report their entire income, regardless where earned, unless specifically exempt under Georgia law; (b) Tax liability of service members (and their spouses) who are POW/MIA are treated the same as under the Internal Revenue Code; (c) Disability retirement pay is treated the same as under the Internal Revenue Code. Nondisability retirement pay is taxable to the resident taxpayer when received, regardless where earned; (d) Pay of retired service members who have elected to forfeit a portion of their retirement pay to provide an annuity for their survivors, and the survivor's annuity, are treated the same as under the Internal Revenue Code; (e) Nonresident service members are not required to file a Georgia income tax return unless they have earned income from sources other than military pay. Under such circumstances, Georgia Form 500 is required to be filed with page 2, Schedule 5, completed. A married nonresident with income earned in Georgia may file either a separate return claiming himself/herself only, or a joint return claiming total personal exemption and credit for dependents. An extension of time for filing a Georgia income tax return may be granted up to six months to military members returning from service outside the Continental United States; (f) If one member of a military couple (i.e. husband and wife both on active duty) is a Georgia resident and the other spouse is a resident of a different state, the Georgia resident should file as "Married Filing Separately". Include a statement with your return explaining that the non-resident spouse's income is not subject to Georgia taxation because of the Soldiers' and Sailors' Civil Relief Act.

RESIDENTS: Under the Georgia Income Tax Act, a person who is or has become a resident of Georgia continues to be a resident for

INDIANA

Add -- (a) An amount equal to any deduction taken from Federal gross income for state and local taxes paid; (b) An amount equal to any deduction taken for interest from an All-Saver's Certificate; (c) An amount equal to any deduction taken on the federal return for the "marriage penalty;" (d) An amount equal to the ordinary income portion of "lump sum" distributions.

DEDUCTIONS: Unreimbursed business expenses incurred by military members must be deducted on the Indiana tax return under a proration formula, i.e., the portion of business expenses allowable for Indiana purposes is the total expenses multiplied by the percentage ratio of the military income taxable to Indiana compared to the total military income. For example, a service member with $4,000 military income would, after the $2,000 exclusion, have only $2,000 in military income taxable by Indiana, or 50% of his business expenses for Indiana tax purposes. Income subject to tax in a non-Indiana city, county or other such district qualifies for the Non-Indiana Locality Earnings Deduction. The allowable deduction is the actual amount of income received which is taxable to a non-Indiana political subdivision or $2,000, whichever is less. To qualify you must be an Indiana resident. You may not claim income taxable to another state, only a locality within another state.

EXEMPTIONS: Personal and Dependent: A taxpayer is allowed a $500 exemption for each exemption he/she is entitled to claim for Federal purposes. This includes extra exemptions claimed for age over 65 and/or blindness. Income Exemptions: Any taxpayer and/or spouse with separate taxable Indiana income over $1,000 may claim the maximum $500 income exemption. If the taxable income is under $1,000, but over $500, the allowable income exemption would be the amount over $500. For example, if the taxable income is $850, the income exemption would be $350. Over 65 Exemption: In addition to the personal exemptions, a taxpayer and/or spouse may claim another $500 each, if age 65 or over.

Nonresident and part-year resident taxpayers, including military members and their families, must reduce their total amount of deductions for exemptions to an amount which bears the same ratio to the total exemptions as the taxpayer's income taxable in Indiana bears to his total income.

CAPITAL GAINS AND LOSSES: Same as under the Internal Revenue Code.

CREDITS: An Indiana resident who derives income from another state and pays tax to both Indiana and the other state, will

INDIANA

STATE LAW: Indiana Adjusted Gross Income Tax Act of 1963, as amended.

TAXPAYERS: Every resident with a gross income in excess of his/her total Indiana exemptions; every nonresident with a gross income from an Indiana source.

FILING: Service members who are legal residents of Indiana are required to file Indiana income tax returns regardless of the period of absence from the State. Married persons may file joint or separate returns; however, the same method must be used for Indiana as for Federal.

MILITARY PROVISIONS: (a) Service members who are legal residents of Indiana and maintain a place of abode in another jurisdiction are subject to Indiana taxation. A deduction up to $2,000 is allowed on military income; (b) A service member, or the surviving spouse (if he/she is 60 years old on the last day of the tax year) is entitled to a deduction for the first $2,000 of military retirement or survivor's benefits, received during the tax year; (c) Reduction in taxable income under the Retired Serviceman's Family Protection Plan (RSFPP) and Survivors' Benefit Plan (SBP) is recognized for Indiana tax purposes; (d) Disability pay is excludible; (e) Compensation received by active reserve members of the Armed Forces is subject to taxation in the same manner as active duty pay.

RESIDENTS: Resident is defined as any individual domiciled (at any time) in the State during the tax year or any individual who maintains a permanent place of residence within the State.

INCOME EXCLUSIONS: Same as under the Internal Revenue Code.

RATES: Effective January 1, 1983 the tax rate is 3% of Indiana Adjusted Gross Income less exemptions. For tax years 1980, 1981, 1982 and 1983, the tax rate was 1.9%. For tax years prior to 1980 the rate was 2%.

INCOME: The Internal Revenue Code as amended and in effect on 1 January 1983 is recognized by Indiana as the basis for determining adjusted gross income with the following adjustments:

Subtract -- (a) Income exempt from state tax; (b) Amount for personal exemptions permited from State law.

ILLINOIS

STATE LAW: Illinois Revised Statutes, Chapter 120, Paragraph 1-101 - 17-1701 properly cited as Ill. Rev. Stat. 1983, Ch. 120 par. 1-101 - 17-1701. Please note further that the statute books are published bi-yearly. Therefore you should consult its supplement for subsequent changes. The supplement is cited as Supp. to Ill. Rev. Stat. 1983, Chapter 120, Paragraph 1-101 - 17-1701.

TAXPAYERS: Every individual earning or receiving income in or as a resident of this state, Section 201(a) Illinois Income Tax Act.

FILING: Residents required to make a federal income tax return and nonresidents liable for Illinois income tax, Section 502(a)(1) and (2) Illinois Income Tax Act.

MILITARY PROVISIONS:

a. Sec. 203(a)(2)(D) Illinois Income Tax Act provides for a subtraction modification (i.e., a deduction) in the computation of Illinois base income for "any compensation (including but not limited to any compensation paid or accrued to a serviceman while a (POW) or (MIA)) paid to a resident by reason of being on active duty in the Armed Forces of the (U.S.). . . .".

If military compensation qualifying for the Section 203(a)(2)(D) substraction modification is the only source of income, the resident individual service member will not have to pay Illinois income tax. However, he/she will be required to file an Illinois income tax return

b. Section 112(d) Internal Revenue Code specifically excludes from gross income compensation received for active service as a member of the U.S. Armed Force for any month during any part of which such member is a (POW/MIA) during the Vietnam Conflict as a result of that conflict.

Since this income is excluded from gross income it will not enter into the computation of adjusted gross income. As this is the starting point for Illinois taxation and as Illinois has no add back for this income, it will not enter into the calculation of Illinois base income. Therefore the net effect is the same, the income is not subject to tax. Since it is the compensation that is excluded (under Section 112(d) IRC then any recipient of it (including the spouse) is entitled to the exclusion. In this way Section 112(d) IRC applies to spouses.

c. Disability income from military sources is excludable.

d. Military retirement pay is included in federal gross income and to the extent that this is the case it will be included in Illinois base income.

INCOME EXCLUSIONS: See "Military Provisions". Income excluded from federal gross income will generally be excluded from the computation of Illinois base income. Although this is the case, Illinois does require federally excluded interest income to be added back for Illinois purposes in the computation of Illinois base income (Section 203(a)(2)(A) Illinois State Income Tax Act). Therefore use this as a guide in setting forth, income exclusions.

RATES: Three percent (3%) of Illinois net income for periods before July 1, 1984 and 2 1/2% for periods afterwards. Section 201(b) Illinois Income Tax Act.

DEDUCTIONS: Illinois has certain specific subtraction modifications which are in thenature of deductions. See Section 203(a)(2)(D-J) Illinois Income Tax Act.

EXEMPTIONS: Each resident taxpayer is allowed a standard exemption of $1,000, plus an additional $1,000 for each exemption in excess of one allowed under Section 151, Internal Revenue Code. Nonresident and part-year resident taxpayers must prorate the exemption amount based on the ratio of "Illinois income" to total base income, Illinois Income Tax Act Section 204.

PAYMENTS: Due on or before the 15th day of the fourth month following the close of the taxable year.

Section 601(a & b) Illinois Income Tax Act read in the light of Section 505(a)(2) ILlinois Income Tax Act.

Note: Section 1001 failure to file return or pay tax penalties may be abated upon the showing of (reasonable cause and not due to willful neglect). Interest is not abated.

By January 1, 1985 these penalties will be 7.5% of the amount of tax due with an additional 7.5% for each month or fraction thereof during which the failure continues, up to an aggregate of 37.5% (Public Act 83-1428).

TAX AUTHORITY: State of Illinois, Department of Revenue, Springfield, Illinois 62708.

IDAHO

If you do not itemize your deductions on Federal Schedule A, and if you are not permitted to use the tax table, your zero bracket amount is as follows:

Status	Allowable Amount
Single Person	$2,300
Joint Return	3,400
Surviving Spouse	3,400
Single Person, Head of Household	2,300
Married Filing Separate Returns	1,700

EXEMPTIONS:		
	Individual	$1,000
	Married Couple	2,000
	Dependents (each).....	1,000
	Blind or over 65 years (additional	1,000

CAPITAL GAINS AND LOSSES: Same treatment as under the Internal Revenue Code.

CREDITS: Residents are allowed credit for taxes paid to other states on income from sources within those states. Credit cannot exceed the smaller of that portion of Idaho tax before credit equal to the fraction of Idaho income subject to tax in another state; or the amount of tax actually paid the other state.

A grocery credit of $15 per person is allowed against income tax due to compensate for sales tax paid on purchased food items. This credit is available only to resident individuals of Idaho. The $10 Permanent Building Fund Tax is in effect this year.

PAYMENTS: Returns and tax in full due the fifteenth day of the fourth month following the end of the tax year. Penalty for failure to file a return is 5% per month of the unpaid tax to a maximum of 25%, plus interest at 12% per annum. There is a 50% penalty for fraud. Statute of limitations does not apply until a return is filed. Therefore, returns may be required as far back as there was a requirement to file.

TAX AUTHORITY: State of Idaho, State Tax Commission, Income Tax Division, Boise, Idaho 83722.

IDAHO

"In computing the taxable income of a part-year or nonresident individual, trust or estate, the zero bracket amount, or nonbusiness deductions as allowed by the Internal Revenue Code, if applicable, and the exemptions as defined in Sec. 151, Internal Revenue Code, shall all be allowed in the proportion that the adjusted gross income of the taxpayer from Idaho sources, after the additions thereto and deletions therefrom specified in subsections 63-3022(a), (d), (e), and (i), Idaho Code, bears to the total adjusted gross income from all sources before any deductions therefrom. Adjusted gross income, as used in this subsection, shall mean adjusted gross income as defined in Sec. 62, Internal Revenue Code."

INCOME EXCLUSIONS: Same treatment as under the Internal Revenue Code, including the Retired Serviceman's Family Protection Plan (RSFPP) exclusion, disability and nondisability retirement pay of Armed Forces personnel.

RATES: TAXABLE INCOME

Married Filing Jointly, Head of Household or Surviving Spouse			Single or Married Filing Separately		
First	$ 2,000	2.0%	First	$1,000	2.0%
Second	2,000	4.0%	Second	1,000	4.0%
Third	2,000	4.5%	Third	1,000	4.5%
Fourth	2,000	5.5%	Fourth	1,000	5.5%
Fifth	2,000	6.5%	Fifth	1,000	6.5%
Over	10,000	7.5%	Over	5,000	7.5%

NOTE: Federal rules as they pertain to filing joint returns, head of household returns, and surviving spouse returns, including splitting income, are applicable to Idaho returns.

DEDUCTIONS: Itemized deductions are the same as under the Internal Revenue Code, except: (a) State income taxes are not deductible; (b) Federal income taxes are not deductible.

IDAHO

STATE LAW: Idaho Code Sec. 63-3001 et seq.

TAXPAYERS: Residents having a gross income of $3,300 if single; $5,400 if married; and surviving spouse $4,400. Nonresidents having a gross income from sources within Idaho in excess of $1,000 are required to file an Idaho income tax return. Idaho is a community property state.

FILING: See "TAXPAYERS". Service members who meet these requirements generally, must file an Idaho income tax return although tax may not be due.

MILITARY PROVISIONS: (a) Service members who are legal residents of Idaho and maintain an abode elsewhere are taxed on all income regardless of source. However, an individual on active duty with the Armed Forces of the United States, which duty is continuous and uninterrupted for 120 consecutive days or more, may deduct compensation for service performed outside Idaho provided appropriate adjustments are made in his/her zero bracket amount and exemptions as described in Sec. 63-3022, Idaho Code. A nonresident return must be used when an individual has received active duty wages; (b) Service members who are in a POW/MIA status are considered to be stationed outside Idaho and their military pay is exempt from taxation. Service members outside the Continental United States may defer filing returns or paying taxes until six months after the close of their tax year or such further extension as authorized by Sec. 7508, Internal Revenue Code; (c) Income from a nonmilitary job held by a service member (and/or spouse), and from interest, dividends, capital gains, rent, etc. is subject to taxation; (d) Disability retirement pay and sums forfeited to provide for a survivor's annuity are treated the same as under the Internal Revenue Code; (e) Nondisability military retirement pay is fully includable in income. To qualify for a deduction on the Idaho income tax return for military retirement, an Idaho resident must be 65 years of age or older or at least 62 and disabled.

RESIDENTS: Resident is defined as any individual who during the tax year has been domiciled in Idaho or has resided in the State for the entire year. Domicile is the place where an individual has his/her true, fixed, permanent home and to which he/she intends to return whenever absent. "Part-year resident" is an individual who enters or leaves Idaho during the tax year and has resided, or was domiciled, in the State for a period of less than 12 months during the tax year. The taxable income of such taxpayer shall be determined in the manner provided for nonresidents, as set forth in Sec. 63-3027A, Idaho Code.

for solar energy devices to an individual resident taxpayer for 10% of the cost of such devices is allowed. Solar energy devices include wind energy devices and heat pumps. The tax credit has been extended from December 31, 1981 to December 31, 1985. Heat pumps and wind energy devices will be eligible for the credit if erected and placed in service after December 31, 1980 but before December 31, 1985. Heat pump means and refers to an electric powered compression heating system which utilized warm (ambient) air or heated gas to assist in the production of hot water in home water heaters; (d) Resident taxpayers who occupy and pay rent, which is not partially or wholly exempt from real property tax, are allowed a renter's income tax credit of $50 multiplied by the number of qualified exemptions to which the taxpayer is entitled provided his/her adjusted gross income is less than $20,000 and he/she has paid more than $1,000 in rent during the tax year (if 65 or over, the taxpayer may claim a double credit); (e) Resident taxpayer is allowed a tax credit for child and dependent care provided he/she files a Hawaii individual income tax return for a tax year which he/she is not claimed as a dependent by another taxpayer for Federal or Hawaii tax purposes, and he/she maintains a household that includes as a member one or more qualifying members (dependent under age 15, or spouse, or dependent who is physically or mentally incapable of caring for himself/herself). Consult State Instruction Booklet for proper computation.

For 1983 Hawaii authorized a general income tax credit of $1.00 to be applied against taxpayer's income tax liability which can be multiplied by the number of qualified exemptions except those for age or disability.

PAYMENTS: Return and payment due in full 20 April. Declaration of Estimated Tax is due on 20 April from all persons with either: (a) Gross income consisting of wages subject to withholding exceeding $9,000 or (b) Gross income, including $100 from sources not subject to withholding which exceeds the sum of $1,000 for each exemption, and $200. Estimated tax due in four equal installments on the 20th of April, June, September and January.

The Director of Taxation has the authority, except in cases of fraud or willful violation of the law or willful refusal to make a return setting forth the information required by law, to remit penalties for any tax that is delinquent for not more than 90 days. Where penalties are delinquent for periods over 90 days they may be remitted through the compromise procedure which requires the approval of the Governor.

TAX AUTHORITY: State of Hawaii, Department of Taxation, 425 Queen Street, Honolulu, Hawaii 96813.

damages for injury; (l) Dividends excluded under Section 116 of the Internal Revenue Code; (j) The first $500 received as compensation for duty by members of the Reserve components of the Armed Forces of the United States or the Hawaii National Guard.

RATES: Hawaii has adopted tax tables similar to those used for Federal returns. Consult State's instruction booklet for the specific amount of tax.

DEDUCTIONS: (a) Generally, charitable contributions not to exceed 50% of adjusted gross income; (b) Interest; (c) Taxes, except Federal income, excise, social security taxes, automobile licenses or fees; (d) Medical expenses applicable under the Internal Revenue Code; (e) Unreimbursed casualty losses on non-business property located in Hawaii in excess of $100 and 10% of Hawaii adjusted gross income; (f) Dues to professional societies or unions; (g) Alimony payments by residents; (h) Ordinary business expenses.

EXEMPTIONS:	Individual	$1,000
	Spouse	1,000
	Dependents (each).....	1,000
	Blind/deaf/disabled persons	7,000

CAPITAL GAINS OR LOSSES: Same as under the Internal Revenue Code.

CREDITS: (a) Hawaii residents are allowed credit for taxes paid to another jurisdiction on income attributable to sources outside Hawaii, provided the other jurisdiction does not allow a credit against its tax imposed by Hawaii on such income; (b) The excise tax credit was amended, effective for taxable years beginning after 31 December 1979, to increase the credit for lower income taxpayers and to grant a double excise tax credit to taxpayers age 65 or over. To be eligible for this credit, the resident must have physically resided in Hawaii for at least nine months. Briefly, the amount of the tax credit is based on two factors - adjusted gross income and qualified exemptions; the single tax credit schedule provides an amount of credit for each adjusted gross income bracket. The credits range from $48 per qualified exemption for taxpayers having adjusted gross income of under $5,000 to $8 per qualified exemption when the adjusted gross income is at least $14,000 but under $20,000. The resident individual multiplies the number of qualified exemptions to which he/she is entitled by the amount indicated for his/her adjusted gross income bracket. This amount is then entered on the appropriate line of his/her individual income tax return. If the taxpayer is 65 or over, the amount is doubled; (c) A tax credit

HAWAII

STATE LAW: Hawaii Revised Statutes, Sec. 235-1 et seq.

TAXPAYERS: Residents and nonresidents with gross income of $1,000 or more, derived from wages earned as an employee or by "doing business" in Hawaii. "Doing business" includes all activities engaged in or caused to be engaged in with the object of gain or economic benefit, direct or indirect, except personal services performed as an employee under the direction and control of an employer.

FILING: See "TAXPAYERS". Every individual, including resident and non-resident service members, having gross income which is subject to taxation is required to file a Hawaii income tax return.

MILITARY PROVISIONS: (a) Tax liability of service members (and their spouses) who are POW/MIA is treated the same as under the Internal Revenue Code; (b) Disability and nondisability retirement pay is excluded from gross income; (c) Deferment of payment of tax until six months after termination of military service of persons on active duty whose ability to pay tax is materially impaired by reason of military service. No deferment is granted for filing a return; (d) Cost of Living Allowance (COLA) are taxable to those subject to Hawaii State Income Tax.

RESIDENTS: (a) Every person who is domiciled in Hawaii; and (b) Every other person residing in Hawaii for other than a transitory purpose; (c) Anyone in Hawaii for over 200 days in a single year is presumed to be a resident, except that no person shall be deemed to have gained or lost a residence because of presence or absence in compliance with military orders, or while engaged in aviation or navigation, or while a student at any institution of learning; (d) Every individual other than a resident is a non-resident. For example, a member of the Armed Services whose home of record (domicile) is California but is stationed in Hawaii in compliance with military orders, is considered to be a non-resident. The term "domicile" means the place where an individual has a true, fixed permanent home and principal establishment, and to which place the individual has, whenever absent, the intention of returning.

INCOME EXCLUSIONS: (a) Any compensation received in the form of a pension for past services; (b) Government payments and benefits to veterans or their families; (c) Dividends on veteran's government insurance; (d) Benefits paid by Hawaiian or other government retirement systems; (e) Federal and State of Hawaii municipal bonds; (f) Gifts, inheritances and bequests; (g) Life insurance proceeds; (h) Workman's compensation and insurance, and

GEORGIA

CREDITS: Residents receive credit for income taxes paid to other states to the extent like income would be taxable in Georgia. A low income tax credit of $15 is allowable to single or married persons filing a separate return whose Federal adjusted gross income is $3,000 or less. For each dollar or fractional part thereof by which Federal adjusted gross income exceeds $3,000, the credit shall be reduced by one dollar. No credit shall be allowed if Federal adjusted gross income is $3,015 or more. The head of a household or married persons filing a joint return whose Federal adjusted gross income is $6,000 or less shall be allowed a credit of $30. For each dollar or fractional part thereof by which Federal adjusted gross income exceeds $6,000, the credit shall be reduced by one dollar. No credit shall be allowed if Federal adjusted gross income is $6,030 or more.

PAYMENTS: Returns and payment in full due 15 April. A Declaration of Estimated Tax is required of every person receiving income not subject to withholding in excess of $1,000 and whose gross income will exceed $1,500, if single, or $3,000, if married. Payments of estimated tax should be made on or before 15 April, June, September and January.

A late filing penalty is assessed at 5% per month of the tax due with the return but not to exceed 25%. Penalties may be waived, but interest may not be waived. Returns for delinquent years are to be filed as required by law. If return for the current year, plus returns for four prior years are paid with interest, any year prior to the fourth prior year may not be required. The returns for the five years received will be reviewed to determine, from a revenue standpoint, if it would be worthwhile to require additional years. There is no provision in the Georgia Code for part payment of taxes due.

Inasmuch as Georgia adopted the Internal Revenue Code as it existed on January 1, 1981, none of the changes brought about by the Federal Economic Recovery Tax Act of 1981, TEFRA 1982, or the Tax Reform Act of 1984 will be applicable to the Georgia tax return. Some of the principal provisions of the Act, for individual taxpayers, are the marriage penalty deduction, individual retirement account, child care, qualified savings certificates (all savers), sales or exchanges of residences, adoption expense, charitable deduction for taxpayer not itemizing deductions and dividend reinvestment plans. The above will be the most common differences between the Federal and Georgia tax treatment. Adjustments to the Federal adjusted gross income will be required in arriving at Georgia taxable income.

In summary, the State of Georgia did not adopt the Internal Revenue Code as it existed on January 1, 1982, and any changes in the Federal law since January 1, 1981, will not be applicable to the Georgia return.

TAX AUTHORITY: Department of Revenue, Income Tax Division, Trinity-Washington Building, Atlanta, Georgia 30334.

GEORGIA

DEDUCTIONS: Same as Federal, with the following adjustments to the taxpayer's Federal itemized deductions:

Subtract - (a) Income taxes claimed as a Federal itemized deduction; (b) Carry-over of deductions which the Federal and State treated differently prior to 1971.

Deductions - If you do not itemize on your Federal return you must use standard deduction on your Georgia return. If you are single, or head of household, the standard deduction to be entered on Line 11 is $1500 or 15% of your modified Federal adjusted gross income, WHICHEVER IS GREATER, but not to exceed $2,300. (NOTE: If 15% of your Federal adjusted income is less than $1500, you must claim $1500.) If you are married filing separately, the standard deduction to be entered on Line 11 is $850 or 18% of your modified Federal adjusted gross income, WHICHEVER IS GREATER, but not to exceed $1,500. NOTE: If 18% of your modified Federal adjusted gross income is less than $850, you must claim $850. If you are married filing a joint return the standard deduction to be entered on Line 11 is $1,700 or 18% of your modified Federal adjusted gross income, WHICHEVER IS GREATER, but not to exceed $3,000 (if 18% of your modified Federal adjusted gross income is less than $1,700, you must claim $1,700). If you use Line 11, please leave line 12 blank. The use of tax tables on your Federal return will not affect the computation of tax on your Georgia return. you must still deduct from Federal adjusted gross income the allowable Georgia standard deduction or allowable itemized deductions and your personal exemptions and credit for dependents as explained under lines 5, 6 and 7 to arrive at Georgia taxable income.

EXEMPTIONS:		
	Individual.....	$1,500
	Couple or Head of Household...	3,000
	Over 65 or blind taxpayer (additional)	700
	Over 65 or blind spouse (additional)	700
	Dependents (each).....	700

Additional $700 exemption for each qualified college student, including taxpayer, taxpayer's spouse, taxpayer's dependents; and an additional $700 for each dependent who is physically handicapped or mentally retarded and is not a ward of the State.

CAPITAL GAINS AND LOSSES: Holding period is 12 months or more. Sales or exchanges of residences by taxpayers age 55 and over may exclude up to $100,000 or married filing separate returns up to $50,000. The Federal rule pertaining to sale or exchange of residence applies only if both old and new residences are in Georgia. Replacement period is 18 months.

GEORGIA

RATES: TAXABLE INCOME

Single

Over	Not Over	Rate
.....	$ 750	...1%
$ 750	2,250	...$ 7.50 plus 2% of excess over $ 750
2,250	3,750	... 37.50 plus 3% of excess over 2,250
3,750	5,250	... 82.50 plus 4% of excess over 3,750
5,250	7,000	... 142.50 plus 5% of excess over 5,250
7,000	.....	... 230.00 plus 6% of excess over 7,000

Married Filing Separately

Over	Not Over	Rate
.....	$ 500	...1%
$ 500	1,500	...$ 5.00 plus 2% on excess over $ 500
1,500	2,500	... 25.00 plus 3% on excess over 1,500
2,500	3,500	... 55.00 plus 4% on excess over 2,500
3,500	5,000	... 95.00 plus 5% on excess over 3,500
5,000	.....	... 170.00 plus 6% on excess over 5,000

Head of Household & Married Filing Jointly

.....	$ 1,000	...1%
$ 1,000	3,000	...$ 10.00 plus 2% on excess over $ 1,000
3,000	5,000	... 50.00 plus 3% on excess over 3,000
5,000	7,000	... 110.00 plus 4% on excess over 5,000
7,000	10,000	... 190.00 plus 5% on excess over 7,000
10,000	.....	... 340.00 plus 6% on excess over 10,000

NOTE: Georgia income tax is based on the income reported on Federal income tax Form 1040. There may be differences as described in the following paragraphs.

Filing status must be the same on the Georgia return as on the Federal return, except for nonresident military personnel (See "MILITARY PROVISIONS"). For example, if a joint Federal return was filed, a joint Georgia return must be filed. EXCEPTION: If one member of a military couple (i.e. husband and wife both on active duty) is a Georgia resident and the other is not, the Georgia resident spouse files "Married Filing Separately".

If the Federal adjusted gross income is over $15,000, or if the income, regardless of amount, is from sources other than salaries and wages, a copy of the Federal income tax return and all supporting schedules must be attached to the Georgia return. Other taxpayers may be required to furnish these copies if it is deemed necessary by the Income Tax Division.

income tax purposes, though temporarily absent from the State, until he becomes a permanent resident of another jurisdiction. The term "resident" includes every legal resident as now defined by general law; every person domiciled in the State on the last day of the tax year, and every other person who maintains a place of abode within the State and spends more than six months within the State. Any person who, on or before the last day of the tax year, changes his/her place of abode to without the State with a bona fide intention of continuing actually to abide permanently without the State shall be taxed as a nonresident. Any person returning within six months of removing will be deemed prima facie not to have intended to change his/her place of abode. A person is a resident within the State on the 31st of December of any year on a more or less regular or permanent basis and not on the temporary basis of a visitor. Every person who had become a resident shall be deemed to continue as such until he/she can show he/she has become a legal resident or a domiciliary of another state and has spent not more than 183 days of the tax year within Georgia. When a person removes from the State, he/she shall pay tax for that portion of the year in which he/she was a resident.

INCOME EXCLUSIONS: Same as under Internal Revenue Code with the following adjustments to the taxpayer's Federal adjusted gross income:

Subtract -- (a) Interest or dividends on United States Government obligations/bonds to the extent includable in gross income for federal income tax purposes but exempt from state income taxes under federal law; (b) Annuities under Georgia Teacher Retirement, State Employees and Peace Officers Act; (c) Income tax refund reported as income for Federal purposes; (d) Retirement income not to exceed $2,000 per year received from any source is exempt from Georgia income tax by a taxpayer who is 62 years of age or older during any part of the taxable year; or is permanently and totally disabled (effective for 1982 and subsequent years).

Add -- (a) Interest or dividends on municipal bonds or other obligations from states other than Georgia and its political subdivisions; (b) Any unrecognizable gain on a nontaxable exchange or conversion of property where unreplaced property is not located in Georgia; (c) Carryover of deductions from losses incurred prior to becoming a resident of Georgia; (d) Expenses connected with earning tax-exempt income. Interest or dividends on all other obligations of the United States, which are not specfically excluded from state taxation. All income taxes imposed by other states but deducted when determining federal taxable income are included in Georgia taxable income.

be allowed a credit for the tax paid to the other state, unless the other state allows him/her a nonresident credit. Nonresidents who pay taxes to Indiana may take a credit for this tax in their domiciliary state if that state allows a similar credit to residents of Indiana.

PAYMENTS: Return and tax in full due 15 April. Residents are required to file Declaration of Estimated Tax Returns if their tax liability to the State is in excess of $100 above withholding.

NOTE: Resident service members who incur an annual State income tax liability of $100 or greater are required to file a Declaration of Estimated Tax Return with Indiana and prepay their tax on a quarterly installment basis. As Indiana now requires the withholding of state income tax on resident service members an estimated tax is not required where the tax liability does not exceed the withholding by $100 or more. The Department of Revenue has no authority to waive interest or to compromise the tax liability. In isolated cases the penalties may be waived.

TAX AUTHORITY: Indiana Department of State Revenue, Income Tax Division, 100 North Senate Avenue, Indianapolis, Indiana 46204.

NOTE: (COUNTY ADJUSTED GROSS INCOME TAX (CAGIT)): Since 1973 any service member who entered the Armed Forces as a resident of an Indiana county which adopted the CAGIT is subject to said tax. All nonresident service members stationed in Indiana will not be subject to the CAGIT. However, the spouse's income is subject to the CAGIT if, as of 1 January, his/her principal place of business or employment was located in a county that has adopted the tax. Effective 1 January 1979, a service member, who as of 1 January, is maintaining his/her legal residence in an adopting county in Indiana but who is stationed in another county, state, or country is not liable for county taxes. (Service members stationed in another country or state on 1 January should be entitled to enter "OOS", (out-of-state), in the county of residence box on the tax return.

COUNTY OPTION INCOME TAX (COIT): The 1984 Indiana General Assembly enacted legislation which provides for the imposition of a County Option Income Tax (COIT). This county tax is separate from the County Adjusted Gross Income Tax (CAGIT) but follows the same guidelines with regard to determining who is subject to the tax based on county of residency and principal work activity on January 1 of the tax year. The major difference between the two county taxes (CAGIT and COIT) is the rate. The COIT rates initially imposed will increase yearly until the maximum rate specified in the law and adopted by the county is reached. It should be noted that no taxpayer shall be required to compute more than one county tax during the year.

IOWA

STATE LAW: Iowa Code Sec. 422.1 et seq.

TAXPAYERS: Every resident of Iowa who is required to file a Federal income tax return, or who has a net income of $4,000 or more, is required to file an Iowa income tax return. Individuals who are claimed as dependents must file a return if their income is $3,000 or more.

A nonresident of Iowa is required to file an Iowa return if his or her income from all sources is $4,000 or more and the taxpayer is required to file a Federal return. However, a nonresident is not required to file an Iowa return if the income from Iowa sources was $500 or less.

A nonresident is to complete the Iowa return as if all incomes and deductions are attributable to Iowa. The resulting tax is then allocated to Iowa in the ratio of the individual's income from Iowa sources to the income from all sources.

FILING: See "TAXPAYERS" and "MILITARY PROVISIONS".

MILITARY PROVISIONS: (a) A resident of Iowa in the Armed Forces is subject to Iowa income tax on all income, including military pay, regardless where earned; (b) Retired Serviceman's Family Protection Plan (RSFPP) and/or Survivors' Benefit Plan (SBP) exclusions are treated the same as under the Internal Revenue Code.

NOTE: Active duty military pay was exempt from Iowa income tax from January 1, 1969 through December 31, 1976.

RESIDENTS: Resident is defined as an individual domiciled in Iowa and any other individual who maintains a permanent place of abode within Iowa.

INCOME EXCLUSIONS: Net income is generally the same as the Federal adjusted gross income, except interest and dividends on Federal securities can be deducted. Interest and dividends on state and foreign securities, which are exempt under the Internal Revenue Code, are included, and the Federal deduction for married couples when both work is not a deduction allowed for Iowa tax purposes.

IOWA

RATES: TAXABLE INCOME

Over	Not Over		Rate	Of Excess Over
.....	$ 1,023	... 1/2 of 1%		
1,023	2,046	... $ 5.12	plus 1.25%	$ 1,023
2,046	3,069	... 17.91	plus 2.75%	2,046
3,069	4,092	... 46.04	plus 3.50%	3,069
4,092	7,161	... 81.85	plus 5.00%	4,092
7,161	9,207	... 235.30	plus 6.00%	7,161
9,207	15,345	... 358.06	plus 7.00%	9,207
15,345	20,460	... 787.72	plus 8.00%	15,345
20,460	25,575	... 1,196.92	plus 9.00%	20,460
25,575	30,690	... 1,657.27	plus 10.00%	25,575
30,690	40,920	... 2,168.77	plus 11.00%	30,690
40,920	76,725	... 3,294.07	plus 12.00%	40,920
76,725	over	... 7,590.67	plus 13.00%	76,725

DEDUCTIONS: (a) Standard deduction is 15%, not to exceed $3,000, for the following filing status: (1) married filing joint returns; (2) unmarried head of household; and (3) surviving spouse. Standard deduction is 15%, not to exceed $1,200 for the filing status: (1) single; (2) married filing combined returns; and (3) married filing separate returns. Iowa income tax is not deductible as an itemized deduction. Adoption costs are allowable to the extent the expenses exceed 3% of the taxpayer's Iowa net income. Individuals may itemize deductions for Iowa income tax purposes even though the standard deduction is used on the Federal income tax return. (b) A new deduction for expenses incurred for care of a disabled relative in the taxpayer's residence is available.

EXEMPTIONS: See "CREDITS".

CAPITAL GAINS AND LOSSES: Same treatment as under the Internal Revenue Code.

CREDITS:

Individual	$20
Married Couple or Head of Household	40
Dependents (each).....	15
Blind or over 65 (additional).....	20

An additional tax credit is allowed for income taxes paid by Iowa residents to other states in which such income was earned and to the extent of Iowa tax on same income, except Illinois. Iowa has a reciprocal agreement with Illinois.

IOWA

PAYMENTS: Returns, taxes for past year, and a Declaration of Estimated Tax for the present year are normally due on 30 April. Declaration of Estimated Tax is required only if it can reasonably be expected that a person's income not subject to withholding will result in an Iowa tax liability of $50 or more. The estimated tax is to be paid in quarterly installments on April 30, June 30, September 30, and January 31. Military pay of an Iowa resident is subject to withholding.

NOTE: There is no statute of limitations for the failure to file an Iowa income tax return. For additional information contact: Taxpayer Service Section, Iowa Department of Revenue, Hoover State Office Building, Des Moines, Iowa 50319.

TAX AUTHORITY: State of Iowa, Department of Revenue, Hoover State Office Building, Des Moines, Iowa 50319.

KANSAS

STATE LAW: Kansas Statutes Annotated, Sec. 79-3201 et seq.

TAXPAYERS: Residents and nonresidents receiving income within the State, who, if single, or if married and not living with spouse, had a gross income in excess of $2,700; or, who, if married and living with spouse, had a gross income in excess of $4,100. If the taxpayer or taxpayer's spouse is either blind or over age 65, Kansas provides for different income amount requirements.

FILING: See "TAXPAYERS". If these requirements are met a Kansas income tax return must be filed regardless of tax liability or present duty station.

MILITARY PROVISIONS: (a) Residents serving in the Armed Forces are subject to Kansas taxation on their service pay regardless where stationed, unless in a combat zone; (b) Compensation received as a POW/MIA is not taxed; (c) Disability retirement pay treatment is the same as under the Internal Revenue Code; (d) Pay of retired persons who elected to forfeit a portion of their retirement pay in order to provide an annuity for their survivors and the survivor's annuity are treated the same as under the Internal Revenue Code.

RESIDENTS: Any individual who is domiciled in Kansas or spends in the aggregate more than six months of the tax year in the State. "Resident" includes any individual whose last permanent household was in Kansas and who has not established another permanent household in some other state.

INCOME EXCLUSIONS: (a) Amounts received under a life insurance contract paid by reason of insured's death; (b) Gifts and bequests; (c) Personal injury recoveries and benefits paid by the Armed Forces, workmen's compensation or health insurance (Federal "sick pay" exclusion permitted); (d) Compensation paid by the United States for services in the Armed Forces performed during an induction period by an individual whose domicile is other than Kansas shall not constitute income derived from Kansas sources; (e) Alimony received pursuant to a separation agreement.

KANSAS

RATES: TAXABLE INCOME

Single or Married Filing Separately, or Head of Household

Over	Not Over	Rate
.....	$ 2,000 ..	2%
$ 2,000	3,000 ..	$ 40 plus 3-1/2% of excess over $ 2,000
3,000	5,000 ..	75 plus 4% of excess over 3,000
5,000	7,000 ..	155 plus 5% of excess over 5,000
7,000	10,000 ..	255 plus 6-1/2% of excess over 7,000
10,000	20,000 ..	450 plus 7-1/2% of excess over 10,000
20,000	25,000 ..	1,200 plus 8-1/2% of excess over 20,000
25,000	....	1,625 plus 9% of excess over 25,000

Married Filing a Joint Return

.....	$ 4,000 ..	2%
$ 4,000	6,000 ..	$ 80 plus 3-1/2% of excess over $ 4,000
6,000	10,000 ..	150 plus 4% of excess over 6,000
10,000	14,000 ..	310 plus 5% of excess over 10,000
14,000	20,000 ..	510 plus 6-1/2% of excess over 14,000
20,000	40,000 ..	900 plus 7-1/2% of excess over 20,000
40,000	50,000 ..	2,400 plus 8-1/2% of excess over 40,000
50,000	....	3,250 plus 9% of excess over 50,000

DEDUCTIONS: Either standard or itemized. (1) The standard deduction is same as set out in the Internal Revenue Code of 1954, as amended, plus Federal income tax liability for the tax year for which Kansas income tax return is filed reduced by all credits thereon, except credits for Federal income tax, credits for gasoline and lubricating oil tax, and foreign tax credits. If the amount of federal tax liability exceeds $5,000 (for taxpayers filing as single, married filing separate or head-of-household), or $10,000 (for married taxpayers filing a joint return), the federal tax deduction allowed will be limited to $5,000/$10,000 or 50% of the liability, whichever is greater. The deduction cannot exceed the actual Federal tax. (2) Itemized deductions are the same as Federal deductions, except as follows:

Subtract - (a) State income taxes; (b) City or county income tax or city earnings tax; (c) Medical expenses included in Federal itemized deductions; (d) Casualty losses as calculated for Federal return.

Add - (a) Social Security taxes; (b) Self-employment taxes; (c) Railroad retirement; (d) Kansas medical expenses above first $50; (e) State and local gasoline taxes; (f) Casualty losses calculated according to the Internal Revenue Code as of December 31, 1977.

KANSAS

The Standard Deduction is limited to $2,400 for single individuals, $2,800 for married individuals filing jointly, and $1,400 for married individuals filing separately. Kansas standard deduction is 16% of Kansas adjusted gross income.

EXEMPTIONS: $1,000 for each exemption to which the taxpayer is entitled for Federal income tax purposes. A resident filing a Federal income tax return using the status of "unmarried head of household", as defined in 26 USC 2(b), is allowed an additional exemption of $1,000.

CAPITAL GAINS AND LOSSES: Same treatment as provided under the Internal Revenue Code. However, it should be noted that 1978 legislature passed a law stating that if a taxpayer acquired property from a decedent, the basis of the property for Kansas income tax purposes is to be determined in accordance with the Internal Revenue Code, Sec. 1014 in effect on December 31, 1976.

CREDITS: Credits are allowed for tax paid to other states on income derived within such states, in proportion that adjusted gross income from other states bears to Kansas adjusted gross income. A credit is available to residents who install a solar energy system in real property owned by them within the State. A credit is also available to those resident taxpayers who make existing buildings more accessible to handicapped individuals. Information explaining these tax credits may be obtained by writing to the Income and Inheritance Tax Bureau, Box 12001, State Office Building, Topeka, Kansas 66612.

A child and dependent care expense credit which is based on the Federal child or dependent care expense credit is allowed by Kansas. If the taxpayer's adjusted gross income is $5,000 or less, the taxpayer may claim 100% of his Federal child or dependent care expense credit. As the taxpayer's income gradually increases, the credit is reduced proportionately at various income levels. If the taxpayer's adjusted gross income exceeds $14,000, there is no credit available. A tax credit of $120 can be claimed by any resident individual taxpayer who is 62 years of age or older and receives retirement benefits for service in the Armed Forces.

NOTE: There is no statute of limitations for failure to file a tax return. Where there is no intent to evade and a return is voluntarily filed within 60 days after due date, a penalty of 10% is added to the unpaid tax plus interest at the rate of 1-1/2% per month or fraction thereof from due date until paid. If not filed within 60 days after the return is due, a penalty of 25% of the unpaid tax due plus interest as above provided is added to the tax due. Penalties may be waived or reduced by

the Director of Taxation where failure to comply was due to reasonable causes, but interest may not be waived. The Secretary of Revenue (ltr dated April 14, 1976) advised: "The Kansas Department of Revenue realizes that, for certain military personnel, the filing of returns for prior years may result in undue hardship or may not be feasible because of the nonexistence of appropriate records, etc. Therefore, depending upon the facts and circumstances, the Director may approve an alternative method to settle the tax liability."

TAX AUTHORITY: Department of Revenue, Income Tax Division, State Office Building, Topeka, Kansas 66612.

KENTUCKY

STATE LAW: Kentucky Revenue Statutes Sec. 141.010.

TAXPAYERS: Residents with an adjusted gross income exceeding $1,650; and married residents filing jointly with a combined adjusted gross income exceeding $2,650 must file a Kentucky income tax return.

FILING: See "TAXPAYERS". If these requirements are met a Kentucky income tax return must be filed although no tax is due.

MILITARY PROVISIONS: (a) Kentucky imposes an income tax on service members who are residents of the State but maintain an abode elsewhere. Service members having an income tax return due while serving in a combat zone may defer filing and payment until 12 months after such combat service has ended. All other service members will be subject to the same filing and payment requirements as other taxpayers; (b) Service members will be subject to estimated filing requirements if they can reasonably expect to have a gross income exceeding $2,000 upon which no Kentucky income tax will be withheld. An estimated return is not required if the estimated tax can reasonably be expected to be less than $40; (c) Kentucky adopted the provisions of the Internal Revenue Code regarding exclusion of contributions to purchase annuities for service member's survivors; (d) Service connected disability pension payments are not taxable. First $4,000 of normal military retirement income received by persons 50 years of age or older, is excludible from income. The $4,000 minimum exclusion must be reduced by earned income as defined in Sec. 911(b) of the Internal Revenue Code.

RESIDENTS: Sec. 141.010(17) defines resident as any individual domiciled in Kentucky. All others are nonresidents for income tax purposes.

INCOME: "Gross income" means "gross income" as defined in the Internal Revenue Code in effect December 31, 1981, adjusted as follows:

Include: Interest income from obligations of sister states and their political subdivisions;

Exclude: (1) Interest income from U.S. Government obligations; (2) Income from military and Civil Service retirement systems subject to certain limitations.

KENTUCKY

RATES: TAXABLE INCOME

Over	Not Over	Rate
$.....	$3,000	2%
$3,000	4,000	$ 60 plus 3% on excess over $3,000
4,000	5,000	90 plus 4% on excess over 4,000
5,000	8,000	130 plus 5% on excess over 5,000
8,000	.....	280 plus 6% on excess over 8,000

NOTE: Income splitting on separate returns is not permitted.

DEDUCTIONS: (a) Federal income tax withheld and paid during the tax year (state income tax is not deductible); (b) Child or dependent care expenses; (c) Other itemized deductions as allowed under the Internal Revenue Code.

An optional standard deduction of $650 is allowed all taxpayers.

EXEMPTIONS: See "CREDITS".

CAPITAL GAINS AND LOSSES: Same as Federal.

CREDITS:

Individuals	$20
Married couple filing jointly	40
Dependents (each)	20
Blind or 65 or over--taxpayer or spouse (each additional)	40

Residents are allowed a tax credit for income taxes paid to other states, provided the Kentucky tax is not reduced more than if the income in the other state was not included in the return.

PAYMENTS: Return and payment due 15 April. Individuals who can reasonably expect to have gross income exceeding $2,000 upon which no Kentucky income tax will be withheld are required to file an estimated tax return and prepay the tax in four quarterly installments. An estimated return is not required if the estimated tax can reasonably be expected to be less than $40.

TAX AUTHORITY: Commonwealth of Kentucky, Kentucky Revenue Cabinet, Frankfort, Kentucky 40601.

LOUISIANA

STATE LAW: LSA R.S. 47:21 through 47.299.

TAXPAYERS: Any resident or any part-year resident of Louisiana, or any non-resident with income from Louisiana sources must file a return if: (a) The gross income for the taxable year was $12,000 or more, regardless of the tax-table income; or (b) The net tax-table income (Federal adjusted gross income less Federal excess itemized deductions and Federal Income Tax) was: (1) $6,000.00 if single or if married and filing separate returns; or (2) $12,000 if married filing a joint return or if filing as a Head of Household or a Qualifying Widow(er) with a dependent child. This is a community property State.

FILING: See "TAXPAYERS". Any taxpayer who has overpaid his/her tax through withholding or declaration of estimated tax must file a return to obtain a refund or credit. Forms may be obtained from the Department of Revenue and Taxation, P.O. Box 201, Baton Rouge, Louisiana 70821.

MILITARY PROVISIONS: (a) Military personnel whose domicile (home of record) is Louisiana and who meet the requirements of 1 or 2 above must file a return and report all income regardless of where stationed. Credit against Louisiana tax may be taken for any net income tax paid to another state on non-military income and income earned by the spouse provided such income was included in the Louisiana return. (b) Any non-resident and any individual who was a resident for part of the year and a non-resident the remainder of the year must report his/her income from all sources for the period during which he/she was a resident, plus all income from Louisiana sources for the period he/she was a non-resident.

RATES: The tax is determined by use of tax tables furnished by the Department of Revenue and Taxation. The tables use tax-table income (Federal adjusted gross income less Federal excess itemized deductions and Federal income tax) as a reference point. The tables were constructed using the following rates:

First $10,000.....2%
Next $40,000.....4%
Over $50,000.....6%

LOUISIANA

EXEMPTIONS: Personal Exemption - Standard Deduction

Single Individual.....$ 4,500.00
Married - Joint Return and a
Qualified Surviving Spouse....$ 9,000.00
Married - Separate Return.....$ 4,500.00
Head of Household.....$ 9,000.00

Dependency Deduction

$1,000.00 for each dependent.
$1,000.00 for taxpayer and/or spouse who is over 65 years old.
$1,000.00 for taxpayer and/or spouse who is blind.

PAYMENT: Return and payment in full due on May 15 of each year on the preceding year's income or on the 15th day of the 5th month after the close of the taxpayer's fiscal year.

CREDITS: A credit of $100.00 against the tax is permitted for the taxpayer, spouse or dependent who is deaf, blind, mentally incapacitated or who has lost the use of a limb. A credit is allowed in the amount of 10% of the following credits claimed on the Federal return: credit for contributions to candidates for public office, credit for the elderly, credit for child and dependent care expenses, investment credit, foreign tax credit, work incentive credit (WIN), jobs credit and residential energy credit. Credit is allowed for the net income tax properly paid to another state on income taxed by Louisiana. A credit is allowed in the amount of $25 for each dependent who was in school grades kindergarten through twelve. Additional credits can be claimed for donations of computer equipment to educational institutions in Louisiana, donations made under the family responsibility program, and for investments in a Louisiana capital company.

INTEREST AND PENALTY: Interest is due on all items of tax not paid on time at the rate of 15% per annum from the date due until the date paid. A delinquency penalty accrues for failure to file a return on time, except when failure is due to a reasonable cause, at the rate of 5% per 30 days not to exceed a total of 25%.

TAX AUTHORITY: State of Louisiana, Department of Revenue and Taxation, P.O. Box 201, Baton Rouge, Louisiana 70821.

MAINE

STATE LAW: Maine Revised Statutes of 1964 as amended to date. CCH Maine Tax Reporter at 94-801.

TAXPAYERS: Every resident regardless of source of income and nonresident deriving income from sources within Maine.

FILING: A resident is required to file a Maine income tax return if: (a) Required to file a Federal income tax return, or (b) The income not subject to Federal tax but subject to state income tax exceeds the number of allowable exemptions times $1,000. A service member meeting the filing requirements must file a Maine income tax return.

MILITARY PROVISIONS: (a) An individual domiciled in Maine at the time of entry into the Armed Forces is considered a resident for tax purposes. (b) Military service pay and retirement pay if taxable under the Internal Revenue Code are taxable by Maine.

RESIDENTS: A resident is defined as an individual who was domiciled in Maine during the tax year. Accordingly, any service member claiming Maine as his/her state of domicile (home of record) would be subject to payment of Maine income tax regardless of his/her duty assignment or permanent place of abode.

RATES: See Tax Rate Schedule on last page of this section (Maine).

INCOME: Taxable income of residents is Federal adjusted gross income, less deductions and personal exemptions, adjusted as follows:

Subtract -- interest and dividends on Federal obligations to the extent includible in Federal gross income but exempt from state taxation under Federal law (amount subtracted must be reduced by an interest on indebtedness incurred to carry the obligations and by expenses incurred in the production of interest or dividend income to the extent such expenses, including amortizable bond premiums, are deductible in determining Federal adjusted gross income).

Add -- (1) Interest or dividends on obligations of any state or political subdivision other than Maine; and (2) interest or dividends on Federal obligations exempt from Federal taxation but not from state taxation.

MAINE

The taxable income of nonresidents is that part of the taxpayer's Federal adjusted gross income derived from Maine sources, less deductions and personal exemptions. Adjusted gross income of a nonresident from Maine sources is the sum of the following: (a) Net amount of items of income, gain, loss and deduction entering into the taxpayer's Federal adjusted gross income derived from or connected with Maine sources; (b) Portion of the adjustments provided above for residents which relates to income derived from sources in Maine.

The taxable income of a resident estate or trust is the Federal taxable income modified by its share of the fiduciary adjustment; i.e., the adjustment apportioning additions and subtractions to Federal taxable income between the estate or trust and the beneficiaries. Taxable income of a nonresident estate or trust is determined from income, gain, loss and deduction derived from or connected with sources in Maine. The amount of its Federal exemption is deducted.

DEDUCTIONS: Standard deduction and low-income allowance is as follows:

Single Persons: Standard deduction is the greater of: (a) Low-income allowance of $1,700, or (b) 16% of the Maine adjusted gross income up to a maximum deduction of $2,500.

Married Persons Filing Joint Returns/Surviving Spouses: May take the greater of: (a) Low-income allowance of $2,100, or (b) 16% of Maine adjusted gross income up to a maximum deduction of $3,000.

Married Persons Filing Separate Returns: Each spouse is allowed a standard deduction of up to one-half of the maximum amounts, i.e., $1,100 for the low-income allowance, or 16% of the Maine adjusted gross income up to a maximum deduction of $1,400. (NOTE: If either spouse uses the low-income allowance, then both must use this deduction; conversely, if either uses the percentage standard deduction, then both must use this method.)

Nonresidents and part-year residents must prorate the standard and itemized deductions and personal exemption. To determine the amount of deduction and exemption on the Maine return these taxpayers will multiply these deductions by a percentage arrived at by dividing the individual's adjusted gross income from sources within the state of Maine by the adjusted gross income he/she would be required to report if a resident.

MINNESOTA

STATE LAW: Minnesota Statutes, Sec. 290.01 et seq.

TAXPAYERS: Residents, nonresidents, or persons who moved into or out of Minnesota during the year must file an income tax return (Form M-1) if they are:

Single person with gross income in excess of	$2,900
Single perso 65 or over	4,300
Single person blind	4,300
Single person 65 or over and blind	5,400
Married couple	4,300
Married couple, one 65 or over	5,400
Married couple, both 65 or over	6,300
Married couple, one blind	5,400
Married couple, both blind	6,300
Married couple, one 65 or over and one bl.	6,300
Married couple, both 65 or over and one blind	7,300
Married couple, one 65 or over and both blind	7,300
Married couple, both 65 or over and both blind ...	8,100

For nonresidents and part year residents these requirements are based on Minnesota income.

NOTE: Inflation adjustments may alter the requirement slightly. These requirements based on estimated inflation adjustments.

Generally, it is advantageous for a married couple to compute their tax separately on a combined tax return if each has income.

MILITARY PROVISIONS: (a) Minnesota's extensions of time for filing returns corresponds to the Federal provisions. A separate request for extension need not be submitted to Minnesota if a Federal extension has been made. Attach with the return a copy of the Federal automatic extension or approved Federal extension. If no Federal extension is required attach a statement with the Minnesota return stating the provision allowing the extension or, in the case of designated combat zone service, postponement of filing returns. (b) No tax is due from the estate of deceased members of the Armed Forces for a year after death while on active duty. The tax imposed for any year prior to death which is unpaid at date of death will be abated. In addition, upon filing a claim for refund within seven years from the date the return was filed, the tax paid or uncollected with respect to any tax year during which such decedent was on active duty will be refunded; (c) Military exclusions were reinstated for years beginning after 31 December 1978. The subtraction allowed would be the first $3,000 of income received for military service with an additional $2,000 subtraction of income for services performed outside Minnesota. The Federal income tax deduction allocated to this excluded income will not be allowed.

MICHIGAN

For the year 1984 the law was amended to provide for a standard or alternate home heating credit. The standard credit is based on a standard allowance of $272 for a household of one to $502 for a household of six. The amount of the credit is the standard allowance less 3.5% of the household income.

The alternate credit is computed by substracting 7% of household income from the home beating cost (heating cost cannot exceed $1,200) and multiplying the difference by 50%.

PAYMENTS: Returns due 15 April for calendar year taxpayers. Declaration of estimated Michigan tax is required if amount of tax will exceed withholding by $100. Same due date as Federal income tax, but taxpayers can elect to file annual declaration which is due with return. The Department does not have authority to abate or compromise the tax with respect to filing of delinquent returns by military personnel. However, military personnel are not required to file delinquent returns unless their income from sources other than military pay is greater than their personal exemptions.

TAX AUTHORITY: Department of the Treasury, Individual Income Tax Division, Treasury Building, Lansing, Michigan 48922.

NOTE: Legislative changes affecting the 1984 Michigan income tax will not be known until after this publication has gone to press. Any changes will be explained in the 1984 instruction booklet. PLEASE REFER TO THE INSTRUCTION BOOKLET.

from property or business not located in Michigan; (h) Overpayment of state or city income tax that is included as income on the Federal return; (i) Proceeds and prizes won in bingo/-lotteries conducted by the State to the extent included as income on the Federal return.

RATES: Tax is imposed at a rate of 4.6% plus additional rates as follows: from January 1, 1984 through August 31, 1984, 1.25%; from September 1, 1984 through September 30, 1987: 4.5%.

DEDUCTIONS: See "EXCLUSIONS" and "CREDITS".

EXEMPTIONS: $1,500 for each personal or dependency exemption allowed on taxpayer's Federal income tax return.

CAPITAL GAINS AND LOSSES: The Act provides for an adjustment of gains and losses included in adjusted gross income, which may be reduced by a fraction that has as its denominator the number of months the property was held after 1 October 1967, and as its numerator the total number of months held.

INCOME OTHER THAN MILITARY PAY: Michigan residents are liable for tax on all income received, earned or otherwise acquired regardless of the source.

CREDITS: Residents are allowed a credit for income taxes paid to another state, political subdivision, District of Columbia, or a Canadian Province, on income derived from sources therein which is also subject to Michigan taxation. Residents of New Mexico and West Virginia may claim a tax credit for income tax paid to their home state on salaries, wages and other compensation earned in Michigan. The credit is allowed to these taxpayers because of reciprocal agreements. The credit can not exceed the Michigan tax. In addition, a partial credit is allowed for income tax paid to a Michigan city.

Homeowners and renters are allowed a credit on homestead property tax or rent paid on a Michigan homestead provided they occupied the Michigan homestead for at least six months of the tax year. Homeowners who occupied the homestead part-year may claim a homestead credit for the full year only if their personal belongings and furniture remained in the homestead and it was not rented during their absence. The credit is 60% of the amount by which the property taxes (or 17% of the rent paid) exceed 3.5% of household income. Special formulas are used to compute the property tax credit for senior citizens, veterans, blind persons, totally disabled, paraplegics and quadriplegics. No property tax is allowed on a homestead other than a Michigan homestead.

MICHIGAN

STATE LAW: Act 281, Laws 1967.

TAXPAYERS: Residents and nonresidents deriving income from sources within Michigan who have an adjusted gross income in excess of the personal exemptions allowed.

FILING: See "TAXPAYERS". Service members meeting these requirements must file a Michigan income tax return although no tax may be due.

MILITARY PROVISIONS: (a) Service members who are legal residents of Michigan but maintain an abode elsewhere are required to file a Michigan income tax return. All military pay is exempt; (b) Michigan does not provide any special treatment for service members who are POW/MIA (or their spouses).

RESIDENTS: Resident is defined as an individual domiciled in Michigan (Michigan Statute, Section 18). Domicile means a place where a person has his true, fixed, and permanent home and principal establishment to which, whenever absent therefrom intends to return; domicile continues until another permanent residence is established. If an individual during the tax year being a resident becomes a non-resident or vice versa, taxable income shall be determined separately for income in each status. If an individual lives in Michigan at least 183 days during the tax year or more than one-half the days during the tax year of less than twelve months, he/she shall be deemed a resident individual domiciled in the State. A nonresident is anyone not a resident as defined here.

INCOME EXCLUSIONS: Taxable income for Michigan is Federal adjusted gross income with the following modifications:

Subtract -- (a) Compensation and retirement benefits received for service in the Armed Forces of the United States, (must be reduced by any 2106 expenses attributed to the military); (b) Income from United States Savings Bonds and other United States obligations; (c) Deductions for capital gains attributable to period prior to inception of Michigan Income Tax (October 1, 1967); (d) Pension benefits received from the State and its political subdivisions to the extent included in adjusted gross income; (e) Any other pension benefits up to $10,000 on a joint return and $7,500 on a single return; (f) Contributions to political parties or candidates not to exceed $50 on a single return ($100 on a joint return) providing such contributions are eligible for deduction on taxpayer's Federal return; (g) Income

Federal return only if they are excess itemized deductions (5) $2,200 additional if legally blind (6) portion of child adoption fees (7) interest income in Massachusetts banks; single or married filing separately-$100; married filing jointly-$200. If a legal resident for part of the taxable year, allowable exemptions are reduced based on days as a resident divided by 365. If a nonresident, total exemptions are apportioned to an amount based on a ratio of Massachusetts gross income divided by total gross income of the same type anywhere. This ratio is used to apportion the deductions of (a) alimony paid (b) child under 15, disabled dependent and disabled spouse care expense and (c) the $600 amount allowed if any member of a household was under age 12 at year end and if the taxpayer is not claiming a deduction in (b).

PAYMENTS: Return and full payment due 15 April. A Declaration of Estimated Tax must be filed by persons who expect to receive taxable income in excess of $500 that is not subject to withholding and whose estimated tax for the year is more than $4; the tax to be paid in quarterly installments. A four-month automatic extension of time to file may be obtained. Request for an extension should be directed to Massachusetts Department of Revenue, P.O. Box 7011, Boston, Massachusetts 02204. Further extensions may be granted for good cause.

NOTE: There is no statute of limitations on the requirement to file a return. Delinquent service members should contact the Department to have circumstances of delinquency reviewed. Penalty for failure to file is 1% per month, up to a maximum of 25% and there is an additional 1/2 of 1% per month penalty, up to a maximum of 25% for nonpayment of taxes. If a person does not file a return the total of penalties and interest would be 3% per month. Penalty may be waived where the circumstances warrant doing so.

TAX AUTHORITY: Commonwealth of Massachusetts, Department of Revenue, Leverett Saltonstall Building, 100 Cambridge Street, Boston, Massachusetts 02204.

MASSACHUSETTS

Deductions from Part A Income. (1) Excess trade or business deduction if 10% gross income is effectively connected with the active conduct of a trade or business. The trade or business deductions must be claimed against 5% income first. (2) Capital loss reduction, if any, of interest and dividends, $1,000 maximum.

Deductions from Part B Income: Massachusetts deductions are not the same as Federal "itemized deductions". The deductions allowable to an employee include: (1) Amounts paid under the Federal Social Security Act, the Railroad Retirement Act, Federal and Massachusetts Retirement Systems up to $2,000 per taxpayer; (2) Limited rent deduction of one-half of all rent payments for a principal place of residence in Massachusetts during the taxable year; maximum deduction $2,500; (3) Alimony paid; (4) Employment-related expenses for children under age 15, disabled dependents and disabled spouse care expenses; (5) One $600 deduction if not claiming employment-related expenses for child, etc., care AND if the taxpayer has one or more children under age 12; (6) Interest and dividends on savings accounts in Massachusetts banks of $100 for a single person, $200 for married persons filing jointly; (7) Moving expenses up to amount reimbursed by employer (IRS Form 1040, line 22); (8) Forfeited interest penalty for premature withdrawal (IRS Form 1040, line 26); (9) The deductions allowed against Part B income do not include all business expenses shown on Federal Form 2106. Only those expenses shown on Part 1 (employee business expenses) of Form 2106 are deductible in computing Part B adjusted gross income; (10) A capital gain deduction of 50% for 1983 and following years.

NOTE: Expenses connected with employment for union or professional dues, tools, uniform maintenance, and other itemized deductions on IRS Form 1040, Schedule A, are not allowed. A self-employed person may deduct all ordinary and necessary expenses paid or incurred during the tax year in carrying on any trade or business provided such trade or business does not consist of the performance of services by the person as an employee.

EXEMPTIONS: (1) Personal: Single-$2,200; Married if filing separately-$1,100; Married, if filing jointly-a $2,200 exemption for each spouse if the earned income of each is at least $2,200; Married, if filing jointly and the earned income of one or both is less than $2,200-an amount equal to the smaller income, plus $3,200. Total of both personal exemptions cannot exceed $4,400. (2) $700 for each dependent (3) $700 if age 65 or over (4) medical & dental expenses allowed as a deduction on taxpayer's

MASSACHUSETTS

STATE LAW: Massachusetts General Laws, Chapter 62

TAXPAYERS: Every person domiciled in the State with gross income in excess of $2,000. Nonresidents with gross income from sources within Massachusetts in excess of $2,000 or in excess of the $2,200 personal exemption prorated on an income basis, whichever is less, derived from or effectively connected with any trade or business (including employment) carried on by the taxpayer in Massachusetts or derived from ownership or any interest in real or tangible property located in the State, or the participation in any lottery or wagering transaction in the State. If nonresident military personnel are stationed in Massachusetts and either they or their spouse work at a civilian job as well, the compensation paid by the civilian employer is taxable by Massachusetts.

FILING: See "TAXPAYERS". If these requirements are met a Massachusetts income tax return must be filed although tax may not be due.

MILITARY PROVISIONS: (a) Service members who are domiciliaries of Massachusetts and maintain an abode outside the State are taxed as residents; (b) Compensation paid to nonresident service members stationed in Massachusetts is not includible in their gross income; (c) Massachusetts gross income does not include compensation for any month in which a service member was POW/MIA. The spouse of a POW/MIA service member may file a joint return stating the status of the service member; (d) Contributions to the Retired Serviceman's Family Protection Plan (RSFPP) are taxable. Payments to survivors are includible in Massachusetts gross income to the same extent includible in Federal gross income.

INCOME EXCLUSIONS: Interest on obligations of the United States, Social Security; public welfare assistance, Veterans Administration disability payments; G.I. Bill education payments; workmen's or unemployment compensation (Massachusetts income tax law references to the Internal Revenue Code apply to such Code as amended on 1 February 1983. Therefore, income reported as taxable unemployment compensation for Federal tax purposes would also be taxable for Massachusetts income tax purposes); accident or life insurance payments or gifts; undistributed income of a corportation taxable under Subchapter S of the Internal Revenue Code.

RATES: Part A Income: Interest, dividends and net capital gain included in Massachusetts gross income, except interest and dividends from savings deposits in Massachusetts banks -- 10.75%.

Part B Income: Remainder of Massachusetts gross income -- 5.375%.

MARYLAND

EXEMPTIONS:	Individual	$ 800
	Married Couple	1,600
	Blind Taxpayer or Spouse (additional).....	800
	Dependents (each).....	800
	Over 65 Taxpayer, Spouse, or Dependent (additional)..	800

PAYMENTS: Return and payment due 15 April or on the 15th day of the fourth month following the close of a fiscal year or after removal from the State. Estimated income tax return is due 15 April when the estimated tax liability on estimated gross income exceeds $100 for an individual taxpayer or a husband and wife living together. Estimated tax is due in quarterly payments on 15 April, June, September and January.

NOTE: Penalties and interest otherwise assessable on delinquent returns may be waived upon voluntary disclosure by resident military members who are outside the State.

TAX AUTHORITY: State of Maryland, Comptroller of the Treasury, Income Tax Division, Annapolis, Maryland 21401.

calender year reduced by the amount of disability benefits received under the Social Security Act, the Railroad Retirement Act, or both, as the case may be. The Comptroller shall determine the amount of the maximum benefit annually. For the purposes of this paragraph, the Comptroller may allow the subtraction to the nearest $100; (11) An amount equal to the total of political and newsletter fund contributions made by a nonfiduciary individual taxpayer in the taxable year, as determined, calculated, and limited by the provisions of §41 of the Internal Revenue Code; and (12) (i) except as otherwise provided in this paragraph, amounts representing unreimbursed automobile travel expenses incurred by an individual while serving as a volunteer: (1) To a nonprofit volunteer fire company, or any organization, the principal purpose or functions of which are the providing of medical, health, or nutritional care, and all of which constitute qualified organizations under Section 170 of the Internal Revenue Code; or (2) To provide assistance, other than assistance which consists of providing transportation, to handicapped individuals, as defined in Section 190 of the Internal Revenue Code, who are enrolled as students in the State community colleges; (ii) The amount of the subtraction shall be based upon the standard mileage rate provided in Section 162 of the Internal Revenue Code and reduced by the amount of unreimbursed automobile travel expenses claimed on the individual's federal tax return as an itemized deduction, as to the same organizations, under Section 170 of the Internal Revenue Code.

DEDUCTIONS: Individuals who elect to itemize deductions on their Federal return may itemize deductions on their Maryland return. Individuals who are not permitted to itemize their deductions in computing their Federal income tax may itemize deductions on their Maryland return but in this case the itemized deductions on the State return may not exceed the Federal zero bracket amount allowable to the taxpayer under the Internal Revenue Code. Generally, all deductions which would have been permitted for Federal purposes if the taxpayer could have exceeded the Federal zero bracket amounts, with the exception of state and local income taxes, are deductible on the Maryland return. Nonresidents must allocate deductions according to Maryland taxable income.

Optional Deduction is 13% of income to a maximum of $1,500 per individual, or $3,000 for married persons filing a joint return.

income, or (ii) an amount equal to the maximum annual benefits permitted for persons who retired at the age of 65 or older under the Social Security Act for the prior calendar year reduced by the amount of old age, survivors, or disability benefits received under the Social Security Act, the Railroad Retirement Act, or both, as the case may be. The Comptroller shall determine the amount of the maximum benefit annually. For the purposes of this paragraph, the Comptroller may allow the subtraction to the nearest $100; (4) In the case of persons retired prior to 1 January 1967, payments received which represent unrecovered contributions to a retirement system over and above such contributions remaining to be recovered tax-free on the Federal return, limited to an amount which together with the amount of any tax-free exclusion in the Federal return does not exceed the exclusion which was permitted under the laws and regulations of Maryland prior to 1967; (5) Any income reported on the individual's Federal income tax return due to a withdrawal or withdrawals from a retirement plan established under the Self-Employed Individuals Tax Retirement Act of 1962, Public Law 87-792, as amended, popularly known as a Keogh Plan, to the extent that the withdrawal or withdrawals consist of funds on which state income taxes were paid under the applicable state law at the time the funds were contributed to the plan, or of interest or dividends on which state income taxes were paid under the applicable state law at the time the interest or dividends accumulated in the plan; (6) To the extent included, the amount of any refunds of income taxes paid to the State of Maryland, any other state, the District of Columbia, and any political subdivision of the State of Maryland and of any other state; (7) To the extent included, distributions to beneficiaries of accumulated income on which income tax has been paid by a fiduciary to Maryland; (8) Expenses for household and dependent care services determined and calculated as employment-related expenses under Section 44A of the Internal Revenue Code, as amended from time to time, and subject to the dollar limit imposed by that section; (9) To the extent included, any profit realized from the sale or exchange of bonds issued by Maryland and its political subdivisions; (10) The lesser of (i) amounts received by an individual who is totally disabled, as an annuity, pension or endowment under a private, municipal, State or Federal retirement system, and included in such individual's Federal adjusted gross income, or (ii) an amount equal to the maximum annual benefit received in Maryland by persons who retired at the age of 65 or older under the Social Security Act for the prior

MARYLAND

RATES:			
	First	$1,000	..... 2%
	Second	1,000	..... 3%
	Third	1,000	..... 4%
	Over	3,000	..... 5%

INCOME: Taxable net income of an individual is the Federal adjusted gross income as defined in the Internal Revenue Code, as amended and in effect for the corresponding tax year, with the following modifications:

Add -- (1) Interest or dividends (less related expenses) on obligations or securities of any state or political subdivision or authority thereof (other than Maryland, its political subdivisions and authorities); (2) Salaries, wages, and interest or dividends on obligations of any authority, commission, instrumentality, territory or possession of the United States or any foreign government, which by the laws or treaties of the United States are exempt from Federal income tax but not from state income taxes; (3) Dividends received by individuals excluded from Federal adjusted gross income pursuant to Sec. 116 of the Internal Revenue Code; (4) 50% of the sum of items of tax preference as determined under the provisions of §280B of Article 81, Laws of Maryland, relating to income tax; (5) The oil percentage depletion allowance as claimed and allowed under §613 of the Internal Revenue Code, as amended from time to time; and (6) The ordinary income portion of a lump-sum distribution allowable as a deduction from Federal adjusted gross income under Section 402(e)(3) of the Internal Revenue Code, and, to the extent treated as ordinary income, 40% of the capital gain portion of the distribution as provided in Section 402(a)(2) of the Internal Revenue Code; (7) The deduction for two-earner married couples.

Subtract -- (1) Interest and dividends on obligations of the United States, its territories and possessions, or of any authority, commission or instrumentality of the United States; and any other income to the extent includible in gross income for Federal purposes but exempt from state taxation; (2) Pension payments received by police and firemen for injuries or disability arising out of and in the course of their employment as policemen or firemen; (3) The lesser of (i) amounts received by an individual who has attained the age of 65 years before the close of the taxable year as an annuity, pension, or endowment under a private, municipal, State or Federal employee retirement system, and included in such individual's Federal adjusted gross

MARYLAND

STATE LAW: Codified as Article 81, Sections 279 to 323A inclusive, Annotated Code of Maryland (1957 Edition) (1967 supp.) as amended.

TAXPAYERS: Domiciliaries (legal residents) are taxed on all income regardless of source or where earned; nonresidents deriving income from Maryland sources, who if required to file a Federal income tax return, are required to file a Maryland income tax return. A nonresident is not subject to Maryland personal income tax if the sole source of income is remuneration for personal services performed in Maryland, and such remuneration is subject to taxation in the individual's home state (or district), and such state (or district) grants reciprocal credits to Maryland residents.

FILING: See "TAXPAYERS". If these requirements are met a Maryland income tax return must be filed although tax may not be due.

MILITARY PROVISIONS: (a) Military members who are legal residents (domiciliaries) of Maryland have a continued obligation to file Maryland income tax returns to include all income, regardless of source or where earned (spouses have the same obligation); (b) Military members who are POW/MIA are treated the same as under the Internal Revenue Code; (c) No income tax return is due for a military member who dies while on active duty. Military members outside the United States may defer filing and payment of tax for 60 days when a similar Federal extension has been granted. Further extensions of up to six months, or one year in the case of a resident abroad, may be granted for good cause shown. All requests for extensions must be made prior to due date of the return and must be accompanied by a remittance to cover the tax estimated to be due; (d) Contributions to the Retired Seviceman's Family Protection Plan (RSFPP) and/or Survivors' Benefit Plan (SBP) are treated the same as under the Internal Revenue Code.

RESIDENTS: Any domiciliary on the last day of the tax year or any other person who maintained an abode within Maryland for more than six months of the tax year. Any one who moves out of Maryland with the intention of remaining outside the State permanently is taxed for that portion of the year he lived in Maryland. Similarly, a person moving into Maryland is taxed only for that portion of the year he lived in the State (Art 81, Sec 279(i)).

MAINE
1984 RATES

1984 INDEX RATE IS 1.018 (1.8%)

TAX RATE SCHEDULE #1

For Single Individuals and Married Persons Filing Separate Returns

If the taxable income is:	The tax is:
Not over $2,000	1% of the taxable income
$ 2,000 but not over $ 4,200	$ 20 plus 2 % of excess over $ 2,000
$ 4,200 " " " $ 6,200	$ 64 plus 3 % " " " $ 4,200
$ 6,200 " " " $ 8,300	$ 124 plus 6 % " " " $ 6,200
$ 8,300 " " " $10,400	$ 250 plus 7 % " " " $ 8,300
$10,400 " " " $15,600	$ 397 plus 8 % " " " $10,400
$15,600 " " " $25,000	$ 813 plus 9.2% " " " $15,600
$25,000 or more	$1,678 plus 10 % " " " $25,000

No Adjustment Over $15,000 as Adjusted

TAX RATE SCHEDULE #2

For Unmarried or Legally Separated Taxpayers who Qualify as Heads of Household

If the taxable income is:	The tax is:
Not over $3,200	1% of the taxable income
$ 3,200 but not over $ 6,200	$ 32 plus 2 % of excess over $ 3,200
$ 6,200 " " " $ 9,400	$ 92 plus 3 % " " " $ 6,200
$ 9,400 " " " $12,500	$ 188 plus 6 % " " " $ 9,400
$12,500 " " " $15,600	$ 374 plus 7 % " " " $12,500
$15,600 " " " $23,400	$ 591 plus 8 % " " " $15,600
$23,400 " " " $37,500	$1,215 plus 9.2% " " " $23,400
$37,500 or more	$2,512 plus 10 % " " " $37,500

No Adjustment Over $22,500 as Adjusted

TAX RATE SCHEDULE #3

For Married Taxpayers and Widows and Widowers Filing Joint Federal Returns

If the taxable income is:	The tax is:
Not over $4,200	1% of the taxable income
$ 4,200 but not over $ 8,300	$ 42 plus 2 % of excess over $ 4,200
$ 8,300 " " " $12,500	$ 124 plus 3 % " " " $ 8,300
$12,500 " " " $16,700	$ 250 plus 6 % " " " $12,500
$16,700 " " " $20,800	$ 502 plus 7 % " " " $16,700
$20,800 " " " $31,300	$ 789 plus 8 % " " " $20,800
$31,300 " " " $50,000	$1,629 plus 9.2% " " " $31,300
$50,000 or more	$3,349 plus 10 % " " " $50,000

No Adjustment Over $30,000 as Adjusted

Personal Exemption remains $1,000

Standard Deduction: Single $1,700 or 16% of M.A.G.I. up to $2,500
Married-Separate $1,100 or 16% of M.A.G.I. up to $1,400
Married-Joint $2,100 or 16% of M.A.G.I. up to $3,000

MAINE

EXEMPTIONS: Residents and nonresidents are allowed an exemption of $1,000 for each exemption to which entitled for the tax year under the Internal Revenue Code.

CREDITS: Residents and estates or trusts are allowed a credit for income taxes imposed by any other state or local government, the District of Columbia, Canadian Province or any political subdivision of a foreign country which is analogous to a state of the United States.

There is a new renewable energy system credit equal to 20% of the purchase price, not to exceed $100, for certain solar, photovoltaic, and wind systems purchased and installed during the year.

PAYMENTS: Individuals, estates and trusts must file returns with the State Tax Assessor on or before the due date for filing the Federal income tax return. Declarations of Estimated Tax are required of residents and nonresidents whose Maine income tax, other than withheld tax, can reasonably be expected to exceed $500. Declarations of individuals, other than farmers, are due on or before 15 April, June, September and January, depending upon when the requirements for filing the declaration are first met.

Penalties for failure to file or delinquent filing are reviewed by the tax department on an individual basis. Arrangements may be made to abate a portion of the penalty and interest which may be inappropriate in a particular case, as well as enter into partial payment agreements.

TAX AUTHORITY: Bureau of Taxation, Income Tax Section, State Office Building, Augusta, Maine 04333.

NOTE: Maine has recently enacted legislation providing for indexing.

MINNESOTA

RESIDENTS: Sec. 290.01(7) defines resident as any person domiciled in Minnesota and any other person maintaining an abode therein during any portion of the tax year who shall not during the whole of such tax year have been domiciled outside Minnesota. Change in domicile is a question of fact to be determined in each case by the Tax Department on the basis of acts combined with manifestations of intent. The important consideration is the place a person considers "home". Miller Estate v. Commissioner, 240 Minn. 18, 59 N.W. 2d 925(1953).

INCOME EXCLUSIONS: (a) Interest on obligations of the United States when immune from state taxation under Federal law; (b) Minnesota Vietnam bonus; (c) Taxpayers receiving a pension from any source are granted an exclusion up to $11,000. However, this maximum exclusion must be reduced dollar for dollar by the amount by which Federal adjusted gross income exceeds $17,000; (d) Military exclusion; see "MILITARY PROVISIONS".

RATES: TAXABLE INCOME* (Estimate 1984)

First $701	1.6%	$ 9,805 to $12,606	11.5%
$ 701 to $1,402	2.2%	12,606 to 17,507	12.8%
1,402 to 2,803	3.5%	17,507 to 28,010	14.0%
2,803 to 4,203	5.8%	28,010 to 38,513	15.0%
4,203 to 5,604	7.3%	Over 38,513	16.0%
5,604 to 7,005	8.8%		
7,005 to 9,805	10.2%		

A tax table based on taxable net income is available for both taxpayers who claim the Standard Deduction, or who itemize their dedutions if their Minnesota adjusted gross income is less than $40,000. Standard Deduction is 10% of Minnesota adjusted gross income not exceeding $2,400, whichever is less. Husband and wife must compute their tax in the same manner -- both itemize deductions or use the standard deduction.

*NOTE: These brackets and the maximum standard deduction increase are estimates. The inflation index is measured from August to August. The final figures may vary slightly from these estimates. There will be a taxable net income multiplier to take into account the fact that Federal taxes do not have an inflation index. This means that as people's income increases due to inflation they automatically move into a higher tax bracket. This factor called "Federal elasticity", meant that the bracket expansion was over indexed. This factor will be reflected in the tax tables for persons with taxable net incomes of less than $40,000. Persons with taxable net income of $40,000 and over must multiply their income by this taxable net income multiplier

before going to the tax table. This multiplier for 1983 is estimated to be 1.013, but again the final figure may vary. In addition to the above.

INCOME: The starting point is Federal adjusted gross income as computed under the Internal Revenue Code as amended through 31 December 1983. Certain changes were not adopted. Contributions to individual retirement account are not allowed if employee is covered under a qualified plan at work. The maximum contribution to an individual retirement account remains at $1,500. Social Security and Railroad benefits are not taxed.

DEDUCTIONS: The itemized (nonbusiness deductions) are the same as Federal deductions with the following adjustments: (a) State income tax deduction is not allowed. (b) Contributions are limited to 20% of gross income. An additional 10% is allowed for contributions to churches, tax exempt eductional institutions, hospitals, governments, qualifying charitable organizations such as United Fund, Boy Scouts, American Heart Association, or similar organizations. Carryover of contributions are not allowed. (c) Adoption expenses not qualifying for Federal deductions are allowed up to $1,250 per child. (d) Tuition and transportation expenses for elementary or secondary school education if school is located in Minnesota, North or South Dakota, Iowa, or Wisconsin. Maximum deduction is $500 per child if the child is in kindergarten through 6th grade and $700 if in grades 7th through 12th.

An individual who does not itemize for Federal but wishes to itemize on Minnesota's return would compute their Federal deductions as if they were going to itemize.

The Federal income tax liability on income included in Minnesota gross income is deductible in arriving at adjusted gross income. The Federal income tax liability paid on income which Minnesota does not tax, is not deductible. Prior years the deduction would be taken when paid. Beginning in 1981 the deduction would be claimed in the year to which the liability applied. Pre 1981 refunds reported in full. Pre 1981 balances due prorated a over six year period.

MINNESOTA

EXEMPTIONS: See "CREDITS".

CAPITAL GAINS AND LOSSES: Same as under the Internal Revenue Code.

CREDITS: The personal credit for each taxpayer is $71.* A married couple is allowed $142. Special credits are allowed if they are age 65 or over, deaf, blind or quadriplegic. The special credit is $71 for each category. Each dependent credit is $71. A deaf, blind, or quadriplegic dependent is allowed a special credit of $71. Up to 30% of the qualified payments for dependent care is allowed as a refundable credit. The credit may not exceed $720 for one dependent or $1,440 for two or more dependents. The maximum credit is deceased if the Federal adjusted gross income is in excess of $10,000 and is eliminated if the income exceeds $24,000.

*The personal and dependent increases are indexed based on inflationary increase from August to August. The $71 is an estimate and the final figure may vary slightly.

LOW INCOME CREDIT: A credit equal to the normal tax is allowed if the total income is within the limits set by law. Total income includes both husband and wife's income from taxable and nontaxable sources. A dependent is not eligible. This credit would reduce the tax to 15% of the incomes above the amounts reflected in the law if it would produce a lower liability.

Table reflecting full tax liability offset for taxable years beginning after 31 December 1979:

SINGLE with:

(a) No dependents, with income of $5,800 or less, or
(b) One dependent, with income of $7,400 or less, or
(c) Two dependents, with income of $8,800 or less, or
(d) Three dependents, with income of $10,000 or less, or
(e) Four dependents, with income of $10,500 or less, or
(f) Five or more dependents, with income of $11,000, or less

MARRIED with:

(a) No dependents, with income of $7,400 or less, or
(b) One dependent, with income of $8,800 or less, or
(c) Two dependents, with income of $10,000 or less, or
(d) Three dependents, with income of $10,500 or less, or
(e) Four or more dependents, with income of $11,000 or less

MINNESOTA

Income means monies received by the claimant (and husband or wife) which includes the sum of Federal adjusted gross income plus net capital gain deduction, support money, railroad retirement benefits, social security payments and benefits, veterans disability pensions, gross amount of all other pensions or annuities less amounts reported on the Federal income tax return, nontaxable interest, loss of time insurance, cash public assistance and relief, and unemployment compensation payments.

Taxpayers with gross income in excess of $20,000 are not eligible for the Low-Income Credit.

PAYMENTS: Return and payment due 15 April. Persons with gross income likely to exceed the filing requirements (see "TAXPAYERS"), over $500 of which is not subject to Minnesota withholding tax, must file Declaration of Estimated Tax by 15 April and pay estimated tax in four equal installments by 15 April, June, September and January. No estimated tax declaration due if tax will not exceed $400 per year ($500 for 1985).

TAX AUTHORITY: State of Minnesota, Department of Revenue, Income Tax Division, P.O. Box 64452, St Paul, Minnesota 55164.

ADDITIONAL INFORMATION AND FORMS: Additional information is contained in the forms and instructions used in preparation of the return. These are available from the above address.

MISSISSIPPI

STATE LAW: Mississippi Code (1972), as amended, Title 27, Sec. 7-1 et seq.

TAXPAYERS: Residents and all other persons owning or selling property, or otherwise receiving income during the tax year from sources in Mississippi, with gross income exceeding the allowable exemption plus the standard deduction. Residents must report gross income from all sources, regardless where earned and whether or not they are physically present in the State.

FILING: See "TAXPAYERS".

MILITARY PROVISIONS: (a) Service members who are legal residents of the State but maintain an abode in another jurisdiction are subject to Mississippi income tax. They must file a return if their gross income exceeds their personal exemptions although tax may not be due; (b) Compensation for military duty is generally taxable. Compensation received by persons who are POW/MIA is treated the same as under Internal Revenue Code; (c) Compensation received by military members for service-connected disability is not taxable and therefore excluded from gross income. (Mississippi will follow the provisions of Sec. 104(b), Internal Revenue Code, in determining disability). Nondisability retirement pay, including National Guard and Reserve, up to $5,000 for each tax year may be excluded from gross income; (d) Contributions by service members to the Retired Serviceman's Family Protection Plan (RSFPP) and/or Survivors Benefit Plan (SBP) are not excluded in determining gross income.

RESIDENTS: Residents who enter the military service remain residents during the tenure of their military service, or until such time as some positive action is taken to establish residence in another state and their personnel records are changed accordingly.

NOTE: Service members entering Mississippi by reason of military or naval orders, who later become legal or actual residents of the State, or who purchase property for residential purposes claiming homestead exemption for tax purposes, are considered residents of Mississippi for tax purposes and subject to taxation. Military members who are not residents of the State who receive military pay while stationed in Mississippi shall not be deemed to have received such income for services performed in or from Mississippi sources. Spouses of military members who earn income in the State, and military members who earn nonmilitary income in the State, are taxed on such income in the same manner as other nonresidents.

MISSISSIPPI

INCOME EXCLUSIONS: (a) Life insurance proceeds; (b) Gifts and bequests; (c) Interest on obligations of Mississippi or its subdivisions and direct obligations of the United States (as Series E US bond); (d) Compensation for personal injuries, including workmen's compensation and disabled veterans' benefits; (e) Annuities to extent of taxpayer's contribution, plus a $5,000 exclusion.

RATES:

First $5,000	3%
Next 5,000	4%
Over 10,000	5%

Income splitting on joint returns is not permitted.

DEDUCTIONS: (a) Ordinary and necessary business expenses; (b) Itemized deductions allowable for federal income tax purposes may be claimed for Mississippi income tax purposes. Federal income tax forms may be used and attached to the Mississippi return, for adjustments to income. However, Mississippi does not recognize federal credits, e.g., child care credit.

The Standard Deduction, in lieu of itemized personal deductions, is as follows:

Married Individuals filing joint or combined return	$3,400
Married Individuals filing separate returns	1,700
Head of Family	3,400
Single Individuals	2,300

EXEMPTIONS:

Single Individual	$6,000
Married Individuals (jointly)	9,500
Married filing separate returns	4,750
Head of Family	9,500
Each dependent (other than spouse)	1,500
Age 65 or over (husband, wife or single only)	1,500
Blind (husband, wife or single only)	1,500

If a married couple files joint or combined returns (one return), either spouse may claim all or any portion of the aggregate exemption permitted the couple. If separate returns are filed (two returns), the aggregate exemption must be divided equally between spouses.

CAPITAL GAINS AND LOSSES: No distinction between long-term and short-term capital gain; gains are treated as ordinary income; losses are fully deductible, but are to be reported separately. Gain on sale of residence follows the Federal tax law.

MISSISSIPPI

CREDITS: Residents are allowed credit for income tax paid to other states on income earned outside Mississippi, provided the credit does not exceed the amount that would have been due on the same income computed at Mississippi rates.

PAYMENTS: Return due 15 April. Tax due is payable in full by the original due date of the return.

NOTE: Letter from the State Tax Commission, dated March 17, 1976, states that the Commission cannot waive or set aside income tax obligations for prior years due by members of the Armed Forces. If a member is delinquent, returns are requested for three prior years, plus the current year. Interest is mandatory. A 10% penalty is added if it becomes necessary to make a formal assessment. In the case of voluntary disclosure by a military member, the penalty may be waived.

TAX AUTHORITY: State Tax Commission, Income Tax Division, P.O. Box 960, Jackson, Mississippi 39205.

MISSOURI

STATE LAW: Vernon's Ann. Missouri Stats, Sec. 143.009 et seq.

TAXPAYERS: Every resident required to file a Federal income tax return, and nonresidents who had an income from Missouri sources of $600 or more.

FILING: See "TAXPAYERS". If Missouri income tax was withheld, in order to obtain a refund, a return must be filed, All Missouri domiciled military personnel who qualify for exemption from taxation should file an income tax return each year and attach an Affidavit of Nonresidency.

MILITARY PROVISIONS: A domiciliary who is a member of the Armed Forces is exempt from Missouri income tax if: (1) He/she maintained no permanent place of abode in the State during the tax year; (2) Did maintain a permanent place of abode elsewhere; and (3) Did not spend more than thirty (30) days of the tax year in Missouri.

RESIDENTS: Resident is an individual who either: (1) Maintained a domicile in Missouri; or (2) Did not maintain a domicile in Missouri but did have permanent living quarters and spent more than 183 days of the tax year in Missouri. Exception: An individual who, although domiciled in Missouri, did not maintain permanent living quarters in Missouri and did maintain them elsewhere, and who spent thirty (30) days or less of the tax year in Missouri is considered a nonresident. A nonresident is an individual who is not a resident.

INCOME EXCLUSIONS: Same as Federal with the following adjustments:

Subtract -- (a) Interest on obligations of the United States and its territories and possessions, or of any authority, commission or instrumentality of the United States to the extent exempt from Missouri income taxes under the laws of the United States, and (b) Certain other items of income to avoid double taxation by Missouri because of the income tax law revision, effective 1 January 1973.

Add -- (a) Interest on certain governmental obligations excluded from Federal gross income by section 103 of the Internal Revenue Code. The previous sentence shall not apply to interest on obligations of the State of Missouri or any of its political subdivisions or authorities, and does not apply to interest described in (a) above.

MISSOURI

RATES: TAXABLE INCOME

Over	Not Over	Rate
.....	$1,000	1.5%
$1,000	2,000	$ 15 plus 2.0% on excess over $1,000
2,000	3,000	35 plus 2.5% on excess over 2,000
3,000	4,000	60 plus 3.0% on excess over 3,000
4,000	5,000	90 plus 3.5% on excess over 4,000
5,000	6,000	125 plus 4.0% on excess over 5,000
6,000	7,000	165 plus 4.5% on excess over 6,000
7,000	8,000	210 plus 5.0% on excess over 7,000
8,000	9,000	260 plus 5.5% on excess over 8,000
9,000	....	315 plus 6.0% on excess over 9,000

Tax table is required on taxable income of less than $9,000. Missouri tax liability is not joint but a combined return of separate liabilities, rather than joint liability.

DEDUCTIONS: Same as Federal, subject to certain modifications.

EXEMPTIONS:

Taxpayer	$1,200
Taxpayer's Spouse	1,200
Unmarried Head of Household, if qualified for Federal income tax (additional).....	800
Dependents (additional-each)...	400

CAPITAL GAINS AND LOSSES: Same as Federal, subject to certain modifications.

PAYMENTS: Return and payment in full due 15 April. Estimated tax declarations and payments are due quarterly if Missouri annual adjusted gross income, not subject to withholding, exceeds $500 and annual adjusted gross income exceeds $5,000, and if Missouri estimated tax is expected to be at least $40. For estimated tax declaration purposes, military pay is not subject to withholding (Section 143.191.2 and 143.521).

NOTE: Effective January 1, 1973, military members claiming Missouri domicile are not subject to Missouri tax while maintaining a permanent place of abode outside the State. The Statute of Limitations on the Revenue Law is three years from the time the return was filed or two years from the time the tax was paid, whichever of such periods expires the later. If no return is filed, there is no statute of limitations and a notice of deficiency can be made at any time. An affidavit must

accompany the returns stating the reason for delinquent filing and requesting a waiver of penalties and additions to the tax. Interest is mandatory and cannot be waived.

TAX AUTHORITY: Department of Revenue, Individual Tax Bureau, P.O. Box 629, Jefferson City, Missouri 65105.

NOTE: The City of St. Louis and Kansas City impose a 1% earnings tax on the gross income of residents of those cities. Returns and payment due 15 April.

MONTANA

STATE LAW: Montana Code Annotated, Title 15, Sec. 15-30-101 et seq.

TAXPAYERS: Residents - A resident is any person domiciled in Montana, and any other person who maintains a permanent abode in the State although temporarily absent therefrom and who has not established a residence elsewhere. Residents who enter military service do not lose their Montana residence/domicile solely by being absent therefrom in compliance with military orders. Residents must file a Montana State income tax return if their nonmilitary gross income exceeds $1,250 for a single or separate return, and $2,500 for a joint return. These amounts are increased by $1,000 for each additional exemption to which the taxpayer and spouse are entitled for age 65 and blindness.

Nonresidents and Part-Year Residents of Montana - (a) A nonresident taxpayer must file a Montana return if gross income from Montana sources exceeds those exemption deductions to which the taxpayer is entitled for himself/herself and spouse, (b) A taxpayer who was a resident of Montana during only part of the tax year must file a Montana return if the sum of gross income from Montana sources while a nonresident and gross income from all sources while a resident exceeds those exemption deductions to which the taxpayer is entitled for himself/herself and spouse.

FILING: See "TAXPAYERS". If these requirements are met a Montana income tax return must be filed.

MILITARY PROVISIONS: (a) Compensation for active duty service as a member of the Armed Forces is exempt from Montana income tax (1 January 1975); (b) Federal filing requirements and the exclusion for military service compensation of POW/MIA persons apply for Montana income tax purposes. Spouses of such persons are required to file returns by the regular due date; (c) Retired Serviceman's Family Protection Plan (RSFPP) and/or Survivors' Benefit Plan (SBP) contributions are treated the same as under the Internal Revenue Code; (d) Disability retirement pay is not taxable. An amount not in excess of $3,600 is excludable from nondisability retirement pay.

INCOME: Montana adjusted gross income is the same as Federal adjusted gross income (Sec. 62, Internal Revenue Code) and includes; (a) Interest received on obligations of another state, territory, county or municipality; (b) Federal income tax refunds to the extent deduction of such tax resulted in a reduction of Montana income tax liability.

MONTANA

CAPITAL GAINS AND LOSSES: Same treatment as under the Internal Revenue Code.

INCOME EXCLUSIONS: (a) Montana income tax refunds or credits; (b) Interest received from obligations of Montana and its political subdivisions; (c) Payments under World War I Bonus Law, Korean Bonus Law, Vietnam Bonus Law and Veterans Bonus Law. Tax paid on income received from these sources is refundable upon filing amended return and verified claim.

DEDUCTIONS: All items included in Sec. 161 and 211, Internal Revenue Code, except state income tax. Federal income tax is deductible.

Optional Standard Deduction is 20% of adjusted gross income. Limitation: Single person or married persons filing separately -- $1,880; married filing jointly -- $3,760. A taxpayer who elects to take the optional standard deduction is not entitled to a deduction for Federal income tax paid (1 January 1971).

EXEMPTIONS:	
Individual	$ 1000
Spouse	1000
Blind or over 65 - Taxpayer or Spouse (additional)	1000
Dependents (each)	1000
Handicapped Child (additional)	1000

CREDITS: Residents are allowed a credit for taxes paid to other states, provided such states do not allow Montana residents a credit for amounts paid to Montana. This credit may be claimed by completing Schedule V, Form 2A and attaching the other state's return. Nonresidents receive no credit for taxes paid to their state of legal residence.

TAX TABLE:

Taxable Income	Amount of Tax
$0 - $1,300	2%
1,300 - 2,500	$ 26 + 3% of excess over $ 1,300
2,500 - 5,000	62 + 4% of excess over 2,500
2,500 - 7,500	162 + 5% of excess over 5,000
7,500 - 10,000	287 + 6% of excess over 7,500
10,000 - 12,500	437 + 7% of excess over 10,000
12,500 - 17,600	612 + 8% of excess over 12,500
17,600 - 25,100	1,020 + 9% of excess over 17,600
25,100 - 43,900	1,695 + 10% of excess over 25,100
43,900 -	3,575 + 11% of excess over 43,900

MONTANA

PAYMENTS: Return and payment due 15 April. Taxpayers whose income is not subject to withholding must file a Declaration of Estimated Tax by 15 April. Estimated tax is due in two equal installments on 15 April and October 15. Persons moving from the State must pay income tax for that portion of the year they were residents. However, under Sec. 15-30-313 M.C.A., members of the Armed Forces may defer filing and paying income taxes until six months after discharge if military service causes undue hardship in complying with the law.

EXTENSIONS OF TIME FOR FILING: Taxpayers may obtain an automatic six-month extension of time for filing a return by submitting an application on or before the due date of the return. Applications may be made on forms obtained from the Department of Revenue, or in a letter specifically requesting an automatic six-month extension. Application for extension must be prepared in duplicate; the original must be filed with the Department on or before the due date of the return, while the copy must be attached to the return when it is filed. No additional extensions will be granted.

TAX AUTHORITY: State of Montana, Department of Revenue, P.O. Box 5805, Helena, Montana 59604.

NEBRASKA

STATE LAW: Nebraska Revenue Act of 1967, as amended, Section 77-2714 to 77-27,124 R.R.S. 1943.

TAXPAYERS: Residents of Nebraska required to file a Federal income tax return must file a Nebraska Individual Income Tax Return, Form 1040N. Nonresidents required to file a Federal income tax return, and who have income derived from or connected with Nebraska sources, must file a Nebraska Individual Income Tax Return, Form 1040N. Such income includes wages, salaries and income from partnerships, estates, trusts or small business corporations doing business in Nebraska. Part-year residents required to file a Federal income tax return, and who have income derived from or connected with Nebraska sources, must file a Nebraska Individual Income Tax Return, Form 1040N. Such income includes that listed above for nonresidents, and also interest and dividends received while residing in Nebraska.

FILING: See "TAXPAYERS" and "MILITARY PROVISIONS". When husband and wife (both of whom are either residents or nonresidents), have elected to file a joint Federal income tax return they are required to file a joint Nebraska return, or if they have elected to file separate Federal returns, they are required to file separate Nebraska returns. If one spouse is a resident and the other a nonresident for some part of the year, they may either file separate Nebraska returns or they may elect to file a joint Nebraska return if the couple has filed a joint federal return, in which case all income must be included as if both were residents. Where the resident and nonresident have filed a joint Federal return and elect to file separate Nebraska returns, all amounts on the separate Nebraska returns must be computed as if they filed separate Federal returns.

MILITARY PROVISIONS: (a) A nonresident service member is not required to file a Nebraska income tax return if he/she has no income from Nebraska; (b) Military pay received by a nonresident service member stationed in Nebraska is not taxed by the State. Income earned in Nebraska by a nonresident service member from employment not connected with military service is subject to Nebraska taxation. Income derived from Nebraska sources by a service member's spouse is subject to taxation; (c) Internal Revenue Code provisions governing the following items are applicable for Nebraska income tax purposes: (i) Tax liability of service members who are POW/MIA (and their spouses); (ii) Disability and nondisability pay of retired Armed Forces personnel; (iii) Contributions to the Retired Serviceman's Family Protection Plan (RSFPP) and/or Survivors'

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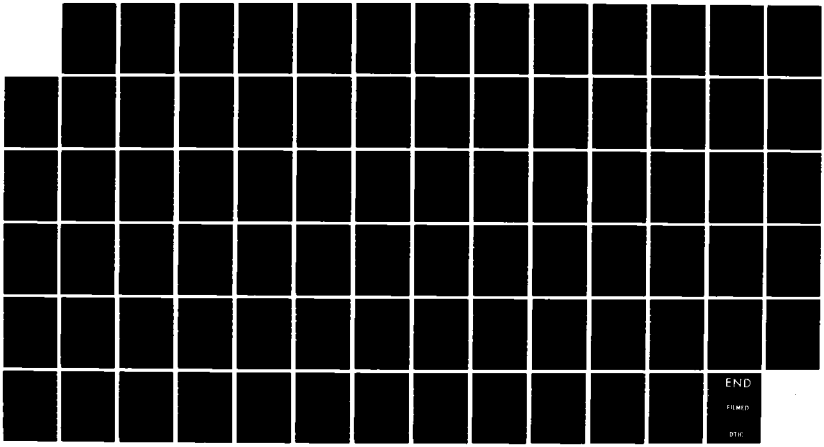

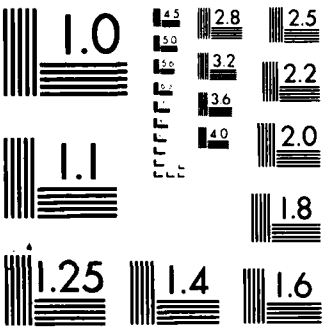

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Benefit Plan (SBP); (iv) All other provisions concerning the tax liability of service members. See "INCOME EXCLUSIONS".

RESIDENTS: Resident is defined as an individual who is domiciled in Nebraska, or maintains a permanent abode in Nebraska and spends more than six months of the tax year in the State. A nonresident is defined as an individual who is not a resident. A part-year resident is defined as an individual who either establishes or terminates residence during the tax year.

Military dependents may change their domicile and become residents upon moving into Nebraska, or the military dependents automatically become residents of Nebraska for income tax purposes six months after moving into Nebraska. Military dependents who become residents during the taxable year will file as partial-year residents.

NOTE: Military service pay can be taxed only by the state in which the service member is a legal resident (Soldiers' and Sailors Civil Relief Act). Legal residence at the time of entry into the Armed Forces is presumed to remain so until legal residence is established in another jurisdiction, service records are changed accordingly, and Nebraska revenue authorities are advised of the change.

INCOME EXCLUSIONS: Internal Revenue Code provisions governing Armed Forces pay while serving in a combat zone or area in direct support of a combat zone qualifying for hostile fire pay, are applicable for Nebraska purposes.

RATES: 19% of Federal tax liability before Federal credits.

NOTE: Effective 2 September 1977, and pursuant to LB355, Nebraska authorized the withholding of State income tax from military pay.

DEDUCTIONS: None

EXEMPTIONS: None

CHECK OFFS: Individuals entitled to a refund of Nebraska income tax will be allowed to give some or all of that refund, by checkoff, to the nongame and endangered species fund.

PAYMENTS: Due on or before 15 April following the close of the tax year. Penalty for not filing a return is 5% per month of the balance due on the return, not to exceed 25% in the aggregate. Interest is charged at the rate of 14% per year from the due date of the return to the date of payment.

NEBRASKA

NOTE: If a return has never been filed there is no statute of limitations; therefore, a service member would be required to file commencing with the year 1968.

TAX AUTHORITY: Nebraska Department of Revenue, Box 94818, Lincoln, Nebraska 68509.

NEVADA

No State Income Tax.

This is a community property state.

NEW HAMPSHIRE

STATE LAW: Revised Statutes Ann, Ch 77 et seq.

TAXPAYERS: Individuals who are inhabitants or residents of New Hampshire on 1 January of any year, and individuals who have ceased to be residents during the preceding year for such part of the year as they were residents, on all taxable income over $1,200. Joint returns are permitted.

FILING: See "TAXPAYERS". Military members are required to file a New Hampshire income tax return if they have $1,200 or more of interest and/or dividend income.

MILITARY PROVISIONS: Military compensation is not taxed by New Hampshire. Interest and dividend income is reportable although no tax may be due.

RESIDENTS: Persons entering the Armed Forces from New Hampshire are regarded as permanent residents of the State wherever located (Letter from State Tax Commissioner, 12 December 1960).

INCOME EXCLUSIONS: There is no general income tax in New Hampshire. The sole taxable income is that derived from: (a) Interest from bonds, notes, money, except interest from notes and bonds of New Hampshire and its political subdivisions, as well as interest received from United States Treasury notes/bonds; (b) Dividends on shares in corporations and stock companies organized in any state, except state banks, trust companies and national banks chartered in New Hampshire. However, interest or dividends are reportable although no tax is due. Earned income is not taxable. Annuities and retirement pay are not taxable.

RATES: 5%

EXEMPTIONS: (a) $1,200 per taxpayer; (b) Additional $1,200 if taxpayer is 65 or over on last day of tax year; (c) Additional $1,200 if taxpayer is blind; (d) Additional $1,200 if taxpayer is handicapped and unable to work and has not yet reached 65 years of age.

CAPITAL GAINS OR LOSSES: Gains are not taxable, and losses are not recognized. Capital gains distribution by mutual funds is not taxable as dividends or interest.

NEW HAMPSHIRE

CREDITS: None

PAYMENTS: Return and payment due April 15. Penalty for not filing is $50 or 25% of the tax due, whichever is greater.

TAX AUTHORITY: State of New Hampshire, Department of Revenue Administration, P.O. Box 637, Concord, New Hampshire 03301.

NEW JERSEY

STATE LAW: New Jersey Gross Income Tax Act N.J.S. 54A:1-1.

TAXPAYERS: Residents are taxed on their entire gross income after deductions and personal exemptions. Nonresidents are taxed on their gross income only from New Jersey sources.

FILING: Gross income over $3,000 if single or married and filing jointly (over $1,500 for married persons filing separately); calendar year taxpayers must file on or before 15 April following the close of the calendar year. Fiscal year taxpayers must file on or before the 15th day of the 4th month following the close of the fiscal year.

RESIDENTS: Resident is defined as an individual who is: (a) Domiciled in New Jersey, or (b) If not domiciled, has a permanent place of abode in New Jersey and spends more than 183 days of the tax year in the State.

NOTE: A New Jersey domiciliary will be treated as a nonresident if: (a) He/she has no permanent place of abode in New Jersey, (b) Spends no more than 30 days of the tax year in New Jersey, and (c) Has a permanent place of abode outside the State. Division of Taxation takes the position that a service member maintaining an apartment or house for himself/herself and family in another state, whether the dwelling is on a military base or private property, is a permanent place of abode, but that barracks, bachelor officers quarters and billets are not.

MILITARY PROVISIONS: (a) Members of the Armed Forces who are domiciliaries of New Jersey are subject to income tax regardless where their income is earned -- compensation for military service paid by the United States to nondomiciliaries of New Jersey is excluded from gross income. However, nonmilitary income received from New Jersey sources by a nondomiciliary service member, the spouse or by members of the family is subject to income tax; (b) Mustering-out pay is excluded for both the domiciliary and nondomiciliary service member; (c) Members of the Armed Forces serving in a designated combat zone, or recovering from injuries or a disease incurred in such zone, have 180 days after the end of service in such zone, or after the end of hospitalization, to comply with the tax law. Members of the Armed Forces who die while serving in a combat zone as a result of injury or disease while so serving, are relieved of any income tax with respect to the tax year in which falls the date of death, or with respect to any prior tax year ending on or after the first day he/she so served in a combat zone; (d) Dependents of military members -- because of the ambiguities and present incomplete development of

the law, separate coverage is provided in attached NOTE 1 through NOTE 4.

ITEMS TAXED: In New Jersey, gross income consists of the following categories: (1) Salaries, wages, tips, fees, commissions, bonuses, and other remunerations received for services rendered; (2) Net profits from operation of business or profession; (3) New gains on income from disposition of property (NOTE: There is no 50% deduction for long-term capital gains); (4) Net rents, royalties, patents and copyrights; (5) Interest; (6) Dividends (NOTE: There is no $100 exclusion); (7) Gambling winnings; (8) Income from estates and trusts; (9) Income in respect of a decedent; (10) Pensions and annuities; (11) Alimony and separate maintenance; (12) Income from partnerships; (13) Rental value of a residence furnished by an employer; (14) Prizes and awards.

EXCLUSIONS: Federal Social Security Benefits; Railroad Retirement Act payments; proceeds of life insurance contracts; employees' death benefits; property acquired by a gift or inheritance (but not income derived therefrom); workman's compensation recovery and damages for personal injury or sickness; disability benefits and unemployment insurance benefits; amounts received as scholarship or fellowship grants; New Jersey lottery winnings; gains on sale of principal residence (follows Federal income tax law); interest on obligations issued by New Jersey and its political subdivisions and those that are tax-free under the laws of the United States; pensions received for personal injuries or sickness resulting from active service in the Armed Forces of the United States or as paid under any public or private plan by reason of total and permanent disability; employees' contributions, plus $10,000 if married and filing jointly, $5,000 for married persons filing separately, $7,500 for single taxpayers if taxpayer is 62 years of age or older or disabled under social security; distributions from an employee's trust which are rolled over for Federal Internal Revenue purposes; other retirement income received by qualified persons which does not exceed a total per return of $10,000, married filing jointly; $5,000 married filing separately; and $7,500 for a single taxpayer when combined with pension exclusion if taxpayer is 62 years of age or older; a special exclusion from gross income of $6,000 married filing jointly and $3,000 married filing separately or single taxpayers, for persons who are not covered by either social security benefits or railroad retirement benefits but would be eligible if covered thereby.

DEDUCTIONS: Alimony and separate maintenance payments; medical expenses in excess of 2% of New Jersey gross income. Losses can

only offset income within the same category. Loss carry forward is not allowed.

EXEMPTIONS: $1,000 for: (1) Taxpayer; (2) Spouse not filing separately; (3) Each dependent who qualifies as such for Federal income tax purposes; (4) Each dependent under age 22 who is attending an accredited post-secondary institution of higher education on a full-time basis and for whom the taxpayer paid at least one-half of cost of tuition and maintenance. An additional $1,000 for: (1) Taxpayer 65 or over; (2) Taxpayer blind or disabled; (3) Spouse 65 or over; and (4) Spouse blind or disabled.

NOTE: Nonresidents are allowed the same personal exemptions but must apportion their total income, if total income from all sources exceeds New Jersey income by more than $100.

RATES: TAXABLE INCOME

Over	Not Over	Rate
.....	$20,000	2% of taxable income
$20,000	50,000	$400 plus 2.5% of excess over $20,000
$50,000		$1,150 plus 3.5% of excess over $50,000

CREDITS: A credit for income or wage taxes paid to other States or their political subdivisions; a tenant credit of $65 to a qualified resident tenant and shareholder in cooperatives (1/2 for married persons filing separately) other than residents of a residential cooperative or mutual housing cooperation who are entitled to a homestead rebate, and an additional $35 to a taxpayer who is totally disabled, or is over 65, or to a surviving spouse of a person 65 or over who remains unmarried since having become a widow or widower at age 55 or over.

NOTE: The tenant's credit may only be taken with respect to a rented New Jersey homestead.

PAYMENTS: Return and entire tax due on or before 15 April annually, declaration of estimated tax both by residents and nonresidents of their tax liability if their estimated tax can be reasonably expected to be more than $100 in excess of any credits allowable. Estimated tax should be filed by 15 April of the current tax year. Installments are due 15 April, 15 June, 15 September and 15 January.

TAX AUTHORITY: State of New Jersey, Division of Taxation, 50 Barrack Street, CN 269, Trenton, New Jersey 08646.

NEW JERSEY

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MILITARY PROVISIONS: Section 54:8A-3 defines "resident" as a natural person domiciled in New Jersey except domiciliaries maintaining no permanent place of abode within the State and keeping such an abode elsewhere, and spending not more than 30 days of the tax year within the State; and every other person maintaining a permanent place of abode within the State and spending more than 183 days of the tax year within the State, except military personnel not domiciled in the State and residing there pursuant to military orders.

NOTE: Military active duty pay is exempt from taxation hereunder; nonmilitary income received from New Jersey sources is subject to taxation. Pensions and retirement allowances are exempt from taxation.

ITEMS TAXED: Taxable income is that derived from sources within New Jersey. This means such income and gain from: (a) Property owned; (b) Salaries, wages, and compensation for personal services; (c) Business, trade, occupation, or profession carried on in New Jesey. A person who is not a dealer holding property primarily for sale to customers in the ordinary course of business is not considered to be carrying on a business in New Jersey merely because he/she may buy or sell property for his/her own account. Income from intangible personal property, including income from annuities, dividends, interest, and gain from disposition of intangible personalty is income derived from sources in New Jersey only to the extent it is derived from property employed in business, trade, profession or occupation carried on in New Jersey.

EXCLUSIONS: In computing the New Jersey income of a New York resident, exclude amounts received from: (a) Sources derived outside New Jersey; (b) Pensions and retirement allowances; (c) Life insurance contracts payable by reason of death; (d) Workman's compensation for personal injury or sickness; (e) Accident or health insurance for personal injury or sickness, except to the extent that such amounts are paid or attributable to contributions by employer; (f) Gifts, bequests, devises or inheritance; (g) All payments which constitute wages or payments in lieu of wages for periods during which employee was absent from work due to personal injury or sickness (with limitations).

DEDUCTIONS: Itemized the same as Federal (if itemized on the Federal return, subject to certain modifications). A minimum standard deduction of 17% of gross income, or $2,500 whichever is less. A low-income allowance has been adopted; the standard deduction for a single individual may not be less than $1,500; for

husband and wife, head of household, surviving spouse the minimum standard deduction is $2,000. Limitation: If New Jersey adjusted gross income is smaller than Federal adjusted gross income by more than $100, the itemized deductions are limited by the ratio which New Jersey income bears to the Federal income.

PAYMENTS: Persons subject to both Emergency Transportation Tax and the Gross Income Tax are only liable for the higher tax. Tax return and payment of tax in full is due 15 April. Withholding is required by New Jersey employers with respect to earnings of New York residents.

RATES		TAXABLE INCOME
Over	Not Over	Rate
.....	$ 1,000 ...	2%
$ 1,000	3,000 ...	$ 20 plus 3% on excess over $ 1,000
3,000	5,000 ...	80 plus 4% on excess over 3,000
5,000	7,000 ...	160 plus 5% on excess over 5,000
7,000	9,000 ...	260 plus 6% on excess over 7,000

NEW JERSEY

RATES		TAXABLE INCOME
Over	Not Over	Rate
$ 9,000	11,000 ...	$ 380 plus 7% on excess over 9,000
11,000	13,000 ...	520 plus 8% on excess over 11,000
13,000	15,000 ...	680 plus 9% on excess over 13,000
15,000	17,000 ...	860 plus 10% on excess over 15,000
17,000	19,000 ...	1,060 plus 11% on excess over 17,000
19,000	21,000 ...	1,280 plus 12% on excess over 19,000
21,000	23,000 ...	1,520 plus 13% on excess over 21,000
23,000	over	1,780 plus 14% on excess over 23,000

STANDARD DEDUCTION: The standard deduction is 17% of gross income or $2,500, whichever is less.

MINIMUM STANDARD DEDUCTION: For individuals who are not married nor the head of the household, nor a surviving spouse, the minimum standard deduction is $1,500. For a married couple filing jointly, a head of household or a surviving spouse, it is $2,000. For a husband or wife who file separately, the aggregate minimum standard deduction is $2,000.

PERSONAL EXEMPTION ALLOWANCES: The Emergency Transportation Tax Act currently authorizes a deduction of $800 for each personal exemption.

NEW JERSEY

MAXIMUM TAX RATE ON PERSONAL SERVICE INCOME: The maximum tax rate on personal service taxable income is 10%. Personal service income means items of income includible as personal service income for purposes of Section 1348 of the Internal Revenue Code. This includes wages, salaries, professional fees, bonuses, commissions, tips, prizes and awards in recognition of personal service, income attributable to group-term life insurance premiums paid by an employer on employee's behalf, contributions to qualified pension plans for certain shareholder-employees (if there is a connection with personal service), net earnings (other than gains subject to capital gain treatment) from the sale, transfer, or licensing of property (other than goodwill) if personal efforts created the property, and amounts received for professional service such as services performed by a doctor, dentist, lawyer, architect or accountant.

Personal service taxable income is the excess of (1) the amount which bears the same ratio (but not in excess of 100%) to the taxpayer's entire taxable income as his/her personal service gross income bears to his/her entire gross income over (2) [illegible] of his items of tax preference for the taxable year. [illegible] purpose of computing the maximum tax, taxpayers who qualify [illegible] be required to complete and file a separate schedule, Form NJTT-250. It is important to note that the maximum tax rate limi[illegible]ion will benefit only those taxpayers with personal service taxable income in excess of $17,000.

HOUSEHOLD CREDIT: A household credit is allowed against the tax computed in accordance with the following schedule:

If household gross income is	The credit shall be
Less than $5,000	$70
$5,000 but less than $6,000	$55
$6,000 but less than $7,000	$45
$7,000 but less than $25,000	$40

Household gross income is defined in the law as entire gross income of a household plus the aggregate entire minimum taxable income of that household. "Household" means a husband and wife, head of a household, surviving spouse, or an individual who is not married nor the head of a household, nor a surviving spouse nor a taxpayer with respect to whom a deduction under subsection (e) of Section 151 of the Internal Revenue Code is allowable to another taxpayer for the taxable year.

NEW JERSEY

CREDIT FOR CERTAIN HOUSEHOLD AND DEPENDENT CARE SERVICES: Taxpayers are allowed a credit for certain household and dependent care services necessary for gainful employment. The amount that the taxpayer may take as a credit against his/her tax is limited to 20% of the credit allowed the taxpayer pursuant to the provisions of Section 44A of the Internal Revenue Code for the same taxable year.

EXCLUSIONS: (1) Pensions; (2) Life insurance proceeds payable after death; (3) Workman's compensation; (4) Payments for accident and health insurance benefits to the extent not paid or attributable to contributions by employer; (5) Gifts, bequests and devises or inheritances; (6) Sick pay; (7) Military pay.

PAYMENTS: Returns and payment in full due 15 April; fiscal year taxpayers by 15th day of 4th month after close of fiscal year. New Jersey employers are required to withhold from New York residents' wages in such amounts as are reasonably estimated.

NOTE: Effective 1 January 1978, the State of New Jersey and the Commonwealth of Pennsylvania entered into a reciprocal income tax agreement whereby compensation for services rendered in the other jurisdiction is only subject to income tax in the taxpayer's state of residence -- either New Jersey or Pennsylvania.

The following notes pertain to the New Jersey gross income tax.

NOTE 1: The State of New Jersey has enacted a Gross Income Tax Act (L. 1976, c.47).

Since its enactment, several areas in regard to members of the military and their dependents have been in need of interpretation.

NOTE 2: Section 54A:5-1(m) would appear to indicate that the housing allowances received by members of the military are a part of their gross income for New Jersey income tax purposes. However, it has been indicated by the Office of the Director of the New Jersey Division of Taxation that these allowances or their value to those who live in on-base housing or government leased housing are nontaxable.

NOTE 3: By statutory definition, a military member who is a domiciliary of another state is classified as a nonresident. However, it has been unclear whether the spouse who has New Jersey income should file a resident or a nonresident tax return. Under

NORTH CAROLINA

PERSONAL EXEMPTIONS:

Divorced with custody of a child under 18 and receiving no alimony or child support	2,200
Single, widow, widower, or divorced person maintaining a household	2,200
Widow or widower with a child under 18	2,200
Individual age 65 or older (taxpayer only)	1,100
Blind individual (taxpayer only)** (additional)	1,100
Deaf individual (taxpayer only)*** (additional)	1,100
Dependent (each)	800
Dependent enrolled full-time in an institution of higher learning (additional)	660
Severely retarded dependent **** (additional)	2,200
Hemophiliac (taxpayer or dependent) ***** (additional)	1,100
Renal disease (taxpayer or dependent)******(additional)	1,100
Paraplegic (taxpayer only)*******(additional)	1,100
Cystic Fibrosis (taxpayer or dependent)******** (additional)	1,100

*The spouse with the larger adjusted gross income of a married couple living together is allowed a $2,200 personal exemption, and the other spouse is allowed a $1,100 personal exemption. By agreement the spouse with the smaller adjusted gross income may claim the $2,200 exemption if the other spouse files a return and claims only $1,100 personal exemption.

**An individual who is blind or whose visual acuity does not exceed 20/200 in the better eye with correcting lenses or whose widest diameter of visual field subtends an angle of no greater than 20 degrees. A statement from a physician, registered optometrist, or the North Carolina Department of Human Resources certifying such condition must be attached to the return.

***An individual whose average hearing loss in the speech frequencies (500 to 2,000 hertz) in the better ear is 86 decibels or worse. A statement from a physician certifying such condition must be attached to the return.

****An individual whose I.Q. is below 40. A statement from a physician, psychologist, or psychological examiner certifying such condition must be attached to the return.

*****An individual who is a hemophiliac must submit a statement from a physician or county health department to the Division of Health Services of the North Carolina Department of Human Resources certifying that their condition meets the hemophilia criteria required by law to claim the exemption. A supporting

NORTH CAROLINA

INCOME EXCLUSIONS: (a) Life insurance proceeds; (b) Property acquired by gift, devise, bequest or descent (income from such property is includable in gross income); (c) Interest on obligations of the United States, North Carolina, or its political subdivisions; (d) Personal injuries or damage compensation; (e) Employee death benefits not to exceed $5,000; (f) Meals and lodgings furnished for convenience of employer; (g) Pensions paid to North Carolina teachers and North Carolina State employees; (h) Social Security benefits; (i) Disability pay received by reason of service in the Armed Forces of the United States; (j) $3,000 of military retirement; (k) $1,500 of North Carolina National Guard pay.

RATES: If net taxable income is The tax is
not over $2,000 .....3% of net taxable income.

Over	but not over		of amount over
$ 2,000	4,000	$ 60 plus 4%	$ 2,000
4,000	6,000	140 plus 5%	4,000
6,000	10,000	240 plus 6%	6,000
10,000		480 plus 7%	10,000

DEDUCTIONS: (a) Business expenses; (b) Real and personal property taxes, intangible tax and Federal excise tax on telephone and transportation (Note: automobile, gasoline and sales taxes paid by a person not engaged in trade or business are not deductible); (c) Dividends to the extent corporaton's income is taxed in North Carolina, limited to a maximum of $15,000; (d) Interest on debts; (e) Casualty losses in excess of reimbursement; (f) Contributions not exceeding 15% of adjusted gross income; (h) Alimony paid by one spouse if it is reportable as income by other spouse; (i) Cost of maintaining a dependent relative in an institution for the care of mental or physical defectives up to $800 paid in excess of $800 exemption allowed for dependent; (j) Unreimbursed medical expenses in excess of 5% of adjusted gross income; (k) Moving expenses.

Optional standard deduction is 10% of adjusted gross income, not to exceed $550.

PERSONAL EXEMPTIONS:

Single or other individual not claiming a $2,200 exemption	$ 1,100
Married living with spouse and claiming $2,200 exemption*	2,200

NORTH CAROLINA

STATE LAW: General Statutes of North Carolina Sec. 105-133 et seq.

TAXPAYERS: Residents deriving income from within and outside North Carolina with gross income exceeding personal exemption, excluding dependents. Nonresidents deriving income from sources in the State in excess of pro-rated personal exemptions.

FILING: See "TAXPAYERS". If these requirements are met an income tax return must be filed. No joint returns are permitted; however, husband and wife may elect to file a combined form. Spouses of nonresident service members are required to report income earned in North Carolina if in excess of allowable personal exemption.

MILITARY PROVISIONS: (a) Service members who are legal residents of North Carolina but maintain an abode in another jurisdiction are subject to North Carolina income tax (See "RESIDENTS"); (b) Military pay is taxable. Since the law does not permit filing of joint returns, the tax liability of a service member's spouse is computed the same as any other taxpayer; (c) Military disability pay is not taxable; (d) An amount not to exceed $3,000 received by a taxpayer during any year as retirement or retainer pay as a result of service in the Armed Forces of the United States is exempt from North Carolina income tax (See ""INCOME EXCLUSIONS").

RESIDENTS: G.S. 105-135(13) defines residents as persons domiciled in the State at any time during the tax year or persons who reside within the State for other than temporary or transitory purposes. In the absence of convincing proof to the contrary, any person within the State for more than six months is deemed to be a resident, although absence from the State for more than six months shall not mean that such person is not a resident. An individual who is a legal resident of the State for only part of the year must report income from all sources while a resident of the State, and while a resident of another State must report only that income derived from sources within North Carolina. One cannot become a nonresident of the State for this purpose until a definite residence outside the State has been acquired and the North Carolina domicile abandoned. A letter from the Secretary of Revenue states "An individual is presumed to be a resident of this State, unless he has legally established residence in another State."

NEW YORK

PAYMENTS: Returns and payment in full due 15 April. Persons who expect gross incomes not subject to withholding exceeding the sum of (a) The number of claimed exemptions times $800; and (b) $400, must file estimated tax by 15 April, June, September and January. However, persons with estimated tax of less than $50 need not file a declaration or make payments provided final return is filed and payment of tax in full is made by 15 April following the tax year. Personnel in the Armed Forces stationed overseas receiving automatic two-month extension for filing Federal returns, also receive a two-month extension for filing New York returns, but must attach a statement of eligibility with returns.

TAX AUTHORITY: State of New York, Department of Taxation and Finance, Technical Service Bureau, State Campus, Albany, New York 12227.

NEW YORK

Couples filing joint Federal income tax returns and separate New York income tax returns may apportion deductions in any manner. Itemized deductions are allowable only if the taxpayers itemized on the Federal income tax return.

The standard deduction, in the case of a single individual is 17% of his/her New York adjusted gross income, with a maximum of $2,500, and a minimum of $1,500. In the case of a head of household, surviving spouse with dependent child, or a married couple filing jointly, the 17% applies, with a maximum of $2,500 and a minimum of $2,000.

If separate returns are filed by husband and wife on Form IT-201, the standard deduction may be taken by either husband or wife or divided between them in any manner they choose. The standard deduction must be computed in the same manner on both returns. The standard deduction must be used if the standard deduction was claimed on the Federal income tax return. It may be used even though deductions were itemized on the Federal tax return.

EXEMPTIONS:	
Individual	$800
Spouse	800
Dependents..(each)	800
Individual or spouse over 65..(additional-each)	800
Individual or spouse blind (additional-each)	800

CAPITAL GAINS AND LOSSES: Same general treatment as Federal law, except where a taxpayer has deducted one-half of the amount by which net long-term capital gain exceeds net short-term capital loss, one-fifth of the amount deducted is added back in determining New York taxable income. (If a capital gain has been incurred on capital assets acquired before 1960, a different cost basis may apply.)

For tax years beginning in 1982, where the Federal item of tax preference for capital gains is 60% or lower, no capital gain adjustment is required on the New York State personal income tax return and no subtraction modification is required on the minimum income tax schedule for 20% of the item of tax preference.

CREDITS: New York residents are allowed credit against the tax for income taxes paid to other states, their political subdivisions and District of Columbia on income derived therefrom. There is no provision authorizing a credit against New York tax in the case of nonresidents if such persons are taxed by their state of residence.

NEW YORK

Minimum income tax on items of tax preference is similar to the Federal minimum tax. The rate is 6%. Specific deduction is $5,000 for individuals or married persons filing jointly, or $2,500 for married persons filing separately. For further information, request Form IT-220.

The Tax Table is for use with Form IT-200 by residents with gross income below $20,000 solely from wages, interest, and dividends, if interest and dividends do not exceed $1,000. Income splitting is not permitted. Married taxpayers filing a joint Federal return may elect to file separate state returns on a combined form and compute their tax separately.

NOTE: Form IT-250 Maximum Tax on Personal Service Income should be used by taxpayers whose Personal Service Taxable Income is more that $17,000. The use of this form limits the maximum rate of tax on personal service income to 10%. Wages received by members of the military service are considered Personal Service Income

DEDUCTIONS: Same as under the Internal Revenue Code with the following adjustments:

Subtract -- (a) State or city income taxes; (b) Interest on debts incurred to purchase securities, income from which is exempt from New York taxation; (c) Ordinary and necessary expenses paid or incurred during the tax year for the production or collection of income which is exempt from New York taxation, or the management, conservation or maintenance of property held for the production of such income, and the amortizable bond premium for the tax year or any bond, the interest on which is exempt from taxation.

Add -- (a) Interest on indebtedness incurred or continued to purchase or carry obligations or securities, the income from which is subject to New York taxation, but exempt from Federal income tax to the extent that such interest is not deductible for Federal income tax purposes and is not subtracted from Federal adjusted gross income; (b) Ordinary and necessary expenses paid or incurred during the tax year for the production or collection of income which is subject to New York taxation, but exempt from Federal income tax, or the management, conservation or maintenance of property held for the production of such income, and the amortizable bond premium for the tax year on any bond, the interest on which is subject to New York taxation, but exempt from Federal income tax to the extent that such expenses and premiums are not deductible in determining Federal adjusted gross income and are not subtracted from Federal adjusted gross income.

any bond, the interest on which is subject to New York taxation but exempt from Federal taxation to the extent that such expenses and premiums are not deductible in determining the Federal adjusted gross income and are attributable to a trade or business carried on by the taxpayer; (g) See specifically Booklet IT-201-P for additional modifications to include a New Pension and Annuity Income Exclusion.

Add -- (a) Interest on obligations of any state or its subdivisions other than New York; (b) Interest or dividends on United States securities exempt from Federal taxation but not, by Federal law, exempt from state taxation; (c) Income taxes deductible as business expense in determining Federal adjusted gross; (d) Interest on debts incurred as a business expense to purchase securities, income from which is exempt from New York taxation; (e) Expenses paid or incurred during the tax year for the production or collection of income which is exempt from taxation, or the management, conservation or maintenance of property held for the production of such income, and the amortizable bond premium for the tax year on any bond, the interest on which is exempt from taxation to the extent that such expenses and premiums are deductible in determining Federal adjusted gross income; (f) See Booklet IT-201-P for additional modifications.

RATES: TAXABLE INCOME

.....	$ 1,000	...	2%				
$ 1,000	3,000	...	$ 20	plus	3%	on excess over	$ 1,000
3,000	5,000	...	80	plus	4%	on excess over	3,000
5,000	7,000	...	160	plus	5%	on excess over	5,000
7,000	9,000	...	260	plus	6%	on excess over	7,000
9,000	11,000	...	380	plus	7%	on excess over	9,000
11,000	13,000	...	520	plus	8%	on excess over	11,000
13,000	15,000	...	680	plus	9%	on excess over	13,000
15,000	17,000	...	860	plus	10%	on excess over	15,000
17,000	19,000	...	1,060	plus	11%	on excess over	17,000
19,000	21,000	...	1,280	plus	12%	on excess over	19,000
21,000	23,000	...	1,520	plus	13%	on excess over	21,000
23,000	and over	...	1,780	plus	14%	on excess over	23,000

No tax is due from individuals whose New York adjusted gross income for the tax year is $2,500 or less, or from any head of household, surviving spouse or married couple whose New York adjusted gross income for the tax year is $5,000 or less.

the State for the entire tax year and who spends in the aggregate not more than 30 days of the tax year in the State. It also includes any person who, though not domiciled in the State, maintains a permanent place of abode in the State and spends more than 183 days of the tax year in the State. A military member stationed in the State who is not a domiciliary of the State is not taxed as a resident, although he/she maintains a permanent place of abode in the State and spends more than 183 days of the tax year in the State.

A person even though domiciled in New York is considered a nonresident for state income tax purposes if: (1) Within any period of 548 consecutive days he/she is present in a foreign country or countries for at least 450 days, and (2) During this 548 day period he/she is not present in New York and/or the City of New York for more than 90 days and does not maintain a permanent place of abode in New York State and/or the City of New York at which his/her spouse (unless legally separated) or minor children are present for more than 90 days, and (3) During any period of less than 12 months which is within the 548 day period and which would be treated as a separate taxable period, he/she is present in New York State and/or the City of New York for no more than the number of days which bears the same ratio to 90 as the number of days in the less than 12 month period bears to 548. This condition is illustrated by the following formula:

$$\frac{\text{Number of days (less than 12 month period)}}{548} \times 90 = \text{number of days not to be exceeded in New York State and/or the City of New York.}$$

INCOME EXCLUSIONS: Same as under the Internal Revenue Code, with the following adjustments:

Subtract -- (a) Interest on obligations of the United States; (b) Pensions to officers and employees of New York State or its subdivisions; (c) Higher capital gain computed on basis of New York rules for determining cost; (d) Interest on obligations exempt from New York taxation, but includible in Federal income; (e) Interest on business indebtedness incurred to purchase or hold securities, income of which is subject to New York taxation but exempt from Federal taxation; (f) Ordinary and necessary expenses paid or incurred during the tax year for the production or collection of income which is subject to New York taxation but exempt from Federal taxation, or the management, conservation or maintenance of property held for the production of such income, and the amortizable bond premium for the tax year on

NEW YORK

STATE LAW: New York Tax Law, Article 22, Sec. 601 et seq.

TAXPAYERS: (a) Every resident required to file a Federal income tax return; or (b) Having New York adjusted gross income exceeding exemptions, provided New York adjusted gross income for the tax year is more than $2,500, or, in the case of a husband and wife, whose aggregate New York adjusted gross income is more than $5,000; (c) Every nonresident whose adjusted gross income derived from sources in the State of New York exceeds his/her personal exemptions, provided the New York adjusted gross income, determined as if he/she were a resident, is more than $2,500; or husband and wife whose aggregate adjusted gross income, determined as if they were residents, is more than $5,000.

FILING: See "TAXPAYERS". If these requirements are met a New York income tax return must be filed.

MILITARY PROVISIONS: (a) Domiciliaries of New York who enter the military service and maintain a rented place of abode in another state in compliance with military orders and who at the same time neither maintain an abode in New York, nor spend more than 30 days of the tax year in New York are exempt from New York state income tax (Ryan v. Chapman, 273 App Div 99, 76 N.Y.S. 2d 341 (3d Dept., 1948). A permanent abode does not depend upon whether the individual lives on or off a military base (Schold v. Commission, 33 N.Y.S. 2d 648 (1973) affd 38 AD 775). However, the Tax Department indicates that whether the service member's rented or assigned government quarters constitute a permanent or temporary abode depends upon his/her military status and assignment, his/her marital and family status, nature of the quarters, how and by whom they are maintained; (b) Military pay of service members who are POW/MIA is treated the same as under the Internal Revenue Code; (c) Disability pensions and any other benefits granted for the relief of injured or disabled veterans, as well as tuition payments, subsistence allowances and other benefits paid to, or on account of a veteran or beneficiary under the laws relating to veterans are treated the same for New York tax purposes as for Federal. To the extent that such amounts are excludable from gross income for Federal tax purposes, they are excludable for New York tax purposes; (d) Retired Serviceman's Family Protection Plan (RSFPP) is treated the same as under the Internal Revenue Code.

RESIDENTS: New York Tax Law Sec. 605(a) defines resident as any person domiciled in New York, EXCEPT a person who, though domiciled in the State, maintains no permanent place of abode in the State, but does maintain a permanent place of abode outside

NEW MEXICO

PAYMENTS: Return and payment due 15 April for calendar year filers or by the 15th day of the fourth month following the close of the fiscal year for fiscal year filers.

New Mexico accepts an extension of time granted by the Internal Revenue Service if a copy of the extension is attached to the return. If no Federal extension has been granted, an Application for Extension of Time to File a New Mexico Return, RP-27 Form, must be submitted to the New Mexico Revenue Division on or before the due date of the return.

NOTE:

Interest -- If New Mexico income tax is not paid when due, the taxpayer is liable for interest at the rate of 15% per year or 1 1/4% per month. A fraction of a month is treated as a full month. Interest will accrue without regard to any extension of time for filing.

Penalty -- In case of failure to pay any tax owed due to negligence or disregard of rules and regulations, but without intent to defraud, a penalty of 2% per month or fraction thereof from the date the tax was due or from the date the return was required to be filed (not to exceed 10%) will be added. In addition to civil penalties, any individual or person who makes a false statement or who commits fraud will, upon conviction, be fined not more than $5,000, or imprisoned not less than 6 months or more than 3 years, or both, together with prosecution costs.

TAX AUTHORITY: State of New Mexico, Revenue Division, Taxation and Revenue Department, P.O. Box 630, Santa Fe, New Mexico 87509.

(3) Historic Property Preservation Credit: A credit of 50% of eligible costs, not to exceed $25,000, is allowed for costs of preserving or restoring a property listed on the New Mexico register of cultural properties.

REFUNDABLE CREDITS AND REBATES:

(1) CHILD DAY CARE REBATE: A refundable credit of 40% of the costs of day care services for eligible dependents is available for low-income working individuals. The maximum credit allowable is $1,200.

(2) FOOD TAX REBATE: A refundable rebate of $45 per exemption (as determined for federal income tax purposes) is available to residents who have been physically present in the State for six months.

(3) LOW-INCOME COMPREHENSIVE TAX REBATE: This rebate is intended to return to taxpayers at or below the poverty level a portion of the total State taxes paid by them. The rebate amount varies from $5 and $375. The rebate is claimed by filing an income tax return (and supporting schedule) and may be claimed even if no income tax is due.

(4) MEDICAL-DENTAL TAX REBATE: A refundable rebate equal to the greater of $7.50 per exemption (as determined for federal income tax purposes) or 4% of expenditures for allowable medical and dental expenses is available to residents who have been physically present in the State for six months.

(5) PROPERTY TAX REBATE FOR LOW-INCOME PERSONS 65 OR OLDER: A refundable rebate of up to $250 is available to low income persons 65 or older to partially offset property taxes paid on owned or rented residential property in New Mexico.

(6) SOLAR AND WIND ENERGY CREDIT: A refundable credit is allowed for 25% of the cost of a solar or wind energy system installed in a principal residence or business location in New Mexico. The maximum credit amount is $4,000.

(7) SOLAR IRRIGATION TAX CREDIT: a refundable credit is allowed for 25% of the cost of equipment used as part of a solar energy system for irrigation pumping or stock watering purposes on the taxpayer's real property in New Mexico. The maximum credit amount is $25,000.

NEW MEXICO

INCOME: New Mexico income tax is based on the taxpayer's Federal net taxable income. Any deductions or exemptions allowed on a taxpayer's Federal income tax return will be reflected on the New Mexico return.

DEDUCTIONS: Deductions, including the Standard Optional Deduction (zero bracket amount) and excess itemized deductions, are the same as under the Internal Revenue Code. See Income Exclusions for other allowable deductions from New Mexico base income.

EXEMPTIONS: Same as under the Internal Revenue Code. In addition, annuities to retired Federal Civil Service employees not in excess of $3,000 a year (Sec. 7-2-5, N.M.S.A. 1978); annuities and other benefits provided under New Mexico Public Employee's Retirement Act (Sec. 10-11-36, N.M.S.A. 1978); and the Educational Retirement Act (Sec. 22-11-42, N.M.S.A. 1978) are exempt from New Mexico taxation. Also, an individual age 65 years or older may claim an exemption in an amount not to exceed $6,000 of net income (Sec. 7-2-5.2, N.M.S.A. 1978).

CAPITAL GAINS AND LOSSES: New Mexico taxable income is essentially Federal taxable income. Therefore, insofar as capital gains and losses are reflected in a taxpayer's Federal taxable income, they will also be reflected in his/her New Mexico taxable income.

NON-REFUNDABLE CREDITS:

(1) Tax Paid Other States: Residents receive credit for taxes paid to other states (not cities) on income earned in such states so long as the credit does not exceed 5.5% of such taxable income. Nonresidents receive tax credit for the entire tax paid to states in which they are domiciled in proportion that their out-of-state income bears to their New Mexico income, provided their home state has reciprocal provisions for New Mexico residents. A first-year resident is not allowed to take a credit for tax paid another state. The law states that: ". . . during the first taxable year in which an individual incurs tax liability as a resident, only income earned on or after the date he became a resident, and, in addition, income earned in New Mexico while nonresident of New Mexico shall be allocated to New Mexico . . ." for tax purposes.

(2) Solar or Geothermal Capital Investment Credit: A credit of varying amounts is allowed for the cost of productive capital used for the manufacture of solar equipment and for the cost of tangible personal property used to supply geothermal energy for commercial or private use.

NEW MEXICO

STATE LAW: New Mexico Stats. Sec. 7-1-1 through 7-5-12.

TAXPAYERS: Every resident who is required to file a Federal income tax return must file a New Mexico income tax return. Every nonresident who is required to file a Federal income tax return and who has income from New Mexico sources must file a New Mexico income tax return. This is a community property state.

FILING: See "TAXPAYERS".

MILITARY PROVISIONS: There is no provision in New Mexico law expressly exempting a service member's compensation or veterans benefits from taxation. However, income exempt under the Internal Revenue Code is exempt from New Mexico taxation. See "Income Exclusions".

RESIDENTS: Every person domiciled in New Mexico during any part of the tax year. Any person who on or before the last day of the tax year changes his/her place of abode to another state with the bona fide intention of continuing to actually abide permanently out of New Mexico, shall be taxed as a nonresident on that portion of his/her income derived within the State.

INCOME EXCLUSIONS: New Mexico taxable income means income taxable for Federal income tax purposes under the Internal Revenue Code of 1954, as amended (Retired Serviceman's Family Protection Plan (RSFPP) and Survivor's Benefit Plan (SBP) exclusions apply), with these adjustments:

Subtract -- (a) Income not taxable by the State, such as interest on obligations of the United States; (b) Federal Civil Service annuities up to $3,000 for each annuitant; (c) Retirement benefits of New Mexico public employees and teachers under certain New Mexico laws; (d) Military retirement pay up to $3,000 per retiree for retirees 62 years of age or older; (e) $ $6,000 of income (less amounts excluded under items a-d above) for persons 65 years of age or older; and (f) certain social security and railroad retirement income taxable under Federal law.

NOTE: New residents also see "CREDITS".

RATES: New Mexico has a detailed tax rate schedule for: (a) Single individuals; (b) Head of household, and married individuals filing jointly; and (c) Married individuals filing separate returns.

the statute, as it is presently enacted, it would appear that the spouse should file a separate resident tax return (see 54A:8-3.1 and 54A:1-2-m(2). If the military member has a part-time job in New Jersey he/she should file a nonresident tax return. Therefore, you would have a situation where one spouse files a nonresident and the other files a resident form for the same taxable year. In general, the Division has taken the position that the nonmilitary spouse (who is a domiciliary of another state) will not be considered a resident for New Jersey income tax purposes if she/he lives on a military base with her/his military spouse. However, such nonmilitary spouse could be considered a resident if she/he maintains a permanent place of abode in New Jersey and spends more than 183 days in New Jersey during the tax year.

NOTE 4: Until specific regulations are written, military members and their dependents should be cautioned to seek advice from their tax advisors, because each will have an individual fact pattern which will have to be considered.

statement must be attached to the return verifying that such certificate has been submitted.

******Allowed for individuals who suffer from chronic irreversible renal disease and whose condition requires the use of dialysis. Eligible individuals must submit a certificate from a physician or county health department to the Division of Health Services of the North Carolina Department of Human Resources certifying their condition and must attach a supporting statement to the return that such certificate has been submitted.

*******Allowed for a taxpayer who is a paraplegic, or who is disabled to the point that he/she must use a wheelchair to move about and function effectively, or who is a double-leg amputee above the knee if a supporting statement by a physician is attached.

********Allowed for individuals who suffer from cystic fibrosis. Eligible individuals must submit a certificate from a physician or county health department to the Division of Health Services of the North Carolina Department of Human Resources certifying their condition and must attach a supporting statement to the return that such certificate has been submitted.

CAPITAL GAINS AND LOSSES: Gains are taxable as ordinary income. Losses of capital or property used in trade/business and losses from sale of stocks and bonds (except wash sales) are fully deductible. Gain from the sale of a residence is not taxable if all of the proceeds are reinvested in another residence 2 years before or after the sale. North Carolina law allows a service member four years to reinvest the proceeds. The State law also provides for a $125,000 exclusion if you are 55 years of age or older and your principal residense is sold (similar to Federal law). Losses from sales of "personal assets", such as a residence, are not deductible. Capital gains distributions by mutual funds are treated as ordinary income.

CREDITS: Residents receive credit for taxes paid to other states on income derived from sources within those states which is also taxed by North Carolina. No tax credit is allowed to nonresidents.

PAYMENTS: Returns are due 15 April. Military personnel on active duty outside the United States are allowed the same automatic two-month extension of time for filing the return as allowed for Federal income tax purposes provided a statement is attached to the State return indicating service outside the United States on the 15th of April (or other due date).

NORTH CAROLINA

Pre-payment of tax is made through withholding or by payment on declaration returns. Payment of any tax not prepaid through withholding or declaration is due when return is filed. North Carolina income tax was withheld from military pay of service members whose home of record is North Carolina (July 1977). A declaration of estimated income tax must be filed if the service member received income of $1,000 or more which is not subject to withholding and whose net tax (tax due less tax withheld and any tax credit) is $40 or more. Estimated tax payments are due on or before 15 April, June, September and January.

TAX AUTHORITY: State of North Carolina, Department of Revenue, Income Tax Division, P.O. Box 25000, Raleigh, North Carolina 27640.

NORTH DAKOTA

NOTE: The 1981 North Dakota legislature enacted an optional method to compute state tax liability. As an alternative to the old method described below, a taxpayer determines the state income tax liability by applying a flat 10-1/2% against the current years Federal adjusted income tax liability. Only one credit is available under the new method, a limited credit for income taxes paid to another state. If a service member files the new way (Form 37-S) the military deductions available under North Dakota law cannot be used. If a service member files under the method described below (Form 37) then the military deductions can be used.

STATE LAW: North Dakota Century Code Sec. 57-38 et seq.

TAXPAYERS: Residents with a Federal filing requirement and nonresidents (except certain Minnesota and Montana residents) who derive any gross income from North Dakota sources (except income from interest, dividends, pensions or annuities) and who have a Federal filing requirement.

FILING: See "TAXPAYERS". The gross income level at which a resident must file an income tax return is as follows:

Single individual or head of household.....	$3,300
Single individual, 65 or over	4,300
Married couple, joint return.....	5,400
Married couple, one spouse 65 or over	6,400
Married couple, both 65 or over	7,400
Surviving spouse	4,400
Surviving spouse, 65 or over.....	5,400
Married filing separately.....	1,000

Every nonresident having any gross income from North Dakota sources who has a Federal filing requirement must file a North Dakota income tax return.

MILITARY PROVISIONS: (a) Service members who are legal residents of the State and maintain a place of abode in another jurisdiction are subject to the same tax and filing requirements as other residents; (b) An individual may exclude a maximum of $1,000 received as payment for active duty service in the Armed Forces or as payment for attending periodic meetings for drill/instruction as a member of the National Guard or Armed Forces Reserve Unit. However, persons serving in the Armed Forces of the United States, except field grade and general officers, who are stationed outside of any state of the United States or the District of Columbia for not less than thirty days during

the tax year shall be allowed an additional reduction of up to $300 per month for each month or portion of a month received as payment for services performed while on active duty at such location; (c) Tax liability of service members who are POW/MIA (and their spouses) is treated the same as under the Internal Revenue Code; (d) Disability and nondisability retirement pay is treated the same as under the Internal Revenue Code with additional provision of $5,000 exclusion in military retirement pay for individuals 60 years of age or older, provided the adjustment is reduced by any amount received pursuant to the Federal Social Security Act; (e) Portion of retirement pay forfeited in order to provide an annuity for survivors, and survivor's annuity, is treated the same as under the Internal Revenue Code.

RESIDENTS: Sec. 57-3801(10) defines resident as any person domiciled in the State and any other person who maintains a permanent place of abode within the State and spends in the aggregate over seven months of the tax year within the State.

INCOME EXCLUSIONS: (a) An individual may exclude up to a maximum of $5,000 received pursuant to the United States Civil Service Retirement Act, North Dakota City Firemen's Relief Association or Policemen's Pension Fund provided the adjustment is reduced by any amount received pursuant to the Federal Social Security Act; (b) Interest received from obligations of the United States is not taxable and should be subtracted on the individual's income tax return.

TAXABLE INCOME (Form 37)

Over	Not Over	Rate
.....	$3,000	....Computed at 2%
$3,000	5,000	.... $ 60 plus 3% of excess over $3,000
5,000	8,000	.... 120 plus 4% of excess over 5,000
8,000	15,000	.... 240 plus 5% of excess over 8,000
15,000	25,000	.... 590 plus 6% of excess over 15,000
25,000	35,000	....1,190 plus 7% of excess over 25,000
35,000	50,000	....1,890 plus 8% of excess over 35,000
Over $50,000		.....3,090 plus 9% of excess over 50,000

DEDUCTIONS: (Form 37 only) Same deductions as permitted under the Internal Revenue Code of 1954, as amended, with the following adjustments:

NORTH DAKOTA

Subtract -- (a) Federal income tax as shown on the current tax return; (b) Dividends received from corporation paying North Dakota income tax to the full extent such tax has been paid; (c) Medical expenses in full.

Add -- State income taxes if deducted on Federal income tax return.

NOTE: Any individual taxpayer filing a North Dakota income tax return may itemize deductions in lieu of taking a standard deduction even though a standard deduction was used in determining Federal taxable income, provided that married persons filing separately for state income tax purposes must both itemize or take the standard deduction (effective for taxable years beginning on or after 1 January 1979).

EXEMPTIONS: $1000 is allowed on the North Dakota income tax return for each exemption claimed on return.

CAPITAL GAINS AND LOSSES: Long term capital gains taxed at 40%.

NOTE 1: For Federal income tax purposes and for North Dakota Form 37-S, the holding period for long term capital gains and losses has been reduced from more than one year to more than six months for assets purchased after June 22, 1984. This change cannot be recognized on North Dakota Form 37 and where it applies an adjustment will have to be made to recognize this difference between federal and state law.

CREDITS: A tax credit is allowed residents for income taxes paid to other states, but limited to the amount of North Dakota income tax on the same income.

PAYMENTS: Returns and payment in full due 15 April. Quarterly payments were repealed for taxable years beginning after December 31, 1982.

NOTE: A taxpayer actively serving in the Armed Forces or Merchants Marine, outside the boundaries of the United States, may defer filing an income tax return and paying taxes until such time as the Federal income tax return is required to be filed. Prior to 1973 military active duty pay was exempt from North Dakota taxation. For this reason, in a letter (14 April 1976) the office of the State Tax Commissioner suggested that active duty members who have North Dakota as a state of residence should currently file returns for taxable years commencing with 1973. Consideration will be given to a reduction of all penalties and/or interest at a rate equivalent to 12% simple interest per annum.

TAX AUTHORITY: State of North Dakota, Office of The Tax Commissioner, State Capitol, Bismarck, North Dakota 50505.

OHIO

STATE LAW: Chapter 5747, Ohio Revised Code, as enacted by Am. Sub. H.B. 475, Laws 1971.

TAXPAYERS: An annual tax is levied on every individual Ohio resident or nonresident earning or receiving income in Ohio. The levy of state income tax does not prevent a municipal corporation from levying a tax on income.

FILING: All taxpayers are required to file an Ohio income tax return unless the retirement income exclusion, senior citizen credit, dependency exemptions, or reciprocal agreements eliminate the tax liability. Husband and wife must file using the same method as used for Federal income tax purposes, i.e., if a joint Federal return was filed, a joint Ohio return must be filed; if separate Federal returns were filed, separate Ohio returns must be filed.

MILITARY PROVISIONS: (a) Service members who are legal residents of Ohio but maintain an abode in another jurisdiction are subject to Ohio taxation. Sec. 5747.01(I)(2) bases residence on the number of days per year which an individual lived in Ohio as his place of abode, does not pertain to service members or other individuals who are domiciled in Ohio for that year (Special Instruction No. 8, 31 July 1972); (b) There are no special exemptions for service members who are POW/MIA (or their spouses). However, military compensation excluded from Federal adjusted gross income is not taxable in Ohio; (c) Pay of retired service members who have elected to forfeit a portion of their retirement pay to provide an annuity for their survivors and the survivor's annuity are treated the same as under the Internal Revenue Code; (d) Disability retirement pay (to the extent it is excluded from Federal adjusted gross income) is excluded under Ohio law. (e) Filing requirements for military members are the same as other Ohio taxpayers generally. Service members who have been granted an "undue hardship" extension for filing and paying Federal income tax may have the same extension for Ohio. "Undue hardship" extension is granted until six months after termination of service (extension is granted only upon application and approval by the Federal authorities). Service members stationed overseas may have an automatic extension of 180 days after return to the United States. A request for Federal Automatic extension extends Ohio filing dates and and local dates.

RESIDENTS: Resident includes the estate of a decedent who, at death, was domiciled in Ohio, and certain trusts if the settlor or decedent was domiciled in Ohio at death, when the trust was

created, or when the trust became irrevocable. (Trusts are not taxable. Letter, Ohio Department of Taxation, 11 February 1972).

Ohio Taxable Income	Tax
0-5,000	.95% of taxable income
5,000-10,000....	$47.50 plus 1.9% of excess over $5,000
10,000-15,000....	$142.50 plus 3.8% of excess over $10,000
15,000-20,000....	$332.50 plus 4.75% of excess over $15,000
20,000-40,000....	$570.00 plus 5.7% of excess over $20,000
40,000-80,000....	$1,710.00 plus 6.65% of excess over $40,000
80,000-100,000...	$4,370.00 plus 7.6% of excess over $80,000
over 100,000.....	$5,890.00 plus 9.5% of excess over $100,000

INCOME: (of an individual is defined as follows) -- Ohio taxable income is Federal adjusted gross income less exemptions.

Subtract -- (a) Interest or dividends on obligations or securities of the United States, its territories, instrumentalities and possessions that are taxable under the Internal Revenue Code but not taxable under state income tax laws; (b) Income or income yield, not otherwise excludable from adjusted gross income, upon which nondelinquent Ohio intangible property taxes have been paid during the tax year; (c) Amounts included from a Sub-Chapter S Corporation (relating to small business corporations electing to be taxed as partnerships); (d) For an individual domiciled in Ohio for only part-year, all income earned in Ohio during the time the individual was not domiciled in Ohio; (e) Amount of a state or municipal income tax refund which is included in Federal adjusted gross income as a result of itemizing deductions on the Federal income tax return; (f) Disability benefits received from an employee disability and survivorship plan paid as the result of a permanent or presumed permanent physical or mental impairment by which you are unable to engage in gainful employment for which qualified by training and experience, or as survivorship benefits paid as the result of the death of a covered employee. This deduction may not be claimed for payments which otherwise qualify as retirement or pension benefits or as a temporary wage continuation plan; (g) Gains that are specifically exempt from taxation by the State of Ohio received from the sale of Ohio state or municipal bonds, such as Ohio public facilities commission bonds; (h) Employers may deduct the amount of wage and salary expense not otherwise deducted for federal tax purposes because of the targeted jobs tax credit for taxable years beginning in 1980; (i) Legislation has been enacted that allows all amounts of Social Security old age benefits and Railroad Retirement income which are included in federal adjusted gross income, as a deduction on the Ohio return.

OHIO

Add -- (a) Income on obligations of states and political subdivisions thereof, other than Ohio and Ohio local government securities or obligations; (b) Income on Federal obligations exempt from Federal tax but not from state income tax.

DEDUCTIONS: Ohio taxable income, except the above adjustments, is computed with no other deductions. See "CREDITS".

EXEMPTIONS: Individuals are allowed an exemption of $650 for the taxpayer, spouse, and each natural dependent. Taxpayers may also claim either (a) an additional $350 per exemption, or (b) a credit, applied against the tax, of $20 times the number of exemptions claimed, not to exceed the amount of tax due.

CREDITS: (a) Amount of Ohio income tax otherwise due on adjusted gross income of nonresidents that is not allocable to Ohio; (b) Amount of Ohio income tax otherwise due on adjusted gross income of a resident that is subject to income tax in another state or District of Columbia; (c) Taxpayers 65 or older are allowed a credit equal to $50 per return, or if they so elect and if they have received a lump sum distribution from a pension, retirement or profit-sharing plan during the tax year, a credit equal to $50 times the taxpayer's expected remaining life. The credit may not exceed the tax otherwise due. Taxpayers not 65 or older who receive a lump sum distribution may elect to take a credit for that year equal to $50 times the expected remaining life of a 65 year old taxpayer (taxpayers so electing are not entitled to either of the above two credits for taxpayers 65 or older); (d) A credit for taxpayers filing a joint return is available. This credit is taken from the amount of tax otherwise due, and the following percentages are used:

If the Ohio Taxable Income is:	The Credit For the Year is:
$25,000 or less	20%
25,001 to 50,000	15%
50,001 to 75,000	10%
75,001 or more	5%

To qualify for this credit, each party on the joint return must have an adjusted gross income of $500 or more, not including dividends, interest, royalties, rents, or capital gains; (e) In addition to all other credits allowed in section 5747.05, a taxpayer who makes house improvements for a house he owns and occupies in Ohio, shall be allowed a credit against the tax

imposed under section 5747.02. The credit shall be claimed in the taxable year in which the improvement is completed. The credit shall equal 5% of the total cost of all such home improvements but not exceeding $65. This credit may be taken once every three taxable years; (f) Individual taxpayers who filed 1980 Ohio Personal Property Tax Returns may be entitled to a credit against the Ohio income tax liability for the difference between the amount of personal property taxes timely paid on certain qualifying property and the amount that would have been paid had such property been listed at 20% of its true value. Taxpayer can qualify for the credit if: (1) he/she owns and lists engines, machinery, tools and implements used or designed to be used in manufacturing or refining for personal property tax purposes; (2) the property was acquired on or after January 1, 1978; (3) the property had not previously been listable for personal property tax purposes by another taxpayer as used in manufacturing or refining. To claim the credit, you must complete Form TC-50, Computation of Tax Credit for Qualifying New Investments, and file it with the Ohio Income Tax Return. These forms may be obtained by contacting one of the offices of the Department of Taxation, and (4) a 10% credit of the cost of qualifying energy systems, not to exceed $1,000 is permitted. Any excess credit may be carried forward for two years. To claim this credit, complete Form IT-51; (g) The followng chart is to be used to determine the credit amount for retirement income, included in the federal adjusted gross income. This income must have been received on account of retirement.

AMOUNT OF RETIREMENT INCOME INCLUDED IN FEDERAL ADJUSTED GROSS INCOME	CREDIT FOR THE TAXABLE YEAR
$500 or less	$ 0
Over $500 but not more than $1,500	$ 25
Over $1,500 but not more than $3,000	$ 50
Over $3,000 but not more than $5,000	$ 80
Over $5,000 but not more than $8,000	$130
Over $8,000	$200

PAYMENTS: Return and payment in full due on or before 15 April. Amounts shown to be due of one dollar or less need not be remitted, nor will refunds be issued in the amount of one dollar or less. Declarations of Estimated Tax are required if estimated tax in excess of withholding can reasonably be expected to exceed $300. Declarations are due on or before the 15th day of the fourth month of the tax year. A payment of at least one-fourth of the estimated annual tax must accompany the declaration. At least a similar amount must be paid on or before the 15th day of the sixth and ninth months after the beginning of the tax year and the first month of the following tax year. No waiver exists for

failure to file returns. While penalties exist only for willful neglect, interest is required by statute and may not be waived.

NOTE: School District Income Tax

Effective for taxable year 1983, two Ohio school districts had enacted a School District Income Tax levied against residents of Anna Local and Bradford Exempted Village School Districts. Effective for taxable year 1984, four additional school districts have enacted school district income taxes. They are Licking Valley Local, West Liberty-Salem Local, Arlington Local, and McComb Local School Districts. All six school district taxes will remain in effect until they are repealed.

NOTE: Nonresidents of Ohio but Stationed in Ohio

If you are a nonresident of Ohio but stationed in Ohio, and have earned income other than military pay from either your outside employment or spouses employment in Ohio, this income is subject to Ohio taxation. You must use the same filing status for Ohio purposes as used on the corresponding federal return. Where a joint federal return is filed, the Ohio return must reflect the total federal adjusted gross income figure. Your military pay should be deducted on the back of the Ohio IT-1040, Schedule A, line 31. This same amount is then deducted on line 2, and the phrase "Military Pay" must be written on the dotted line.

TAX AUTHORITY: State of Ohio, Department of Taxation, Columbus, Ohio 43215.

OKLAHOMA

STATE LAW: Oklahoma Stats. Ann. Title 68 Sec. 2351 et seq.

TAXPAYERS: Residents who had gross income or gross receipts in an amount sufficient to require the filing of a Federal income tax return. Residents having income from property located in and business conducted in Oklahoma; interest and dividends; compensation for personal services, regardless where earned. Nonresidents having income from any property owned or business conducted in Oklahoma, or from compensation earned (except military) in Oklahoma having gross income of $1,000 or over.

FILING: See "TAXPAYERS". If these requirements are met an Oklahoma income tax return must be filed.

MILITARY PROVISIONS: (a) Service members who are legal residents of Oklahoma but who maintain a permanent abode in another jurisdiction are taxed as residents subject to the military pay exclusion. Under this exclusion, the first $1,500 received from the United States as military compensation is deductible from Oklahoma adjusted gross income. Nonresident service members are not subject to Oklahoma income tax on their military compensation. This (nonresident) exemption is not applicable to other compensation earned in Oklahoma. Income earned in Oklahoma by the spouse of a service member stationed in Oklahoma is subject to taxation; (b) Income of service members or civilians who are POW/MIA (and their spouses) is exempt from taxation. If tax has been paid on such income, it is refundable; (c) Disability retirement pay and nondisability retirement pay (subject to $1,500 exclusion) is treated the same as under the Internal Revenue Code; (d) Contributions to the Retired Serviceman's Family Protection Plan (RSFPP) are treated the same as under the Internal Revenue Code.

RESIDENTS: Any person domiciled in Oklahoma and any other person who maintains an abode in the State and spends, in the aggregate, more than seven months of the tax year in the State. Time spent on vacations or trips for health or business out of the State will be considered time spent in the State once a place of abode in the State has been established.

INCOME EXCLUSIONS: Same as under the Internal Revenue Code.

OKLAHOMA

RATES:

SCHEDULE M (Married Individuals Filing Jointly, or *Unmarried Head of Household)

TAXABLE INCOME: Not Deducting Federal Income Tax

Over	Not Over	Rate
.....	$ 2,000	1/2 of 1%
$ 2,000	5,000	$ 10.00 plus 1% on excess over $ 2,000
5,000	7,500	40.00 plus 2% on excess over 5,000
7,500	10,000	90.00 plus 3% on excess over 7,500
10,000	12,500	165.00 plus 4% on excess over 10,000
12,500	15,000	265.00 plus 5% on excess over 12,500
15,000	.....	390.00 plus 6% on excess over 15,000

*Applies for a qualified widow or widower with a dependent child for first two years after the year in which spouse died.

SCHEDULE N (Single Individuals Filing Separately)

.....	$ 1,000	1/2 of 1%
$ 1,000	2,500	$ 5.00 plus 1% on excess over $ 1,000
2,500	3,750	20.00 plus 2% on excess over 2,500
3,750	5,000	45.00 plus 3% on excess over 3,750
5,000	6,250	82.50 plus 4% on excess over 5,000
6,250	7,500	132.50 plus 5% on excess over 6,250
7,500	and over	195.00 plus 6% on excess over 7,500

Taxable Income: Deducting Federal Taxes

SCHEDULE R (Married Individuals Filing Jointly, or *Unmarried Head of Household)

.....	$ 2,000	1/2 of 1%
$ 2,000	5,000	$ 10.00 plus 1% on excess over $ 2,000
5,000	7,500	40.00 plus 2% on excess over 5,000
7,500	9,000	90.00 plus 3% on excess over 7,500
9,000	10,500	135.00 plus 4% on excess over 9,000
10,500	12,000	195.00 plus 5% on excess over 10,500
12,000	13,500	270.00 plus 6% on excess over 12,000
13,500	15,000	360.00 plus 7% on excess over 13,500
15,000	17,000	465.00 plus 8% on excess over 15,000
17,000	23,000	625.00 plus 9% on excess over 17,000
23,000	29,000	1,165.00 plus 10% on excess over 23,000
29,000	38,000	1,765.00 plus 11% on excess over 29,000
38,000	48,000	2,755.00 plus 12% on excess over 38,000

48,000	58,000	...3,955.00 plus 13% on excess over 48,000
58,000	69,000	...5,255.00 plus 14% on excess over 58,000
69,000	81,000	...6,795.00 plus 15% on excess over 69,000
81,000	94,000	...8,595.00 plus 16% on excess over 81,000
94,000 and over		..10,675.00 plus 17% on excess over 94,000

*Applies to a qualified widow or widower with dependent child for first two years after the year in which spouse died.

SCHEDULE S (Single Individuals or Married Filing Separately)

.....	1,000	... 1/2 of 1%
1,000	2,500	...$ 5.00 plus 1% on excess over $ 1,000
2,500	3,750	... 20.00 plus 2% on excess over 2,500
3,750	5,000	... 45.00 plus 3% on excess over 3,750
5,000	6,250	... 82.50 plus 4% on excess over 5,000
6,250	7,500	... 132.50 plus 5% on excess over 6,250
7,500	9,250	... 195.00 plus 6% on excess over 7,500
9,250	11,250	... 300.00 plus 7% on excess over 9,250
11, 250	13,250	... 440.00 plus 8% on excess over 11,250
13,250	15,250	... 600.00 plus 9% on excess over 13,250
15,250	17,500	... 780.00 plus 10% on excess over 15,250
17,500	21,000	...1,005.00 plus 11% on excess over 17,500
21,000	27,000	...1,390.00 plus 12% on excess over 21,000
27,000	33,000	...2,110.00 plus 13% on excess over 27,000
33,000	39,000	...2,890.00 plus 14% on excess over 33,000
39,000	43,000	...3,330.00 plus 15% on excess over 39,000
43,000	49,000	...4,330.00 plus 16% on excess over 43,000
49,000 and over		...5,290.00 plus 17% on excess over 49,000

A resident of Oklahoma for the full year with combined income from salary or wages only which does not exceed $10,000, may file a Short Form No. 510.

Sec. 6, Oklahoma Tax Act (1 January 1971) states in part: "Optional tax tables to be promulgated by the Tax Commission. In the event the Federal income tax of a resident individual or a resident husband and wife filing a joint Oklahoma return, is computed by use of optional tables provided for in the Internal Revenue Code without a computation of taxable income, then in lieu of a computation of Oklahoma taxable income in order to determine Oklahoma income tax liability, such individual or such husband and wife may compute the Oklahoma income tax liability by reference to the tax tables promulgated by the Oklahoma Tax Commission ***".

Resident Taxpayers with gross income below $10,000, may use the tax tables if income does not include rents, leases bonuses, royalties, income from partnerships or business conducted in the State. Generally, married couples filing joint Federal income tax returns must file joint Oklahoma income tax returns. An exception exists in the case where only one spouse is a resident and a joint Federal tax return was filed. In such cases: (1) the resident spouse may file a separate Oklahoma tax return and the adjusted gross income as reported in the Federal return may be allocated between them; or (2) the nonresident spouse may elect to be taxed as a resident and a joint Oklahoma return may be filed.

DEDUCTIONS: Itemized deductions as reported on the Federal income tax return (except child care -- see "CREDITS") will be the same for Oklahoma tax purposes. Individuals who do not itemize on the Federal return are allowed the larger of $1,000 or 15% of Oklahoma adjusted gross income, not to exceed $2,000; if married filing separate returns the larger of $500 or 15% of Oklahoma gross income, not to exceed $1,000. In addition, the Oklahoma income tax law provides for an individual taxpayer, at his/her option, to compute Oklahoma tax by either one of two methods. If Method I is used the taxpayer may not deduct the accrued Federal income tax.

EXEMPTIONS: Individual exemptions are allowed in the amount of $1,000 each beginning 1 January 1982.

CAPITAL GAINS AND LOSSES: Same as under the Internal Revenue Code.

CREDITS: (a) Tax paid by residents to other states on income for personal services also taxed by Oklahoma, not to exceed that proportion of Oklahoma tax that compensation subject to taxation in other states bear to Oklahoma adjusted gross income; (b) 20% of the Federal credit for child care which is reduced by prorating the basis of Oklahoma adjusted gross income to Federal adjusted gross income. A copy of Federal Form 2441 must be attached to the Oklahoma income tax return to obtain this credit and taxpayer must be an Oklahoma resident or part-year resident filing jointly.

SOUTH CAROLINA

STATE LAW: Code of Laws of South Carolina, Sec. 65-201 et seq.

TAXPAYERS: Residents having gross income of $800 or more taxable in South Carolina; and nonresidents having income earned in South Carolina, or income from the sale or rental of property located in the State.

FILING: See "TAXPAYERS". If these requirements are met an income tax return is required to be filed regardless of the tax liability.

MILITARY PROVISIONS: (a) Active duty pay for service members is generally taxable. See "INCOME EXCLUSIONS" concerning pay for active duty and active duty-for-training received by members of the South Carolina National Guard and other Reserve components of the Armed Forces; (b) Resident service members maintaining an abode in another jurisdiction are subject to state income tax (see "RESIDENTS"); (c) Pay received by service members or civilian employees of the United States is excluded for any month during which they were POW/MIA in the Vietnam conflict; (d) Retirement pay received for service-connected disability is not taxable; (e) Nondisability retirement pay is taxable. However, a person having 20 or more years of active duty is permitted to reduce by $1,200 the gross retirement received. Pension or retirement income from the National Guard or Reserve Components of the Armed Forces is excluded; (f) Filing requirement is based upon the taxpayer's earnings and not tax liability. A return must be filed if income is earned or received in the amount of $800 or more, unless specifically exempt due to age or source of income.

RESIDENTS: There is no statutory definition of residence. However, in Phillips v. South Carolina Tax Commission, 195 S.C. 472, 12 S.E. 2d 13 (1940), the decision was that residence when used in the tax statute, Sec. 65-221, means the same as "domicile".

INCOME EXCLUSIONS: (a) National Guard, Army, Navy, and other types of Armed Forces Reserve pay; (b) Amounts received by the insured as a return of premiums paid on life insurance, endowment or annuity contracts during the term, at maturity, or upon surrender of the contract; (c) Rental value of a home, including utilities or the rental allowance paid to a minister of the gospel to the extent such allowance is used by him/her to rent or otherwise provide a home; (d) Social Security payments; (e) Retirement income received under the South Carolina

15 April, the first installment due when filing the declaration; second, third and fourth installments due on the 15th of June, September and January following. Fewer installments are required if the declaration is filed later in the year.

A penalty is assessed of 5% per month (maximum 25%) for failure to file by due date; interest charge of 20% per year for failure to pay by due date; penalty of 1/2% per month (maximum 25%) for failure to pay by due date; interest charge of 20% per year for underpayment of estimated liability. However, the Tax Administrator may, upon application in writing, abate or cancel late filing and/or late payment charges if the service member was unaware of the Rhode Island filing requirements. There is no statute of limitations if the service member has failed to file. Accordingly, the service member is required to file for all delinquent years. Consideration is given, on an individual basis, to requests to waive any penalties and/or interest. Time payments may be arranged in cases where full payment of taxes would create financial hardships.

TAX AUTHORITY: Department of Administration, Division of Taxation, 289 Promenade Street, Providence, Rhode Island 02908.

RHODE ISLAND

Add - (a) Interest on obligations of any state or political subdivision other than Rhode Island; (b) Interest or dividends on Federal obligations exempt from Federal income tax but not from state taxes; (c) income subject to Rhode Island taxation but not required to be included in Federal adjusted gross income and, therefore, is exempt from Federal taxation.

The Rhode Island income of a nonresident individual is the sum of: (a) Net amount of items of income and deduction entering into Federal adjusted gross income derived from or connected with Rhode Island sources including a distributive share of partnership income and deductions, and any share of estate or trust income and deductions; and (b) The portion of the modifications described above for residents which relate to income derived from Rhode Island sources. Compensation for services while in the Armed Forces received by nonresidents is not income derived from Rhode Island sources. The Federal tax liability of a nonresident attributed to Rhode Island income is that proportion which Rhode Island income bears to Federal adjusted gross income after the above modifications.

NOTE: References to Federal laws are to provisions of the Internal Revenue Code and other Federal provisions relating to Federal income taxes for the same taxable year.

DEDUCTIONS: Rhode Island taxable income, except for the above adjustments, is computed with no other deductions.

EXEMPTIONS: Rhode Island personal exemptions are the same as under the Internal Revenue Code.

CREDITS: Residents are allowed a credit for the aggregate of net income taxes imposed on the taxpayer for the taxable year by other states and the District of Columbia. A signed copy of the return filed with the other state must be attached to the Rhode Island return.

PAYMENTS: Returns and payment in full due on or before the 15th day of the fourth month following the close of the tax year. Residents and nonresidents who can reasonably expect their estimated tax to be $40 or more in excess of any credits must file a Declaration of Estimated Tax. The declaration is due on or before the 15th day of the fourth month of the tax year unless the taxpayer is not required to file a declaration until a latter date. In that case, the declaration is due on or before the next installment due date. Estimated tax payments are due in four equal installments if the declaration is file on or before

RHODE ISLAND

STATE LAW: Title 44, Chapter 30 of the Rhode Island General Laws as amended.

TAXPAYERS: A tax is imposed on Rhode Island residents and nonresidents receiving income from Rhode Island sources.

FILING: Every individual, including resident service members, required to file a Federal income tax return must file a Rhode Island income tax return.

MILITARY PROVISIONS: (a) Service members who are legal residents of Rhode Island but maintain an abode in another jurisdiction are subject to taxation (see "RESIDENTS"). If a resident service member is required to file a Federal income tax return, he/she must file a Rhode Island income tax return; (b) Tax liability of service members who are POW/MIA (and their spouses); disability and nondisability retirement pay; portion of retirement pay forfeited to provide an annuity for survivors are treated the same as under the Internal Revenue Code.

RESIDENTS: A resident is defined as an individual "who is domiciled in Rhode Island." Accordingly, Rhode Island domiciliary service members are subject to Rhode Island taxation even though they reside outside Rhode Island and spend no time in Rhode Island during a taxable year.

RATES: Effective 1 January 1984 the effective rate will be 25.5% of the taxpayers federal income tax liability. "Federal income tax liability" is the amount of Federal income tax (less Federal surtaxes, self-employment taxes and Social Security taxes) for which a taxpayer would have been liable had he paid the tax based on Federal taxable income as modified below for residents and nonresidents.

INCOME: The Rhode Island income of a resident individual is his/her Federal adjusted gross income as modified below:

Subtract -- Interest or dividends on Federal obligations to the extent includible in Federal gross income but exempt from state taxes under Federal law. (The amount subtracted must be reduced by any interest on indebtedness incurred to purchase or carry the obligations to the extent such interest is deducted in determining Federal adjusted gross income or taxable income.)

PENNSYLVANIA

	October, January**, 30 April, 31 July, October, January ***
SCRANTON - Collector of Taxes 2.6%	15 April

* In other than Philadelphia and Pittsburgh, the combined municipal and school district tax rates may not exceed 1% of "earned income". Although the municipal and school district taxes are independently assessed, they are collected together.

** Income from business only.

*** Wages not subject to withholding only.

not exceeding $5,000, or to undergo imprisonment, not exceeding 2 years or both.

The position of the Department of Revenue with respect to delinquent taxes has been expressed by the Chief Counsel of the Personal Income Tax Bureau in a letter dated 16 April 1976 as follows: "The Soldiers and Sailors Civil Relief Act defers any collection on the income tax of a person in the military service until six (6) months after the termination of the period of military service, if such person's ability to pay such tax is materially impaired by reason of such service. Consistent with the aforementioned Act, penalties and interest may not be assessed. *** The Act also provides that the running of any statute of limitations against the collection of such tax by distraint or otherwise should be suspended for the period of military service of any individual, the collection of whose tax is deferred under this Section, and for an additional period of nine (9) months beginning with the day following the period of military service. By reason of the extension afforded military personnel under *** the Act and the tolling of any Statute of Limitations, this Department will require tax returns to be filed for all prior years wherein taxable income was received. Arrangements for partial payments can be made so long as the plan is reasonable as to the amount and not unduly prolonged."

TAX AUTHORITY: Commonwealth of Pennsylvania, Department of Revenue, Harrisburg, Pennsylvania 17105.

CITY INCOME TAX: Nearly 1,500 municipalities and school districts impose an income tax on residents. Most taxes are limited to a maximum of 1% of earned income.

Act 511, "The Local Enabling Tax Act", adopted by the State legislature and effective 1 January 1966, specifically prohibits the imposition of an income tax on "wages or compensation paid to persons on active military service." The major cities impose the following taxes:

CITY and COLLECTOR	Rate*	Return and Tax Due
ERIE - Receiver of Taxes	1%	Return due 15 April; tax due 15 March, 15 June, 15 September, 15 December
PHILADELPHIA - Department of Collections	4.5/16%	31 January, 30 April, 31 July, October
PITTSBURGH - Treasurer	2.75%	15 April, July,

from estates or trusts; (h) Lottery and gambling winnings other than Pennsylvania Lottery winnings won on or after July 21, 1983. Losses can only be offset against gains within a class and a gain realized by one spouse cannot be offset by a loss realized by the other spouse within the same income class. Individuals cannot reduce their compensation by contributions they make to IRAs, IRC 401(k) salary reduction agreements or IRC 403 government tax-sheltered plans. Individuals cannot reduce their net profits by contributions to a Keogh Plan.

CREDITS: Credits are allowed for the following: (a) Pennsylvania Personal Income Tax withheld from compensation; (b) Estimated tax payments; (c) Special tax forgiveness credits - such credits allow eligible claimants to receive total state income tax forgiveness on up to $3,000 of taxable income (and $1200 for their first dependent and $750 for each additional dependent). (See 1984 PA-40 Booklet); (d) Employment Incentive Payments Credit - Sole proprietors, partners and Pennsylvania S corporation shareholders can reduce their state income tax liability by receiving credits for their employment of former Pennsylvania welfare recipients and additional credits for providing daycare services for the children of such workers. (See 1984 PA-40 Booklet); (e) Resident Tax Credits - Income taxes paid to other states or foreign countries by resident on income taxable in Pennsylvania but limited to a percentage of the taxpayer's entire taxable income which is subject to taxation by the other state or country. This credit will only be allowed if substantiated by the submission of a copy of the other jurisdictions tax return.

PAYMENTS: Return and payment due by 15 April. Declaration of Estimated Tax is required from resident and nonresident individuals whose Pennsylvania taxable income, other than from compensation subject to withholding, can reasonably be expected to exceed $1,000. Declaration of Estimated Tax is due by 15 April of the tax year for calendar year taxpayers if requirements for filing are met on or before 1 April. Payment of estimated tax is due in four equal installments; first due at the time the declaration is filed, second, third and fourth due on or before 15 June, September, and January.

NOTE: Where no return is filed or if a taxpayer shall fail when required to file an amended return, the amount of tax due may be assessed at any time. Any person failing to pay the tax or to file a return as required by law or regulation shall, in addition to other penalties provided by law, be guilty of a misdemeanor and shall upon conviction be sentenced to pay a fine,

PENNSYLVANIA

RESIDENTS: Resident, for income tax purposes, is an individual domiciled in Pennsylvania who does not qualify as a nonresident. An individual domiciled in Pennsylvania, but who (1) has no permanent place of abode in Pennsylvania, (2) does maintain a permanent place of abode elsewhere, and (3) did not spend more than 30 days of the tax year in the State is considered, for tax purposes, to be a nonresident. A nonresident is also an individual not domiciled in Pennsylvania who does not maintain a permanent place of abode in the State and spends less than 183 days of the tax year in the State. A part-year resident is an individual who changed residency during the tax year (1) from a place outside Pennsylvania to Pennsylvania with the intent of residing permanently in Pennsylvania, or (2) from Pennsylvania to a place outside Pennsylvania with the intent of residing permanently outside the State.

RATES: The annual tax is 2.45%.

EXEMPTIONS: The following items are not taxable: (a) Disability retirement pay; (b) Retirement pay, whether in a lump sum or annuity (i.e., pensions); (c) Unreimbursed employee business expenses (i.e., travel, meals and lodging expenses incurred away from home, union dues, mandatory educational expenses); (d) Social Security; (e) Unemployment compensation; (f) Gains or income derived from Pennsylvania (including its municipalities and instrumentalities) and United States obligations which are statutorily free from taxation. A list of the tax-exempt U.S. obligations can be obtained by writing to the Pennsylvania Revenue Department, Office of Chief Counsel, 10th floor, Strawberry Square, Harrisburg 17128; (g) Pennsylvania Lottery prizes won on or after July 21, 1983; (h) Alimony.

TAXABLE ITEMS: Taxable Income Items, are limited to the following: (a) Compensation; (b) Net profits from a business, profesison, occupation or any taxable income derived from a Pennsylvania S corporation; (c) Taxable interest including interest from other states' or countries' obligations; (d) Dividends, including the first $200 of dividend income; (e) Net gain or income from the sale of real or personal property including the sale of one's personal residence in all cases. The June 1, 1971 valuation of the property can be used in determining gains. The installment sales method of reporting can begin to be used for 1984 sales or real or tangible personal property. (See 1'84 PA-40 Instruction Booklet); (f) Net gain or income from rents, royalities, copyrights or patents; (g) Net gain or income

PENNSYLVANIA

STATE LAW: Tax Reform Code of 1971, Sec. 301 et seq (Title 72 P.S. § 301 et seq). Title 61 Pa. Code § 101.1 et. seq.

TAXPAYERS: Resident and nonresident individuals, estates or trusts on the privilege of earning, receiving or acquiring eight specified classes of taxable income.

FILING: Individuals who receive Pennsylvania taxable income in excess of $40 during the year must file a Pennsylvania Income Tax Return. Also, you must file a return if you incurred a loss in one or more classes of income even if you had less than $40 of taxable income.

MILITARY PROVISIONS: (a) Service members who are legal residents of Pennsylvania and (1) who maintain no permanent abode in Pennsylvania, (2) maintain a permanent abode in another jurisdiction, and (3) spend no more than 30 days of the tax year in Pennsylvania, are considered nonresidents for tax purposes. All three conditions must be met to be considered a nonresident. Pennsylvania does not consider barracks, bachelor office quarters and quarters on ships as permanent places of abode. However (effective 1 January 1974), compensation paid to residents by the United States Government for active duty outside Pennsylvania as a member of the Armed Forces is not subject to Pennsylvania personal income tax. Reservists and National Guardsmen ordered to active duty for training at a two week summer encampment pursuant to Title 10 or Title 32 of the U.S. Code shall be presumed to be on federal active duty. Military pay received for such service only will be excludible from compensation if the active duty training is performed outside the Commonwealth. Other income is subject to taxation. Under the Soldiers' and Sailors' Civil Relief Act nonresident military personnel who are serving at a military installation in Pennsylvania are not subject to the income tax on their military pay, but are subject to the tax on any other income they earn in the State; (b) There are no special provisions for military personnel who are POW/MIA (or their spouses); (c) Disability retirement pay is not subject to state income taxes. Nondisability retirement pay, like all old age or retirement benefits, is not taxable; (d) Neither the retirement pay of a service member who elects to forfeit a portion of his/her retirement pay to provide an annuity for his/her survivors, nor the survivors annuity, is taxable; (e) Filing requirements for military members are the same as for any other taxpayers. The taxpayer has the burden of establishing that income received for military service outside the Commonwealth was earned while on federal active duty. The Department of Revenue will accept as proof the authority section of the military orders directing the taxpayer to federal duty outside the Commonwealth.

tax return (or failure to pay tax due) is 5% of the tax due if the return is filed within three months from due date of the return. An additional penalty of 20% (total 25%) is added to delinquent tax if the return is filed after that period. Interest accrues at the rate of 1 1/2% per month (or fraction thereof) from due date of the return until date of payment. If a member of the Armed Forces has not filed for several years, Oregon requires a delinquent return for each year the member has a tax liability.

ESTIMATED TAX: The 1981 Oregon Legislature passed a law requiring some taxpayers to make quarterly estimated tax payments. This brings Oregon's estimated tax program in line with the federal government's program.

Generally, the following people may need to pay estimated tax:

- Wage earners who don't have enough tax withheld from their wages, and expect to owe $100 or more in addition to the tax already withheld from wages may need to pay estimated tax. You have two choices: (1) increase the amount of withholding from your wages; (2) pay estimated tax in addition to the usual amount withheld from wages.

- Self-employed people who don't have Oregon tax withheld from their income and expect to owe $100 or more.

- Others who expect to owe $100 or more and don't have Oregon tax withheld from their income, such as pensions, interest or dividends.

HOW TO FILE ESTIMATED TAX: Complete an Oregon Estimated Tax Form 40ES. Forms and instructions are in the Oregon Estimated Tax packet. File separately or jointly with spouse - the same way you file Oregon income tax return.

TAX AUTHORITY: Oregon Department of Revenue, Audit Division, Revenue Building, Salem, Oregon 97310. (Telephone (503) 378-8303).

OREGON

Subtract -- All items included in Federal adjusted gross income which are not taxable by Oregon.

Add -- All items of income taxable by Oregon but not taxed or included in the Federal income tax return.

NOTE: A Federal tax refund is not taxed by Oregon unless it is a refund of tax previously subtracted on an Oregon tax return.

DEDUCTIONS: Same as Federal as they existed on December 31, 1982 with the following exceptions:

Standard Deduction is the larger of $1,050 or 13% of Federal adjusted gross income, not to exceed $1,500 ($525 or 13% of Federal adjusted gross income, not to exceed $750, for married individuals filing separately).

An Oregon child care tax credit is allowed only if you claimed the credit on the Federal income tax return. To compute the Oregon credit you must obtain the Oregon Child and Dependent Care Worksheet. Complete it and retain for your records (you need not include a copy with your return).

A deduction on the Oregon return for Federal income taxes is limited to $7,000 ($3,500 for married persons filing separately).

EXEMPTIONS: The personal exemption and dependents alowance is $1,000 per exemption (same as federal) prior to 1983 and after 1985 (see credits).

CREDITS: Full year residents and part-year residents receive credit for income taxes paid to another state to the extent of: (a) That portion of the Oregon tax applicable to mutually taxed adjusted gross income; or (b) Income taxes actually paid to another state, whichever is the lesser.

A credit of $85 for each exemption claimed or allowable on the Federal return is allowed (personal, dependent(s), 65 or older, and blind). Also, Oregon allows an additional credit of $85 for a taxpayer and/or spouse who is severely disabled. This credit is in effect only for tax years 1983 and 1984. Beginning in 1985 the $1,000 exemption will be in effect.

PAYMENTS: Return and payment due 15 April or the following Monday, if the 15th falls on Saturday or Sunday. The Department will waive the penalty for late filing whenever the Internal Revenue Service waives the same under Sec. 7508(a), Internal Revenue Code, as amended. Penalty for failing to file an income

OREGON

"Earned income" means salaries, wages or professional fees, and other amounts received as compensation for personal services rendered, past or present. The exclusion is not allowable for anyone whose household income is over $25,000. "Household income" includes all types of taxable income and most nontaxable income of husband and wife. This exclusion is available only to the retiree or spouse.

RATES: TAXABLE INCOME

Over	Not Over	Rate
For persons filing Single, or Married Filing Separately)		
.....	$ 500	4.2%
$ 500	1,000	$ 21.00 plus 5.3% of excess over $ 500
1,000	2,000	47.50 plus 6.5% of excess over 1,000
2,000	3,000	112.50 plus 7.6% of excess over 2,000
3,000	4,000	188.50 plus 8.7% of excess over 3,000
4,000	5,000	275.50 plus 9.8% of excess over 4,000
5,000	.....	373.50 plus 10.8% of excess over 5,000
For persons filing Jointly; Head of Household; or Qualifying Widow(er) with Dependent Child		
.....	$ 1,000	4.2%
$ 1,000	2,000	$ 42 plus 5.3% of excess over $ 1,000
2,000	4,000	95 plus 6.5% of excess over 2,000
4,000	6,000	225 plus 7.6% of excess over 4,000
6,000	8,000	377 plus 8.7% of excess over 6,000
8,000	10,000	551 plus 9.8% of excess over 8,000
10,000	.....	747 plus 10.8% of excess over 10,000

INCOME: Oregon income is based on Federal adjusted gross income with the following modifications and adjustments:

NOTE: Oregon did not adopt the Federal tax laws passed in 1981. Any new Federal tax laws enacted after December 31, 1980 will not apply to Oregon. However, beginning in 1983, Oregon reconnected to Federal tax laws. Noteworthy exceptions to this are (a) social security (not taxable by Oregon); (b) depreciation; (c) deduction for married couple when both work; and (d) the disability income exclusion.

Also, in 1984 there will be different forms for nonresident taxpayers and part-year resident taxpayers. Previously the same form was used for both.

OREGON

STATE LAW: Oregon Revised Statutes, Chapters 305, 314 and 316.

TAXPAYERS: Every resident who is required to file a Federal income tax return; and every nonresident who has income from Oregon sources.

FILING: An Oregon income tax return must be filed by: (a) Any resident who is required to file a Federal income tax return for the tax year, or has Federal net income (before exemptions) greater than his/her personal exemptions; (b) Any nonresident whose Federal gross income from Oregon sources is greater than his/her personal exemptions; (c) Any individual seeking a refund of Oregon taxes withheld; (d) Any individual charged with the care of the estate of an Oregon decedent (i.e., executor, administrator, or surviving spouse); or (e) Any individual, who in the judgment of the Department of Revenue, should file an income tax return.

MILITARY PROVISIONS: (a) Military personnel who are residents of Oregon are subject to tax on their military active duty pay, however, the first $3,000 of such pay is subtracted from adjusted gross income; (b) Nonresident military members are not subject to tax on their military pay but are subject to tax on any other income earned in Oregon. (See "INCOME EXCLUSIONS").

RESIDENTS: An individual domiciled in Oregon is generally an Oregon resident unless: (a) No permanent place of abode was maintained in Oregon at any time during the tax year; (b) A permanent place of abode was maintained elsewhere during the tax year; and (c) Did not spend more than 30 days in Oregon during the tax year. To qualify as a nonresident (for tax purposes) all three tests must be met. An individual not domiciled in Oregon may be taxed as a statutory resident if: (a) A permanent place of abode was maintained in Oregon; and (b) He/she spent in the aggregate over 200 days of the tax year in Oregon. Such person is presumed to be a resident unless he/she can prove his/her presence in the State was for temporary or transitory purposes.

INCOME EXCLUSIONS: Income received from a pension, annuity, retirement or similar fund under a public retirement system of the United States, including the retirement system for services performed in the United States Armed Forces (if received by retirees age 65 or over). The exclusion for a military retiree is the lesser of: (a) $3,400; or (b) Amount taxed on Federal return. If retiree is under age 65, the exclusion is further reduced dollar for dollar by earned income received during the tax year.

OKLAHOMA

PAYMENTS: Return and payment in full due 15 April. Persons whose tax liability can reasonably be expected to be $25 or more, in excess of taxes to be withheld from wages, must file a Declaration of Estimated Tax and pay the first installment on 15 April, the second and third installments on 15 June and September, respectively, and the fourth on 15 January of the succeeding taxable year. If income tax return is filed and taxes due paid on or before 31 January, the payment of the installment due 15 January is waived.

There is no provision in the income tax law for the forgiveness of delinquent taxes. If a military member discovers that returns for prior years are due, he/she should promptly correspond with the Oklahoma Tax Commission, Income Tax Division. On an individual basis, penalties and interest may be waived.

TAX AUTHORITY: Oklahoma Tax Commission, Income Tax Division, 2501 Lincoln Boulevard, Oklahoma City, Oklahoma 73194.

Retirement Act and Railroad Retirement Act except Supplement Railroad Retirement; (f) Veterans Administration pension and military retirement, designated as service-connected disability; (g) Pension or retirement income from the National Guard or Reserve components of the Armed Forces; (h) Federal income tax rebates; (i) Police officers' and firemen's retirement benefits received from a city or county situated in South Carolina, which has a group retirement plan; (j) The cost of participation in the Survivors' Benefit Plan or the Retired Serviceman's Family Protection Plan; and (k) Public school teachers and state employees retirement benefits received from a state other than South Carolina, provided retirement benefits received by the public school teachers and state employees from South Carolina who are living in such other states shall not be taxed as income.

RATES:			
	First	$ 2,000	2%
	Second	2,000	3%
	Third	2,000	4%
	Fourth	2,000	5%
	Fifth	2,000	6%
	Over	10,000	7%

DEDUCTIONS: (a) Charitable contributions up to 20% of the adjusted gross income with an additional 10% for contributions or gifts made to or for use of churches, educational institutions, hospitals or medical research organizations in South Carolina; (b) Ordinary business expenses; (c) Medical expenses to the same extent as allowed on Federal return; (d) Alimony payments; (e) Interest; (f) Taxes, except state income, inheritance taxes, gasoline and special assessments; (g) Federal income tax up to $500 per taxpayer. Where joint Federal income tax return was filed, deduction must be apportioned according to each spouse's income and is limited to $500 for each taxpayer; (h) Uninsured casualty loss; (i) Bad debts; (j) Contributions or gifts made to State or political subdivisions for public purposes up to 30% of adjusted gross income.

South Carolina has adopted the Federal provisions in the following aspects: (1) pertaining to IRAs and Keoghs; (2) depreciation under an Accelerated Cost Recovery System with the modification as follows:

Three year and five year class property - Same as Federal.
Public Utility Property - 15 Years Straight Line.
Real Property - 25 Years Straight Line.
Real Property over 10 years old - 1 1/2 Declining Balance in lieu of Straight Line;

Uninsured Casualty Losses except no net operating loss conversion;

SOUTH CAROLINA

Medical expenses - Same expense as allowed by Federal except reduction by % of AGI remains at 1% and 3%;

Holding period of property;

Start-up Fees (IRC Section 195)
Organization Fees (IRC Section 248)
Syndication Fees (IRC Section 709)

Section 121 of Internal Revenue Code relating to the $125,000 exclusion from gross income gain on sale of residence by an individual 55 years or older;

Section 1034 of IRC to determine the gain from sale or exchange of personal residence and all the provision relating to the replacement period;

Section 337 of IRC relating to the liquidation of corporations;

Section 1033 of IRC relating to the treatment of involuntary conversion of property.

The optional standard deduction in the case of an individual taxpayer is $1,000 or 10% of the adjusted gross income, whichever is the lesser. In the case of a married couple filing jointly, the standard deduction is 10% of the adjusted gross income or $2,000, whichever is the lesser. If one spouse elects to use the optional standard deduction on a separate return, so must the other. The option exercised on original return may be changed for tax years after 31 December 1974. Part-year and nonresident taxpayers must file on Form 1001, attach Schedule 1001-P, and are permitted to use the optional standard deduction, which is 10% of their South Carolina adjusted gross income with the same limitations as above. The optional standard deduction is not prorated.

EXEMPTIONS:		
	Individual.....	$800
	Spouse	800
	Head of Household (additional).....	800
	Dependents .(each).....	800
	Blind taxpayer or spouse (additional)	800
	Over 65 (additional).....	800*

* However, taxpayers over 65 with gross income of not more than $2,800, if no dependents (or $4,000, if dependent spouse or other dependent), are exempt from individual income tax.

CAPITAL GAINS AND LOSSES: Short-term capital losses are fully deductible; 50% of long-term capital losses are deductible without limitation. Gain on sale or exchange of residence is taxed only to the extent the selling price of the old residence exceeds the purchase price of the new; no loss on sale or exchange of residence is deductible.

CREDITS: Residents receive tax credit for income taxes paid to other states, not to exceed South Carolina tax on same income; but for nonresidents, no such credit is granted; and they must look to their state of legal residence for tax relief.

PAYMENTS: Return and payment in full due 15 April. Persons with gross income not subject to withholding in excess of $800 must file a Declaration of Estimated Tax by 15 April and pay estimated tax in four equal installments on 15 April, June, September and January. The South Carolina Tax Commission issued a Directive, dated 7 January 1964, which provides that legal residents of South Carolina who are members of the uniformed services should file income tax returns for the statute years when liable under the provisions of the South Carolina Income Tax Law.

NOTE: Penalty for not filing an income tax return is 25% of the tax, interest of 6% per year, and a minimum penalty of $10 for failure to file a timely return. Although there is no statute of limitations for filing delinquent returns, service members who have failed to file returns for a number of years and voluntarily disclose their failure to file may satisfy their tax obligations by filing for the statute years. All delinquent returns will be subject to the statutory penalty and interest. The penalties provided by the South Carolina Code are 25% of the tax and specific penalty of not less than $10 nor more than $1,000. Interest is computed at the rate of 1/2 of 1% per month from the due date of the return to the date the return is filed.

TAX AUTHORITY: South Carolina Tax Commission, Income Tax Division, P.O. Box 125, Columbia, South Carolina 29214.

SOUTH DAKOTA

No State Income Tax.

TENNESSEE

STATE LAW: Tennessee Code Sec. 67-2-101

TAXPAYERS: Resident receiving taxable income in excess of $25 in the form of dividends from stocks and interest from bonds[1] (no return is required to be filed unless income from stocks and bonds exceeds $25). No tax is due from persons age 65 or older whose total annual income is $6,000 or less, or from persons filing jointly if one spouse is age 65 or older and their total income is not over $10,000 (Ch 849, LAWS 1978; CH 638 LAWS 1976; § 67-2-104). However, taxpayers claiming exemptions based on income or age must complete affidavit provided with the tax form. Blind persons' entire income is exempt.

FILING: See "TAXPAYERS". If these requirements are met, a Tennessee income tax return must be filed by 15th of April (or 15th of 4th month after close of year for previously approved fiscal year taxpayer).

MILITARY PROVISIONS: Tennessee citizen declared POW by DOD not liable for payment of tax until 60 days after release. All military compensation is exempt. Tennessee does not levy a personal income tax upon the earnings of its citizens.

RESIDENTS: Resident is any person who has a legal domicile in Tennessee or who maintains a place of residence in the State for more than six months, regardless where domiciled. Persons entering the Armed Forces from Tennessee retain their legal domicile, and are liable for tax on income received from stocks and bonds until such time as, of their own volition and not under orders, domiciles are established in other states (Letter from State Tax Department, 5 December 1960) § 67-2-101(4)).

INCOME EXCLUSIONS: (a) Income from obligations of the United States; however, income from Federal National Mortgage Association and Government National Mortgage Association is taxable since the notes and bonds are not primary obligations of the United States; (b) Income from bonds of Tennessee, its counties, municipalities or political subdivisions;

1""Bond" means all obligations issued by any person, firm, joint-stock company, business trust or corporation organized and doing business under the laws of this state, or any other state, evidenced by an instrument whereby the obligor is bound to pay interest to the obligee regardless of whether the obligator is doing business in this state, or whether the obligation under the terms of which the interest accrues is a mortgage or lien on property located in this state or beyond the jurisdiction thereof." (§ 67-2-101(1)(A)).

(c) Distribution of capital; (d) Income from stocks and bonds of pension or profit-sharing trusts exempt from Federal income tax; (e) Interest on commercial paper or trade acceptance, etc. maturing in less than six months; (f) Dividends from regulated investment companies, qualified as such under Subchapter M, Chapter 1, Subtitle A, Internal Revenue Code (26 USCA, §§ 851-858), and which further have as their corpus not less than 75% of their investments in bonds of the State of Tennessee, or subdivisions thereof; (g) Interest income received from a certificate of deposit issued by a bank, savings and loan association, or credit union chartered under the laws of Tennessee or of the United States lawfully doing business under the laws of Tennessee (§§ 67-2-101 and 67-2-104).

RATES: Income in the form of dividends from corporations 75% or more of whose property is assessable in Tennessee 4%

Income in the form of dividends on stocks from all other corporations 6%

Income in the form of interest not exempt under State law 6%

DEDUCTIONS: None.

EXEMPTIONS: See "TAXPAYERS" and "INCOME EXCLUSIONS".

CAPITAL GAINS AND LOSSES: Capital gains and losses are not recognized for purposes of the tax law. However, capital gains distributions by mutual funds are treated as income in the form of dividends from stocks and bonds.

PAYMENTS: Payment due with return. There is no statute of limitations on failure to file or the filing of fraudulent returns. Penalty charges (.05% per month not to exceed 10%) are mandatory on all delinquent returns, or when being assessed on a deficiency (§ 67-2-114). The interest rate is presently 16% per annum. Interest rate is adjustable based on formula administered by Commissioner of Revenue (§ 67-1-801).

TAX AUTHORITY: State of Tennessee, Department of Revenue, Franchise, Excise, and Income Tax Division, Andrew Jackson State Office Building, Nashville, Tennessee 37242.

TEXAS

No State Income Tax.

This is a community property state.

UTAH

STATE LAW: The Utah Individual Income Tax Act of 1973 (Utah Code Sec. 59-14A).

TAXPAYERS: Every resident required to file a Federal income tax return for the tax year; and every nonresident having gross income derived from Utah sources and required to file a Federal income tax return for the tax year.

FILING: See "TAXPAYERS". If these requirements are met, a Utah income tax return is required to be filed although tax may not be due.

MILITARY PROVISIONS: (a) Residents in the military service are required to file resident Utah income tax returns. Their active service pay is subject to Utah taxation the same as other compensation. There are no special exemptions, exclusions, or deductions for military members; (b) Military compensation not taxed by the Federal Government is not taxed by Utah; (c) Residents in the military service stationed outside the United States may be granted a waiver of penalty for late filing if they filed their returns after the due date but on or before the 15th day of the fourth month after return to the United States, or discharge date, whichever is earlier; (d) In determining the rate at which a dependent spouse's Utah income is taxed, that income must have added to it all income of the military member. Likewise, a nonresident military member will have any Utah income taxed on the basis of total income, including that of the spouse. The foregoing presumes the filing of a joint federal return which, under Utah law, requires the filing of a joint Utah return. Since income is taxed using a progressive rate scale (see Rates), this results in a slightly higher tax bill than the spouse's income alone would otherwise produce.

RESIDENTS: A resident is an individual domiciled in Utah for any period of time during the tax year, but only for the duration of such period. An individual who is not domiciled in Utah but maintains a permanent abode in Utah and spends in the aggregate 183 or more days of the tax year in Utah is deemed a "resident individual". An individual in the active military service shall not be deemed to have lost his/her domicile in Utah solely by reason of being absent therefrom under military or naval orders. An individual in the active military service stationed in Utah solely by reason of military or naval orders does not establish a domicile in Utah for income tax purposes.

INCOME: The income subject to Utah taxation is the same as Federal taxable income as currently defined in Sec. 63(a) and (b) of the Internal Revenue Code with the following modifications:

UTAH

Add -- (a) Individual income tax imposed by Utah, any other state, District of Columbia, or any possession of the United States to the extent that these are included in itemized deductions; (b) Ordinary income portion of a lump sum distribution from a pension plan allowable as a deduction under Sec. 402(e)(3) of the Internal Revenue Code to the extent it is excluded from Federal adjusted gross income.

Subtract -- (to the extent included in Federal adjusted gross income): (a) Interest or dividends on Federal obligations to the extent exempt from state income taxes under the Federal law; (b) Income taxes paid or payable to the United States after allowable credits on the taxpayer's Federal income tax return for the same tax year, and any income taxes paid to a foreign government to the extent the income on which the taxes are assessed is includable in gross income in Utah; (c) Retirement income to the extent included, subject to the limitations below. Where husband and wife file jointly and each receives retirement income, each may subtract the lesser amount of his/her retirement income, subject to limitations below. Ownership of retirement income for this purpose is determined in accordance with common law principles. Retirement income as used in the statute means: (1) Pensions or annuities paid from an annuity contract purchased by an employer under a plan meeting the requirements of Sec. 404(a)(2), Internal Revenue Code, or paid by the United States, state or political subdivision thereof, or the District of Columbia to the employee or surviving spouse; (2) Bonds received by an employee or surviving spouse under a qualified bond purchase plan under Sec. 405(a), Internal Revenue Code, or in a distribution from a trust described in Sec. 401(a) thereof and is exempt under Sec. 501(a); and (3) Interest, dividends, and net rental income received by the taxpayer who has attained age 65 before the close of the tax year; (4) Retirement income exclusion is limited to $4,800 for individuals under 65, and to $6,000 for individuals over 65.

EXEMPTIONS: $750 each.

DEDUCTIONS: For married persons filing separately, the standard deduction is 15% of Federal adjusted gross income, up to a maximum of $1,000.00; the low-income allowance for married-filing separately is $650. For all others, the standard deduction is 15% of Federal adjusted gross income up to a maximum of $2,000.00, with a low-income allowance of $1,300.00.

UTAH

RATES: TAXABLE INCOME

Over	Not Over	Rate

(Husband and wife filing a single return jointly or people who qualify as Heads of Household under Federal criteria)

.....	$1,500 ...	2-3/4%
$1,500	3,000 ...	$ 41 plus 3-3/4% of excess over $1,500
3,000	4,500 ...	98 plus 4-3/4% of excess over 3,000
4,500	6,000 ...	169 plus 5-3/4% of excess over 4,500
6,000	7,500 ...	255 plus 6-3/4% of excess over 6,000
7,500	....	356 plus 7-3/4% of excess over 7,500

(Single and husband and wife each filing separate returns)

.....	$ 750 ...	2-3/4%
$ 750	1,500 ...	$ 21 plus 3-3/4% of excess over $ 750
1,500	2,250 ...	49 plus 4-3/4% of excess over 1,500
2,250	3,000 ...	84 plus 5-3/4% of excess over 2,250
3,000	3,750 ...	128 plus 6-3/4% of excess over 3,000
3,750	....	178 plus 7-3/4% of excess over 3,750

CAPITAL GAINS AND LOSSES: Same as under the Internal Revenue Code.

CREDITS: Residents are allowed tax credit for income taxes paid to other states with certain limitations.

PAYMENTS: Return and full payment due 15 April. Extensions may be granted upon written application received prior to the date the tax is due.

NOTE: When a service member has failed to file Utah income tax returns because he/she was not aware of his/her responsibility, voluntarily files returns and pays the income tax due for the past three years from the time he/she learned of the responsibility, the State Tax commisson generally will accept such returns and payment as full settlement of the obligation, and waive the penalties for failure to file.

TAX AUTHORITY: State Tax Commission, State Office Building, 100 E. 300 South, Box 4000, Salt Lake City, Utah 84134.

VERMONT

STATE LAW: Vermont Statutes, Title 32.

TAXPAYERS: Every resident, nonresident or part-year resident who is required to file a Federal income tax return and has at least $100 or more of Vermont income.

FILING: See "TAXPAYERS". If these requirements are met an income tax return must be filed.

MILITARY PROVISIONS: (a) Compensation for full-time active duty as a member of the United States Armed Forces is exempt from Vermont income tax. If military personnel have income from Vermont sources of $100 or more, they are required to file an income tax return although there may be no tax liability; (b) Active duty service personnel, and their dependents, are treated as residents for income tax purposes if they are domiciled within Vermont; and must report income from all sources regardless of where it is earned; (c) Military retirement pay is not excludable and constitutes Vermont income to the extent included as Federal adjusted gross income.

RATES: Vermont tax, as measured by Vermont income, is 26% of an individual's Federal income tax liability.

INCOME: Vermont income of a resident is the Federal adjusted gross income, with the following adjustments:

Subtract -- (a) Income exempt from state taxation under the laws of the United States; (b) Military pay for full-time active duty with the Armed Forces (Retirement pay and annuities are taxable to the extent included in Federal adjusted gross income); (c) For taxpayers age 65 or over, any long-term capital gain, up to $400, which is included in adjusted gross income; (d) For taxpayers age 65 or over, any capital gain from the sale of real property which is a homestead, held in excess of 10 years, to the extent included in adjusted gross income; (e) Vermont state lottery prizes; (f) Wages required to be included as income by employers for Federal tax credit incentive work programs.

Vermont income of a nonresident individual is the sum of the following items, to the extent they are required to be included in Federal adjusted gross income: (a) Rents and royalties derived from Vermont property; (b) Gains from the sale or exchange of Vermont property; (c) Wages, salaries, commissions or other income received with respect to services performed within Vermont (exclusive of military pay for full-time active duty); (d) Income from the taxpayer's profession or occupation from every business or trade carried on within the State.

VERMONT

Vermont income of a part-year resident is all income earned and received from any source during the period of residency and that income set forth above as a nonresident.

CREDITS: (a) Residents may claim credit for income taxes paid to another state if, without such credit, the resident would pay a tax on any item of income to both Vermont and the other state. Any credit claimed must be evidenced with a copy of the non-resident state income tax return; (b) Taxpayers with adjusted gross income of less than $7,000 may receive a credit of the tax liability on a decreasing percentage basis; (c) Vermont sales and use taxes paid by resident individuals physically present in Vermont for more than nine months. Amount is determined by modified adjusted gross income brackets and number of exemptions.

PAYMENTS: Returns and payment due 15 April. A person with a tax of $125 over and above that withheld must file a Declaration of Estimated Tax on 15 April and pay one-fourth of the amount due. The balance is payable in three installments on 15 June, September and January.

TAX AUTHORITY: Department of Taxes, Montpelier, Vermont 05602.

VIRGINIA

CREDITS: Residents are allowed a credit for income taxes paid to another state on income from sources therein, unless given a credit by the other state for taxes paid in Virginia. The amount of credit cannot exceed the lesser of: (a) Income on which other state's tax is computed over Virginia taxable income times Virginia tax or; (b) Income tax paid other state. Nonresidents are allowed a credit for income taxes paid in their home state on income from Virginia sources in the proportion that income taxable in Virginia bears to the entire income taxable in their home state. Such a credit is available only when the home state grants a similar credit to Virginia residents. A taxpayer 62 years of age or over is allowed a credit. The amount of the credit is an amount equal to 5% of the maximum allowance to a single beneficiary of his age under Title II of the Social Security Act, reduced by: (a) The total amounts actually received under the Social Security Act or Railroad Retirement Act, including Railroad Retirement Supplemental annuities, and (b) Twice the amount by which the taxpayer's Federal adjusted gross income exceeds $12,000. If credit is claimed, no amount can be subtracted for pension or retirement income, benefits received as an officer or employee of the State or the Virginia deduction allowed a retiree under age 65 who qualified for such retirement on the basis of permanent and total disability under Section 37 of the Internal Revenue Code.

PAYMENTS: Return and full payment due 1 May in the County or City of the taxpayer's residence. Nonresidents make payment to the County or City where the income was derived. A Declaration of Estimated Tax is required where Virginia adjusted gross income (other than from wages subject to withholding) can reasonably be expected to exceed $400 plus the sum of personal exemptions. The declaration is due on or before 1 May, 15 June, 15 September or 15 January, depending upon when requirements for filing the declaration first arise. Estimated tax payments are due in four equal installments on 1 May, 15 June, 15 September and 15 January.

Penalty for failure to file a timely income tax return will be assessed at the rate of 10% of the amount of taxes assessable. There will be added to the entire tax or to any unpaid balance of tax, as the case may be, a penalty of 5% of the amount thereof for late payment. Interest will be added at the daily applicable rate as prescribed under Federal law from the original due date. Under the provisions of Section 58.1-312, Code of Virginia, which relates to the Statute of Limitations, an assessment may be made at any time if no return is filed.

TAX AUTHORITY: Commonwealth of Virginia, Department of Taxation, P.O. Box 760, Richmond, Virginia 23206.

Subtract (to the extent included in Federal adjusted gross income) -- (a) Interest or dividends on Federal obligations to the extent exempt from state income taxes under Federal law; (b) Interest on obligations of Virginia or any political subdivision thereof; (c) 20% of the Accerlerated Cost Recovery System (ACRS) amount added as an addition in Part I of Form 760, 760PY or 763 for 1982 and 1983.

Add (to the extent excluded from Federal adjusted gross income) -- (a) Interest, less certain related expenses, on obligations of other states or their political subdivisions; (b) Interest or dividends, less certain related expenses, on obligations of any authority, commission or instrumentality of the United States exempt from Federal income tax; (c) The amount claimed on the Federal return as a deduction for married couple when both work. This amount must be entered in the column of the spouse on whose income the deduction was computed on the Federal return, (d) 30% of the amount of the 1984 deduction claimed on Federal Form 4562, or other Federal form, for property that was used to generate Virginia income under the Accelerated Cost Recovery System (ACRS).

NOTE: If the Virginia adjusted gross income is less than $3,000, no return is required except to claim a refund. Virginia adjusted gross income is Federal adjusted gross income with additions and subtractions.

DEDUCTIONS: (a) The standard deduction is $1,300 or 15% of the Federal adjusted gross income plus lump-sum distribution modification, not to exceed $2,000. It must be used unless the taxpayer itemized on the Federal income tax return; (b) If the taxpayer itemized his/her deductions for Federal tax purposes, he/she must itemize for Virginia tax purposes (less state income taxes paid); (c) A deduction can be claimed for child and dependent care expenses on the Virginia return only if the taxpayers were eligible to claim a "Credit for Child and Dependent Care Expenses" on their federal return. Enter the amount of employment related expenses upon which the federal credit is based, and attach a copy of Form 2441 to receive this deduction.

Itemized deductions may be claimed only by the person to whom attributable when only one spouse is liable for taxation by Virginia.

EXEMPTIONS: $600 for each personal exemption is allowed.

CAPITAL GAINS AND LOSSES: Same as under the Internal Revenue Code.

VIRGINIA

STATE LAW: Code of Virginia, Sec. 58.1-1 et seq.

TAXPAYERS: Residents with income in excess of $600, and nonresidents deriving any income from Virginia sources.

FILING: See "TAXPAYERS". If these requirements are met an income tax return must be filed although tax may not be due. No joint returns are permitted unless both spouses are residents or nonresidents within the meaning of the tax law.

MILITARY PROVISIONS: (a) Members of the Armed Forces who are residents of Virginia at the time of enlistment are required to file Virginia resident income tax returns until such time as necessary steps are taken to abandon Virginia and establish a legal residence in another jurisdiction; (b) Active duty pay, disability pay, and retirement pay (including Retired Serviceman's Family Protection Plan), are treated the same as for Federal tax purposes.

RESIDENTS: Every person domiciled in Virginia at any time during the tax year, and every other person who, for an aggregate of more than 183 days of the tax year, maintained an abode in Virginia, whether domiciled in Virginia or not. A nonresident in the Armed Forces living in Virginia is expected to produce evidence in support of his/her claim of nonresidence. This is expecially true if living outside a Federal area, and particularly true if a residence was purchased in Virginia. A non-Virginian in the Armed Forces is taxable by Virginia on nonmilitary income from Virginia sources the same as other nonresidents.

RATES:

TAXABLE INCOME			
Over	Not Over	Your Tax Is	Of Excess Over
.....	$ 3,000	.... 2% of Virginia taxable income	
$ 3,000	5,000	$ 60 plus 3%	$ 3,000
5,000	12,000	120 plus 5%	5,000
12,000	.....	470 plus 5.75%	12,000

Income splitting on joint returns is not permitted.

INCOME: Virginia taxable income of residents is Federal adjusted gross income, with the following modifications:

WASHINGTON

No State Income Tax.

This is a community property state.

WEST VIRGINIA

STATE LAW: West Virginia Code, Article 21, Chapter 11 (1961).

TAXPAYERS: Residents required to file a Federal income tax return or with adjusted gross income (regardless of source) in excess of personal exemption deduction allowance; and nonresidents with adjusted gross income from West Virginia sources in excess of personal exemption deduction allowance.

FILING: See "TAXPAYERS". If these requirements are met an income tax return must be filed.

MILITARY PROVISIONS: (a) The first $4,000 of active duty pay is exempt from West Virginia taxation. Service members who are legal residents (West Virginia domicile) who do not spend 30 days in the State during the tax year, and maintain a permanent place of abode outside West Virginia are considered nonresidents for income tax purposes. Military housing is deemed a permanent place of abode; (b) Adjusted gross income of service members who are POW/MIA (and their spouses) is treated the same as under the Internal Revenue Code; (c) All forms of military retirement included in Federal adjusted gross income is exempt from taxation (see "PAYMENTS").

RESIDENTS: West Virginia takes the position that members of the Armed Forces who are domiciled in the State at the time of entrance into the military service maintain their status as residents unless they had no permanent abode in West Virginia, or they maintained a permanent abode elsewhere and did not spend over 30 days in the State during the tax year. It is generally recognized that service members do maintain a permanent abode if they lease, rent or buy a dwelling place near the duty station and occupy it and the assignment is of indefinite duration (Sec. 7 of State Tax Law).

INCOME EXCLUSIONS: West Virginia does not recognize the Economic Recovery Tax Act of 1981. West Virginia adjusted gross income is Federal adjusted gross income under the Internal Revenue Code of 1980, with the following additional adjustments:

Subtract -- (1) Interest income on obligations of the United States and its possessions to the extent includible in gross income for Federal income tax purposes; (2) Interest or dividend income on obligations or securities of any authority, commission or instrumentality of the United States to the extent includible in gross income for Federal income tax purposes but exempt from state income taxes under the laws of the United States; (3) Any gain from the sale or other disposition of property having a higher fair market value on 1 January 1961 than the adjusted basis at said date for Federal tax purposes: Provided the amount

of this adjustment is limited to that portion of any such gain which does not exceed the difference between such fair market value and such adjusted basis: Provided, however, that if such gain is considered a long-term capital gain for Federal income tax purposes, the modification shall be limited to 50% of such portion of the gain; (4) The amount of any refund or credit for overpayment of income taxes imposed by this State, or any other taxing jurisdiction, to the extent properly included in gross income for Federal income tax purposes; (5) Annuities, retirement allowance, returns of contributions and any other benefit received under the public employees retirement system, the department of public safety death, disability and retirement fund, the state teachers retirement system, and all forms of military retirement, including the regular Armed Forces, Reserves and National Guard, to the extent includible in gross income for Federal income tax purposes; (6) Annuities, retirement allowances, returns of contributions and any other benefit received under the public employees retirement system, the department of public safety death, disability and retirement fund, the state teachers retirement system, and all forms of military retirement, including regular Armed Forces, Reserves and National Guard, including any survivorship annuities derived therefrom, to the extent includible in gross income for Federal income tax purposes; (7) Retirement income received in the form of pensions and annuities after 31 December 1979, under any police or firemen's retirement system, including any survivorship annuities derived therefrom, to the extent includible in gross income for Federal income tax purposes; (8) Federal adjusted gross income in the amount of $8,000 received from any source after 31 December 1979, by any person who has attained the age of 65 on or before the last day of the taxable year, or by any person certified by proper authority as permanently and totally disabled, regardless of age, on or before the last day of the taxable year, to the extent includible in Federal adjusted gross income for federal tax purposes: Provided that (i) Where the total modification under subdivisions (1), (2), (5) and (6) of this subsection is $8,000 per person or more, no deduction shall be allowed under this subdivision, and (ii) Where the total modification under subdivisions (1), (2), (5) and (6) of this subsection is less than $8,000 per person, the total modification allowed under this subdivision for all gross income received by such person shall be limited to the difference between $8,000 and the sum of modifications under such subdivisions; (7) Federal adjusted gross income in the amount of $8,000 received from any source after 31 December 1979 by the surviving spouse of any person who had attained the age of 65 or who had been certified as permanently and totally disabled, to the extent includible in federal adjusted gross income for federal tax purposes: Provided

that (i) Where the total modification under subdivisions (1), (2), (5), (6) and (7) of this subsection is $8,000 or more, no deduction shall be allowed under this subdivision, and (ii) Where the total modification under subdivisions (1), (2), (5), (6) and (7) of this subsection is less than $8,000 per person the total modification allowed under this subdivision for all gross income received by such person shall be limited to the difference between $8,000 and the sum of such subdivision, (9) Any pay or allowances received after 31 December 1979, by West Virginia residents who have not attained the age of 65 as compensation for active service in the Armed Forces of the United States: Provided, that such deduction shall be limited to an amount not to exceed $4,000.

Add -- (1) Interest income on obligations of any state other than West Virginia or of a political subdivision of any such other state unless created by compact or agreement to which this State is a party; (2) Interest or dividend income on obligations or securities of any authority, commission, or instrumentality of the United States, which the laws of the United States exempt from Federal income tax but not from state income taxes; (3) Income taxes imposed by West Virginia or any other taxing jurisdiction, to the extent deductible in determining Federal adjusted gross income and not credited against Federal income tax; and (4) Interest on indebtedness incurred or continued to purchase or carry obligations or securities, the income from which is exempt from tax, to the extent deductible in determining Federal adjusted gross income.

RATES: West Virginia rates range from 2.1% on $2,000 of taxable income to $21,924.50 + 12.15% on the excess over $200,000 for single persons, and from 2.1% on $4,000 to $43,849 + 12.15% on the excess over $400,000 for joint returns. Tax Rate Schedule is available for taxable years beginning 1 January 1963.

DEDUCTIONS: Same as Federal, except no income taxes are deductible, nor is interest on indebtedness incurred to purchase bonds or securities exempt from West Virginia tax. The Standard Deduction is 10% of the adjusted gross income or $1,000, whichever is less. The minimum standard deduction is not applicable.

EXEMPTIONS: Taxpayers are allowed an exemption of $800 for each exemption allowed for Federal income tax purposes.

CAPITAL GAINS OR LOSSES: Same treatment as under the Internal Revenue Code.

WEST VIRGINIA

CREDITS: Residents receive credit for income taxes paid to states where such income is derived, limited to that portion of West Virginia income tax attributable to the income also subject to tax by the source state, and provided such states do not allow credit for nonresidents. A credit is allowed for West Virginia business tax paid on the net positive amount of taxable business income also subject to income tax.

PAYMENTS: Returns and payment due 15 April. Estimated Tax Declarations and payments are due from persons with income not subject to withholding that exceeds $800 times number of exemptions plus $400. Military members may receive extensions of time within which to file returns and pay tax, without the imposition of penalties, on showing cause, and in particular that military service has impaired ability to pay. Military members outside the Continental United States may receive automatic extension of reasonable time in which to file returns.

There are no "forgiveness" provisions in the West Virginia Personal Income Tax Act. Prompt filing of the delinquent returns plus payment of any deficiency and interest at 6% per annum is required. There is no statute of limitations where a return has not been filed; therefore, military members not meeting the exemption requirements are required to file tax returns for the years applicable not to precede the taxable year 1961. Interest must be added at the rate of 6% per annum from the due date of the return. Penalties for delinquent filing may be waived. For tax years ending after 30 June 1978 interest due on delinquent returns shall be 8% per year.

TAX AUTHORITY: State Tax Department, Income Tax Division, Charleston, West Virginia 25305.

WISCONSIN

STATE LAW: Wisconsin Statutes, Sec. 71.01 et seq.

TAXPAYERS: Returns are required of residents, and nonresidents deriving income from sources within the State, whose status on 31 December and gross or combined gross incomes were as follows:

Single and under 65	$3,200 or over
Single and 65 or over	4,200 or over
Married and both under 65	5,200 or over
Married and either 65 or over	6,200 or over
Married and both 65 or over	7,200 or over
Nonresidents or part-year resident (regardless of age or marital status)	2,000
Dependents with unearned income	1,000 or over of unearned income

FILING: Residents and nonresidents are required to file and pay Declarations of Estimated Tax if the Wisconsin tax on their income, not subject to withholding, can be expected to exceed $100. Joint returns are not permitted. Each spouse separately reports income on a single combined form and each separately computes tax due (or refund) on his or her income.

MILITARY PROVISIONS: (a) Service members who are legal residents of Wisconsin and maintain an abode in another jurisdiction are taxed as residents; (b) Internal Revenue Code provisions governing the following items are applicable for Wisconsin tax purposes: (1) Tax liability of service members who are POW/MIA (and their spouses); (2) Disability retirement pay; (3) Nondisability retirement pay, except enlisted personnel who upon retirement are transferred to Reserve Units until completion of 30 years of service are entitled to exclude the first $1,000; (4) Contributions to the Retired Serviceman's Family Protection Plan (RSFPP) and/or Survivors' Benefit Plan (SBP); (c) Service members who meet the requirements must file Wisconsin income tax returns although tax may not be due; (d) Reserve and active members of the Armed Forces may exclude the first $1,000 of service pay from taxable income.

Residents (and spouses, if residents) stationed in another state must include in their income all compensation earned from civilian employment outside Wisconsin. Nonresidents (and spouses) stationed in Wisconsin are subject to taxation on wages earned from civilian employment in Wisconsin unless they are legal residents of one of the following states having reciprocity with Wisconsin: Illinois, Indiana, Kentucky, Maryland, Michigan, or Minnesota.

WISCONSIN

RESIDENTS: Wisconsin imposes a tax on every individual domiciled in the State. A resident entering military service, regardless where stationed, retains Wisconsin as a domicile while in the service unless a domicile is established elsewhere and the Department of Revenue is notified of such change.

If Taxable Income Is:			1984 Gross Tax Is:	
At Least	But Less Than	This Amount	Plus This %	On Excess Over
$ 0	3,900	0.00	3.4	0
3,900	7,700	133.00	5.2	3,900
7,700	11,700	330.00	7.0	7,700
11,700	15,500	610.00	8.2	11,700
15,500	19,400	922.00	8.7	15,500
19,400	25,800	1,261.00	9.1	19,400
25,800	51,600	1,844.00	9.5	25,800
51,600 or Over		4,295.00	10.0	51,600

INCOME: (a) Long-term capital gains are taxable as follows: 80% in 1982 taxable year, 60% in 1983 taxable year and 40% in 1984 taxable year and thereafter. Subject to an annual limitation, capital losses are deductible as follows: (1) one-half (50%) of net long-term capital losses incurred in taxable year 1982 and thereafter, (2) 100% of net long-term losses incurred prior to taxable year 1982 which are carried forward to taxable year 1982 or thereafter, and (3) 100% of net short-term capital losses. The maximum amount of loss which may be deducted is the greater of: (1) Amount of loss allowable as a deduction in computing an individual's Federal adjusted gross income (the starting point for determining Wisconsin taxable income), or (2) $3,000 for single persons and $1,500 each for spouses; (b) Federal adjustments (e.g., business expenses) to income are generally recognized; (c) Compensation for personal services performed in Wisconsin by a nonresident is excluded if the person's home state and Wisconsin have a reciprocal agreement; (d) The Statutes require specific additions to or subtractions from Federal gross income in determining Wisconsin taxable income. The two most common ones are municipal bond interest (addition) and interest from United States obligations (subtraction).

DEDUCTIONS: Itemized deductions are those allowable for Federal income tax purposes but not deductions for taxes allowable under Section 164 of the Internal Revenue Code (e.g., state income taxes, real estate taxes, sales taxes and personal property taxes). For tax year 1984, Wisconsin provides that itemized deductions be limited to items and levels allowable under the provisions of the Internal Revenue Code enacted on or before

31 December 1983. Married persons may divide the total amount of itemized deductions between them as they elect to do so.

In lieu of itemized deductions, the Wisconsin standard deduction/low-income allowance may be claimed. See Wisconsin tax form for standard deduction/low-income allowance tables. Nonresidents/part-year residents must prorate itemized deductions using the percentage their Wisconsin total income is of their Federal adjusted gross income. If both husband and wife have income from Wisconsin, the proration is made using the ratio of their combined Wisconsin total income to their Federal adjusted gross income.

EXEMPTIONS: See "CREDITS".

CAPITAL GAINS AND LOSSES: See "INCOME".

CREDITS:

Personal Exemption Credits:

Individual	$20
Married Couple or Head of Family	40
Dependents (same as claimed on Federal Form 1040) (each)..	20
Taxpayer or spouse over 65 (each).....	25

Spouses may divide married couples credit and dependents credit between them in any manner. Nonresidents and part-year residents must prorate these credits. Nonresidents use the percentage their Wisconsin total income is of their Federal adjusted gross income. Spouses must combine their respective incomes for purposes of this proration. Part-year residents prorate on the basis of the number of months they were residents of Wisconsin. Fifteen days or more of any month is considered a full month. The minimum total credit allowable to either nonresidents or part-year residents is $5.

"Head of Family" credit is allowable only to a single person who maintains a household and supports therein himself/herself plus one or more dependents.

Home Owner's and Renter's Credits. A home owner's credit and renter's credit are allowable for property taxes paid during the year and rent paid for the taxpayer's principal residence. Nonresidents are not eligible for the home owner's or renter's credits. Part-year residents prorate on the basis of the number of months they were residents of Wisconsin.

WISCONSIN

Wisconsin residents receive credit for taxes actually paid to another state on income taxed by both states. Credit cannot be claimed for taxes paid to Illinois, Indiana, Kentucky, Maryland, Michigan or Minnesota on wages earned in these States. Reciprocal agreements which Wisconsin has with these States provide that they are not to tax the wages of Wisconsin residents. If income taxes were erroneously withheld from a Wisconsin resident's wages by any of these States, a return must be filed with such State to obtain a refund.

Child-Dependent Care Credit. The Wisconsin credit is equal to 30% of the federal credit. Married persons must report their income on the same Wisconsin return to claim the credit. Nonresidents are not eligible for this credit. Part-year residents prorate on the basis of the number of months they were residents of Wisconsin.

Earned Income Credit. The Wisconsin credit is equal to 30% of the federal credit. Married persons must report their income on the same Wisconsin return. Nonresidents and part-year residents are not eligible for this credit.

Full-year residents, 18 years of age or over, whose total household income is less than $16,500, may be allowed a credit on real estate taxes and/or rent they paid for occupying living quarters in Wisconsin.

PAYMENTS: Return and payment in full due 15 April. A 30-day extension to file may be granted by the Department of Revenue upon written request filed on or prior to 15 April. An extension granted by Internal Revenue Service will be accepted if a copy of that extension is attached to the Wisconsin return. Taxes not paid by 15 April, or the extended due date, are considered delinquent and subject to interest at the rate of 1.5% per month until paid. During the extension period, the interest rate is 12% per year.

INTERNAL REVENUE SERVICE ADJUSTMENTS AND AMENDED RETURNS.

If an individual's Federal income tax return is adjusted by the Internal Revenue Service and the adjustments affect the amount of his/her Wisconsin income or tax payable, the adjustment must be reported by the individual to the Wisconsin Department of Revenue within 90 days after they become final. If an individual files an amended return with the Internal Revenue Service or another state and the changes affect the amount of his/her Wisconsin income or tax payable, an amended Wisconsin return reflecting these changes must be filed. The amended Wisconsin return must

be filed within 90 days after the amended return is filed with the Internal Revenue Service or another state. In lieu of filing an amended Wisconsin return, a copy of the Federal audit report or amended return filed with the Internal Revenue Service or another state may be submitted. This requirement to notify the Department of Federal adjustments or amended returns applies to adjustments made after 4 May 1976, or amended returns which were filed after 4 May 1976.

TAX AUTHORITY: Wisconsin Department of Revenue, P.O. Box 8906, Madison, Wisconsin 53708.

WYOMING

No State Income Tax.

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