



Amended Nebraska Individual Income Tax Return

FORM 1040XN

Taxable Year of Original Return beginning _____, _____ and ending _____, _____

2009

PLEASE DO NOT WRITE IN THIS SPACE

Please Type or Print

Form fields for personal information: Your First Name and Initial, Last Name, Social Security Number, Spouse's Social Security Number, Current Mailing Address, City, Town, or Post Office, State, Zip Code.

Are you filing this amended return because: a. The Nebraska Department of Revenue has notified you that your return will be audited? b. The Internal Revenue Service has corrected your federal return?

Are you filing for a refund based on: a. The filing of a federal amended return or claim for refund? b. Carryback of a net operating loss or IRC § 1256 loss?

1 FEDERAL FILING STATUS (check only one for each return): 2 CHECK IF (on federal return): 3 TYPE OF RETURN BEING FILED (check only one for each return):

4 Federal exemptions (number of exemptions claimed on your federal return) 4

Table with 4 columns: Computation of Tax, (A) As Reported or Adjusted, (B) Net Change, (C) Correct Amount. Rows 5-17 detailing tax calculations.

NEBRASKA DEPARTMENT OF REVENUE USE ONLY:

Form fields for department use: Int. Type, Int. Calc. Date, Para. Code

Computation of Tax	(A) As Reported or Adjusted	(B) Net Change	(C) Correct Amount
18 Amount from line 17	18		18
19 Nebraska personal exemption credit (\$118 x the number of exemptions on line 4)	19		19
20 Credit for tax paid to another state	20		20
21 Credit for the elderly or the disabled	21		21
22 CDAA credit.	22		22
23 Form 3800N nonrefundable credit.	23		23
24 Nebraska child/dependent care credit	24		24
25 Nebraska Endowment credit.	25		25
26 Credit for financial institution tax	26		26
27 Total nonrefundable credits (total of lines 19 through 26)	27		27
28 Nebraska tax after nonrefundable credits. Line 18 minus line 27 (if less than zero, enter -0-) (see instructions)	28		28
29 Nebraska income tax withheld	29		29
30 Estimated tax payments	30		30
31 Form 3800N refundable credit.	31		31
32 Nebraska child/dependent care refundable credit.	32		32
33 Beginning Farmer credit	33		33
34 Nebraska earned income credit. Number of qualifying children 97 <input type="text"/> Federal credit 98 <input type="text"/> x .10 (10%). Partial-year residents complete lines 74 and 75	34		34
35 Amount paid with original return, plus additional tax payments made after it was filed			35
36 Total payments (total of lines 29 through 35, column C)			36
37 Overpayment allowed on original return, plus additional overpayments of tax allowed after it was filed			37
38 Line 36 minus line 37			38
39 Penalty for underpayment of estimated tax			39
40 Total tax and penalty for underpayment of estimated tax. (total of line 28 plus line 39)			40
41 TOTAL AMOUNT DUE. If line 38, column C is less than line 40, subtract line 38 from line 40, column C and enter result. Otherwise, skip to line 45			41
42 Penalty (see instructions)			42
43 Interest (see instructions)			43
44 Total BALANCE DUE (total of lines 41 through 43). Pay in full with this return			44
45 REFUND to be received (If line 38 is more than line 40, subtract line 40 from line 38) (Allow three months for your refund)			45

Explanation of Changes

• Attach additional sheets or schedules if necessary. • Reference net change (Column B) and line number.

Expecting a Refund? Have it sent directly to your bank account!

46a Routing Number 46b Type of Account 1 = Checking 2 = Savings

(Enter 9 digits, first two digits must be 01 through 12, or 21 through 32; use an actual check or savings account number, not a deposit slip)

46c Account Number

(Can be up to 17 characters. Omit hyphens, spaces, and special symbols. Enter from left to right and leave any unused boxes blank.)



46d Check this box if this refund will go to a bank account outside the United States.

Under penalties of perjury, I declare that, as taxpayer or preparer, I have examined this return and to the best of my knowledge and belief, it is correct and complete.

sign here

Your Signature _____

Date _____

E-Mail Address _____

Spouse's Signature (if filing jointly, **both** must sign) _____

Daytime Phone _____

paid preparer's use only

Preparer's Signature _____

Date _____

Preparer's Social Security Number or PTIN _____

Print Firm's Name (or yours if self-employed), Address and Zip Code _____

EIN _____

()
Daytime Phone _____

Mail this return and payment to: **NEBRASKA DEPARTMENT OF REVENUE, P.O. BOX 98911, LINCOLN, NE 68509-8911**



NEBRASKA SCHEDULE I—Nebraska Adjustments to Income
NEBRASKA SCHEDULE II—Credit for Tax Paid to Another State
NEBRASKA SCHEDULE III—Computation of Nebraska Tax

FORM 1040XN
Schedule
I, II, and III
2009

Name as Shown on Form 1040XN

Social Security Number

Nebraska Schedule I—Nebraska Adjustments to Income
for Nebraska Residents, Nonresidents, and Partial-Year Residents

PART A—Adjustments Increasing Federal Adjusted Gross Income

	(A) As Reported or Adjusted	(B) Net Change	(C) Correct Amount
47 Total adjustments increasing income (include interest from non-Nebraska state and local obligations). Enter here and on line 12 of Form 1040XN. List the item(s) being changed	47		47

PART B—Adjustments Decreasing Federal Adjusted Gross Income

48 State income tax refund deduction.....	48		48
49 Interest or dividend income from U.S. obligations	49		49
50 Tier I and/or II benefits paid by the Railroad Retirement Board	50		50
51 Special capital gains/extraordinary dividends deduction.....	51		51
52 Nebraska College Savings Program	52		52
53 Bonus depreciation subtraction (see instructions)	53		53
54 Enhanced section 179 subtraction (see instructions).....	54		54
55 Nebraska Long-Term Care Savings Plan	55		55
56 Other adjustments decreasing income.....	56		56
57 Total adjustments decreasing income (add lines 48 through 56). Enter here and on line 13, Form 1040XN	57		57

Nebraska Schedule II—Credit for Tax Paid to Another State for Full-Year Residents Only

• If line 59 or 61 is amended, a copy of the return filed with another state must be attached.

	(A) As Reported or Adjusted	(B) Net Change	(C) Correct Amount
58 Total Nebraska income tax (line 17, Form 1040XN)	58		58
59 Adjusted gross income (AGI) from another state (do not enter amount of taxable income from the other state)	59		59
60 Computed tax credit Line 59 <input type="text"/> x Line 58 <input type="text"/> Line 5 + Line 12 - Line 13 = Total <input type="text"/>	60		60
61 Tax due and paid to another state (do not enter amount withheld for the other state).....	61		61
62 Maximum tax credit (line 58, 60, or 61, whichever is least) Enter amount here and on line 20, Form 1040XN	62		62

Nebraska Schedule III—Computation of Nebraska Tax

• Nonresidents and partial-year residents complete lines 63 through 75 below.

	(A) As Reported or Adjusted	(B) Net Change	(C) Correct Amount
63 Income derived from Nebraska sources	63		63
64 Adjustments as applied to Nebraska income, if any.....	64		64
65 Nebraska AGI (line 63 minus line 64).....	65		65
66 Ratio – Nebraska’s share of the total income (round to four decimal places): Line 65 <input type="text"/> = Line 5 + Line 12 - Line 13 = Total <input type="text"/>	66 . <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	66 . <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	66 . <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
67 Nebraska tax table income (from line 14, Form 1040XN)	67		67
68 Nebraska total income tax (see instructions): \$ _____, minus credits: \$ _____ . Enter difference here.....	68		68
69 Enter personal exemption credit (if any)	69		69
70 Difference (line 68 minus line 69) (if less than -0-, enter -0-)	70		70
71 Nebraska share of line 70 (multiply line 70 by line 66 ratio). Enter here and on line 15, Form 1040XN	71		71
72 Nebraska minimum and other taxes (see instructions)	72		72
73 Nebraska share of line 72 (multiply line 72 by line 66 ratio) Enter here and on line 16, Form 1040XN	73		73
74 Earned income credit (Partial-year residents only) Number of qualifying children <input type="text"/> Federal earned income credit <input type="text"/> x .10 (10%) ...	74		74
75 Partial-year residents, multiply line 74 by line 66 ratio. Enter here and on line 34.....	75		75

FOR NEBRASKA DEPARTMENT OF REVENUE USE ONLY

CY/CO End Spec. Camp. Contr. Previous Penalty Previous Interest

AMENDED NEBRASKA INDIVIDUAL INCOME TAX RETURN for Tax Year 2009

This Form 1040XN is to be used **only** when the return for tax year 2009 is amended.
If you originally filed Form 1040NS, see the special instructions below.

INSTRUCTIONS

WHEN TO FILE AN AMENDED NEBRASKA INDIVIDUAL INCOME TAX RETURN.

- Form 1040XN, is filed when
- The federal tax return, or another state's tax return for 2009, is amended or corrected; or
 - The information on a Nebraska income tax return that was previously filed is not correct.

Form 1040XN may only be filed after an original Nebraska return has been filed electronically, or paper-filed using Form 1040N or 1040NS.

The amended return must be filed within 60 days after filing an amended federal return, or after an Internal Revenue Service (IRS) correction becomes final. A correction is final, even though the taxpayer and the IRS are still contesting the amount due, whenever one of the following has occurred:

1. The tax has been paid by the taxpayer;
2. The examining officer's findings have been accepted by the taxpayer;
3. A closing agreement has been approved by the IRS; or
4. A decision of a court has become final.

The amended return reporting a change or correction to another state's return also must be filed within 60 days after the amended return is filed with the other state, or the correction becomes final.

Attach copies of the federal claim for refund, the audit determination of the IRS, or the amended federal or state return to the amended Nebraska return to establish the timeliness of the refund claim.

FILING 1040XN TO CLAIM A REFUND.

- Except as otherwise noted:
- When claiming a refund, Form 1040XN must be filed within three years from the time the original return was filed, or
 - Within two years from the time the tax was paid, whichever is later.
 - Form 1040XN must be filed to claim a refund resulting from a federal or state change within two years and 60 days following the final determination of the change (but not more than ten years from the due date of the original return in the case of a change made by another state).

A hearing may be requested when filing for a refund on Form 1040XN by writing the request on the Explanation of Changes, Form 1040XN.

PROTECTIVE CLAIM. A Nebraska amended return filed as a protective claim is not required when a federal amended return has been filed as a protective claim. The payment of a refund by the IRS on a protective claim is a federal change that must be reported within 60 days of the refund.

NEBRASKA NET OPERATING LOSS. When carrying back a Nebraska net operating loss, you must attach a copy of the Nebraska Net Operating Loss Worksheet, Form NOL, and a copy of either Federal Form 1045 or 1040X and all supporting schedules. Any federal NOL deduction is entered on line 46 of Schedule I, and the amount of the Nebraska NOL deduction is entered on line 55 of Schedule I.

AMENDING AN E-FILED RETURN. E-filed returns are amended by filing a paper Form 1040XN. Amounts and other information needed for completing the amended return should be available on your computer's hard drive, or from printed copies of the return. If help is needed in completing the amended return, contact Taxpayer Assistance (see Department contact information below).

TAXPAYER ASSISTANCE. Taxpayer assistance is available at the Nebraska Department of Revenue (Department) offices in Grand Island, Lincoln, Norfolk, North Platte, Omaha, and Scottsbluff.

The addresses and phone numbers are shown on page 4 of these instructions. Office hours are 8 a.m. to 5 p.m., Monday through Friday, and other times and places as may be announced.

Confidential tax information. Confidential tax information will be released only by a return telephone call, after the caller's identity has been established. A representative of a taxpayer requesting confidential tax information must have a power of attorney on file with the

Department before any information will be released. An income tax return signed by the preparer is considered a limited power of attorney authorizing the Department to release only the information contained on that tax return, to the preparer.

SPECIFIC INSTRUCTIONS

SPECIAL INSTRUCTIONS IF FORM 1040NS WAS FILED.

When amending Form 1040NS, enter the information from Form 1040NS on the following lines of Column A (the corresponding line numbers from Form 1040NS are listed in parenthesis): lines 1 (1), 2 (2), 4 (5), 5 (3), 6 (4), 14 (6), 15 (7), 19 (8), 28 (9), and 29 (10). Other lines must be completed as applicable. Line 3 of Form 1040XN should be completed by checking the "resident" box for the original return.

LINE 1. The Nebraska filing status can only be changed when the federal filing status has been changed. An exception is made when a married, filing jointly federal return was filed and the residencies of the spouses are different.

Spouses' residencies are different when, during all or some part of the year, one spouse is a Nebraska resident and the other spouse is a nonresident at the same time. A couple with different residencies may file original returns with Nebraska on either a married, filing jointly return or a married, filing separately return basis.

A couple who has filed separate Nebraska returns may elect, either before or after the original return is due, to file a married, filing jointly return with Nebraska. They are then taxed as though both were Nebraska residents during the time either was a resident.

A couple with different residencies who filed a married, filing jointly Nebraska return and wish to change to married, filing separately returns must satisfy the following conditions:

1. Both spouses must file a separate Nebraska return with a "married, filing separately" status.
 - The spouse whose social security number was listed first on the original return, must file an Amended Nebraska Individual Income Tax Return, Form 1040XN.
 - The spouse whose social security number was listed as the "spouse's social security number" on the original return will file a Nebraska Individual Income Tax Return, Form 1040N.
2. A copy of the actual federal married, filing jointly return and copies of federal returns recomputed on a married, filing separately basis must be attached to each of the spouses' returns.
3. Each Nebraska return as required in "1." above, must include the full name and social security number of the other spouse.
4. Both spouses must sign each Nebraska return as required in "1."

LINE 2. Check the appropriate boxes if you or your spouse:

- Were 65 or over;
- Blind; or
- Could be claimed as a dependent on another person's return.

LINE 3, TYPE OF RETURN BEING FILED. Residency is determined by using Form 1040N instructions and the information guide [Determining Residency Status for Nebraska](#). Military servicemembers can refer to the [Nebraska Income Tax for Military Servicemembers and Civilians Working with U.S. Forces in Combat Zones Information Guide](#) on our Web site.

LINE 5. Enter adjusted gross income (AGI) from your federal return.

LINE 6. Nebraska has its own standard deduction. Consult Form 1040N instructions for more information.

LINES 7 THROUGH 9. Only taxpayers who itemized deductions federally should complete these lines. If federal itemized deductions are limited, see Form 1040N instructions. Enter the amount from the worksheet on line 7. Nebraska itemized deductions (line 9) are calculated by subtracting line 8 from line 7 (the result should not be less than -0-). If the result on line 9 is less than the amount of the standard deduction you were entitled to on line 6, then enter the line 6 amount on line 10.

LINE 10. Enter the larger of line 6 or line 9. **Note:** You can only itemize deductions on the Nebraska return if you itemize deductions on the federal return.

LINE 12. Enter the amount from Amended Nebraska Individual Income Tax Return, Form 1040XN, line 47, Schedule I.

LINE 13. Enter amount from Form 1040XN, line 57, Schedule I. **Complete Schedule I to change the state income tax refund, even if Schedule I was not filed with your original return.**

LINE 15. Use the [Nebraska Tax Table](#) and [Additional Tax Rate Schedule](#) to determine the Nebraska income tax. Nonresidents and partial-year residents must complete Schedule III.

LINE 16. NEBRASKA MINIMUM OR OTHER TAX. This is the sum of (1) federal **alternative minimum tax**, (2) federal tax on **lump-sum distributions of qualified retirement plans**, and (3) federal tax on **early distributions of qualified retirement plans**; multiplied by 29.6 percent.

NEBRASKA MINIMUM OR OTHER TAX WORKSHEET	
1. Alternative minimum tax, amount on Federal Form 6251 recalculated for Nebraska in accordance with Neb. Rev. Rul. 22-09-1	\$ _____
2. Tax on lump-sum distributions (enter federal tax amount from Federal Form 4972)	_____
3. Tax on early distributions from an IRA or qualified retirement plan (enter federal tax amount)	_____
4. SUBTOTAL (add lines 1 through 3)	_____
5. TOTAL (line 4 multiplied by .296)	\$ _____

ENTER THIS TOTAL ON LINE 16, FORM 1040XN.
Nonresidents and partial-year residents: enter this result on line 72, Nebraska Schedule III.

Use the following worksheet to calculate the amount of Nebraska minimum or other tax, line 16.

Attach a copy of your Federal Form 4972, Form 5329 (Form 1040 if 5329 is not required), or Form 6251 recalculated for Nebraska if you are amending the tax previously reported.

LINE 17. Total Nebraska income tax is the sum of lines 15 and 16. If line 17 is changed, and you had previously claimed a credit for tax paid to another state, enter the revised tax amount on line 58 of Form 1040XN, Schedule II, and complete the rest of the schedule.

LINE 19. Nebraska resident individuals are allowed a personal exemption credit for each federal personal exemption. The amount is \$118 for 2009.

Nonresidents and partial-year residents must claim the personal exemption credit on line 69, Schedule III.

LINE 20, CREDIT FOR TAX PAID TO ANOTHER STATE. If line 17 is changed, complete Schedule II of Form 1040XN to determine the amount to enter on line 20, column C. If the other state's return is amended or changed by the other state, file Form 1040XN including Schedule II to report the change. Explain any change in detail on Nebraska Explanation of Changes. Attach a copy of the other state's corrected return.

See Schedule II instructions on page 4 for additional information.

LINE 21, CREDIT FOR THE ELDERLY OR THE DISABLED. Nebraska residents are allowed a nonrefundable credit equal to 100 percent of the allowable federal credit. Full-year residents should enter the credit on line 21, and partial-year residents should include the credit on line 68, Schedule III. If you are correcting this credit, the change must be explained in detail on Nebraska Explanation of Changes. Attach a copy of the corrected Federal Schedule R.

LINE 22, COMMUNITY DEVELOPMENT ASSISTANCE ACT (CDA) CREDIT. Individuals are allowed a credit for contributions made to a community betterment organization approved by the Department of Economic Development.

Attach the [Nebraska Community Development Assistance Act Credit Computation, Form CDN](#), to the Form 1040XN if this credit is being claimed or amended.

LINE 23, FORM 3800N NONREFUNDABLE CREDIT. If you are correcting the amount of Nebraska Employment and Investment Credit, copies of the original and corrected credit computations (Form 3800N) must be attached.

LINE 24, NEBRASKA CHILD/DEPENDENT CARE CREDIT. Nebraska residents with AGI of more than \$29,000 are allowed a nonrefundable credit equal to 25 percent of the allowable federal credit. Full-year residents should enter the credit on line 24, and partial-year residents should include the credit on line 68, Schedule III. If correcting this credit, the change must be explained in detail on Nebraska Explanation of Changes.

LINE 25, NEBRASKA ENDOWMENT CREDIT. Attach supporting documentation if this credit is changed.

LINE 26, CREDIT FOR FINANCIAL INSTITUTION TAX. Attach supporting documentation if this credit is changed.

LINE 28, NEBRASKA TAX AFTER NONREFUNDABLE CREDITS. If the result is more than your federal tax liability before credits, and your adjustments increasing income (Schedule I, line 47) are less than \$5,000, see the Form 1040N instructions.

LINE 29, NEBRASKA INCOME TAX WITHHELD. If you are correcting the amount of income tax withheld and claimed on line 29, you must attach a Nebraska copy of any additional or corrected Wage and Tax Statements, Federal Forms W-2.

Nonresidents must include the credit for Nebraska income tax paid on their behalf by a partnership, S corporation, limited liability company, estate, or trust on line 29, as reported on [Form 14N](#).

LINE 30, ESTIMATED TAX PAYMENTS. Enter the total Nebraska estimated income tax paid for tax year 2009. Include the overpayment from your previous year filing that was applied to your 2009 estimated tax credit. If the amount on line 30, column C, is greater than the amount on line 30, column A, you must attach copies of all of your payments (canceled checks or money orders) of Nebraska estimated income tax for tax year 2009.

LINE 31, FORM 3800N REFUNDABLE CREDIT. If you are correcting the amount of Nebraska Employment and Investment Credit, you must attach copies of the original and corrected credit computations (Form 3800N).

LINE 32, NEBRASKA CHILD/DEPENDENT CARE REFUNDABLE CREDIT (if AGI is \$29,000 or less). See the Form 1040N instructions for information on this credit. (Attach documentation if this credit is changed).

LINE 33, BEGINNING FARMER CREDIT. You must attach documentation if this credit is changed.

LINE 34, NEBRASKA EARNED INCOME CREDIT. Complete line 34 and attach documentation of any change in this credit. Include pages 1 and 2 of your federal return.

LINE 35, AMOUNT PAID. Enter the amount of tax paid with the original return, plus any tax payments for the same taxable year made after your original return was filed. Do not include the portion of a payment which was for interest or penalty.

LINE 37, OVERPAYMENTS ALLOWED. Enter the amount of overpayment allowed on your original return, previous amended returns, or as later corrected by the Department. This includes both amounts refunded and amounts applied to the succeeding year's estimated tax. Do not include interest received on any refund.

LINE 39. PENALTY FOR UNDERPAYMENT OF ESTIMATED TAX. Enter any change in this penalty due to a change in tax liability or other change. A penalty for underpayment of estimated tax calculated on Form 2210N and reported on an original return cannot be changed

unless an amended return is filed on or before the due date for the original return (including any extended due date).

LINE 42, PENALTY. If your original return was not filed by the due date, or during the period of an extension, and line 41 minus line 39 indicates tax due, you must calculate a penalty for failure to file in a timely manner. Multiply the result of line 41 minus line 39 by five percent per month or fraction of a month (but not more than a total of 25 percent) from the due date or extended filing date until the original return was filed. Enter the result on line 42.

If this amended return is being filed because of a change made by the IRS and the IRS assessed a penalty, multiply the result of line 41 minus line 39 by five percent. Enter the result on line 42. If both the penalty for failure to file in a timely manner and the penalty because of an IRS assessment are calculated, enter the larger amount on line 42.

Additional penalties may be imposed by the Department for:

1. Failure to pay tax when due;
2. Failure to file an amended return when required;
3. Preparing or filing a fraudulent income tax return;
4. Understatement of income on an income tax return; or
5. Underpayment of estimated tax.

Line 43, INTEREST. If line 41 is greater than line 39, tax is due. Interest is also due on the result of line 41 minus line 39 at the statutory rate (currently 5%) from the original due date to the date the tax is paid.

LINE 44, TOTAL BALANCE DUE. Enter the total of lines 41 through 43. Attach check or money order payable to the Nebraska Department of Revenue, and all required schedules to your amended return and mail to the Nebraska Department of Revenue, P.O. Box 98911, Lincoln, Nebraska 68509-8911. Payment can also be made electronically or by credit card. Visit www.revenue.ne.gov/electron/iit_eft.htm for details about these payment options. Checks written to the Department of Revenue may be presented for payment electronically.

LINE 45, REFUND. Enter the overpayment amount. This will be refunded separately from an amount claimed as an overpayment on your original return. Amounts less than \$2 will not be refunded. None of the overpayment will be applied to estimated tax.

If you are due interest on a refund, it will be calculated by the Department and added to the amount shown on line 45.

If a taxpayer has an existing tax liability of any kind with the Department, an overpayment shown on this return may be applied to that liability. The Department will notify the taxpayer if the overpayment has been applied against another tax liability.

EXPLANATION OF CHANGES

Print or type your explanation of changes on Form 1040XN, or attach a schedule for each change reported on this return or entered in column B, lines 5 through 34. Attach a copy of each federal form used to report the change. If you are filing an amended return due to an audit by the IRS or the Department, attach a dated copy of the audit determination. If you are filing for an income tax refund due to a carryback of a Nebraska net operating loss, you must attach a copy of either:

- Federal Form 1045 or
- Form 1040X; and
- All supporting schedules and a copy of Nebraska Net Operating Loss Worksheet.

If you are filing an amended return due to a change in Nebraska credits claimed, attach the applicable schedule, form, other state's return, or audit determination.

LINE 46, DIRECT DEPOSIT. To have your refund directly deposited into your checking or savings account, enter the routing number and account number found on the bottom of the checks associated with the account. The routing number is listed first and must be nine digits. The account number is listed to the right of the routing number and can be up to 17 digits. Also complete line 46b, Type of Account.

SIGNATURES. Both spouses must sign their married, filing jointly return. If another person signs this return for the taxpayer, a copy of a power of attorney or court order authorizing the person to sign the return must be on file with this Department or attached to this return.

Any person who is paid for preparing a taxpayer's return must also sign the return as preparer. Additionally, the preparer must enter the Social Security number or Preparer Tax Identification Number (PTIN) and Federal Employer Identification Number as appropriate.

DECEASED TAXPAYERS. A spouse claiming a refund on a married, filing jointly return with a deceased spouse should not file Form 1310N. Instead, sign the return as "surviving spouse" for the deceased taxpayer. All others, attach Form 1310N if a refund is being claimed on behalf of a taxpayer (or taxpayers) who has died.

INSTRUCTIONS FOR NEBRASKA SCHEDULE I Nebraska Adjustments to Income for Nebraska Residents, Nonresidents, and Partial-Year Residents

LINE 47, TOTAL ADJUSTMENTS INCREASING INCOME. Interest from non-Nebraska state and local municipal obligations is taxable income for the state.

An S corporation or limited liability company's loss distribution from non-Nebraska sources increases income and is reported on line 47.

Any federal NOL deduction used in calculating federal AGI on line 5 must be reported on line 47.

Include on line 47 any credit for financial institution tax reported on line 26. Also include any Long-Term Care Savings Plan or College Savings Plan recapture.

PART B, ADJUSTMENTS DECREASING FEDERAL ADJUSTED GROSS INCOME. Adjustments decreasing Nebraska taxable income include:

1. State income tax refund;
2. Interest or dividend income from U.S. government bonds and other U.S. obligations;
3. Tier I and/or Tier II benefits paid by the Railroad Retirement Board; and
4. Bonus depreciation and enhanced section 179 subtractions.

List the source of any adjustments on an attached schedule.

LINE 49, INTEREST OR DIVIDEND INCOME FROM U.S. OBLIGATIONS. A list of qualifying U.S. government obligations is included in [Regulation 22-002](#). Interest income derived from the following sources is subject to Nebraska income tax and cannot be included in the amount on line 49:

1. Savings and loan associations or credit unions;
2. Mortgage participation certificates issued by the Federal National Mortgage Association;
3. Washington D.C. Metropolitan Area Transit Authority bonds;
4. Interest on federal income tax refunds; and
5. Gains on the sale of tax-exempt municipal bonds and U.S. government obligations.

If the interest or dividend income from U.S. government obligations is derived from a partnership, fiduciary, or S corporation, the partner, beneficiary, or shareholder claiming the Nebraska adjustment decreasing federal taxable income must attach the applicable Federal Schedule K-1.

LINE 51, SPECIAL CAPITAL GAINS/EXTRAORDINARY DIVIDENDS DEDUCTION. If you are correcting the amount of special capital gains/extraordinary dividends deduction, copies of the original and corrected Special Capital Gains/Extraordinary Dividend Election and Computation, Form 4797N, and Federal Schedule D must be attached.

LINE 53, BONUS DEPRECIATION SUBTRACTION. Use this line to report any change in the amount of bonus depreciation subtraction previously reported. For tax year 2009, the subtraction is limited to 20 percent of the amount of any bonus depreciation add back reported in tax years 2000 through 2005. Attach a schedule.

LINE 54, ENHANCED SECTION 179 SUBTRACTION. For tax year 2009, the subtraction is 20 percent of the amount of any enhanced section 179 add back for 2003, 2004, and/or 2005.

LINE 56. Enter other adjustments decreasing income. These include:

- **An S corporation's or limited liability company's** income distribution from non-Nebraska sources decreases income and is reported on line 56. A Nebraska NOL deduction is also reported on line 56.
- **Native American Indians** residing on a Nebraska reservation with income derived from sources within the boundaries of the reservation may deduct this income on line 56.
- **Resident military personnel cannot deduct military pay** as this is not an allowable adjustment decreasing federal taxable income.
- **Residents are not allowed to deduct** income earned or derived outside Nebraska. However, a resident may be entitled to a credit for income tax paid to another state. See the instructions for Credit for Tax Paid to Another State, Nebraska Schedule II.

LINE 57. Total adjustments decreasing taxable income are the total of lines 48 through 56.

INSTRUCTIONS FOR NEBRASKA SCHEDULE II Credit for Tax Paid to Another State for Full-Year Residents Only

A credit for tax paid to another state is allowed only for full-year residents. A change on line 17, total Nebraska income tax, requires Credit for Tax Paid to Another State, Schedule II, to be recalculated. If the amended Schedule II on the back of Form 1040XN is not completed, adequate supporting schedules must be attached.

If another state's return is amended or changed by the other state, Form 1040XN must be filed to report the change in the credit for tax paid to the other state. Attach a complete copy of the corrected return, including schedules and attachments, or a copy of a letter or statement from the other state or subdivision, indicating the amount of income reported and corrected tax paid. If the subdivision does not require that an income tax return be filed, attach a copy of the statement from the employer showing the corrected amount of tax withheld. Failure to attach supporting documents may cause the credit to be disallowed.

Refer to the instructions on Schedule II of Form 1040N for more details on the calculation and limitations of this credit.

LINE 59, ADJUSTED GROSS INCOME FROM ANOTHER STATE. If lines 59 or 61 are changed, a complete copy of the corrected return filed with another state must be attached. If the entire return is not attached, credit for tax paid to another state will not be allowed.

INSTRUCTIONS FOR NEBRASKA SCHEDULE III Computation of Nebraska Tax

NONRESIDENTS AND PARTIAL-YEAR RESIDENTS. If you have income derived from Nebraska sources and you have Nebraska adjustments to income, you must first complete lines 47 through 57. Use

the copy of your original return and instructions to make the necessary tax computations. Enter the amounts from lines 47 and 57 on lines 12 and 13 of Form 1040XN, respectively.

LINE 63. Income derived from Nebraska sources includes income from wages, interest, dividends, business, farming, partnerships, S corporations, limited liability companies, estates and trusts, gain or loss, rents and royalties, and personal services provided in Nebraska by nonresidents.

LINE 66. Calculate the ratio to at least five decimal places and round to four decimal places.

LINE 68. Use the Nebraska Tax Table and the Additional Tax Rate Schedule contained in the 2009 Form 1040N booklet to determine the total Nebraska income tax.

Partial-year residents should enter the Nebraska tax amount from the Nebraska Tax Table, based on line 67 income, plus:

- Any additional tax from the Additional Tax Rate Schedule, less their Nebraska credit for the elderly or the disabled;
- Nonrefundable credit for child and dependent care expenses,
- The Beginning Farmer credit;
- The Nebraska Endowment credit;
- The credit for financial institution tax; and
- Credit for prior year minimum tax (AMT credit).

See instructions for lines 21 through 33 for specific information. Also complete the partial-year dates in block 3 of Form 1040XN.

Nonresidents should enter the Nebraska tax on the line 67 income amount from the Nebraska Tax Table, plus any additional tax from the Additional Tax Rate Schedule. Nonresidents are not allowed a:

- Nebraska credit for the elderly or disabled;
- The Nebraska earned income credit;
- The Nebraska Endowment credit; or
- A credit for child and dependent care expenses.

Nonresidents are allowed the AMT credit and the credit for financial institution tax.

LINE 69. Nonresidents and partial-year residents will enter the 2009 personal exemption credit of \$118 for each federal personal exemption claimed on line 4.

LINE 72. To calculate the Nebraska minimum or other tax, see the worksheet provided with the line 16, Form 1040XN instructions. Reduce the result by any unused exemption credit from line 70.

LINES 74 AND 75. Partial year residents use lines 74 and 75 to calculate their Nebraska earned income credit. Enter result here and on line 34.



FOR NEBRASKA TAX ASSISTANCE

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