nebraska department of revenue

Amended Nebraska Individual Income Tax Return

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

FORM 1040XN
2003

PLEASE DO NOT WRITE IN THIS SPACE

RESET FORM

Please Type or Print

First Name(s) and Initial(s) | Last Name

Home Address (Number and Street or Rural Route and Box Number)

City, Town, or Post Office | State | Zip Code

Your Social Security Number | Spouse's Social Security Number

(1) ☐ Farmer/Rancher (2) ☐ Active Military

(3) ☐ Deceased (first name & date of death) _____

Are you filing this amended return because:

a. The Nebraska Department of Revenue has notified you that your return will be audited? ☐ YES ☐ NO

b. The Internal Revenue Service has corrected your federal return? ☐ YES ☐ NO
If Yes, identify office: _____
and attach a copy of changes from Internal Revenue Service.

Are you filing for a refund based on:

a. The filing of a federal amended return or claim for refund? ☐ YES ☐ NO
Attach copies of Federal Form 1045 or 1040X and supporting schedules.

b. Carryback of a net operating loss or section 1256 loss? ☐ YES ☐ NO
If Yes, year of loss: _____ Amount: $ _____

Attach copies of Federal Form 1045 or 1040X and supporting schedules, including Nebraska NOL Worksheet

1 FEDERAL FILING STATUS: (check only one for each return):

	Original	Amended
(1) Single	☐	☐
(2) Married, filing joint	☐	☐
(3) Married, filing separate Spouse's S.S. No.: _____	☐	☐
(4) Head of household	☐	☐
(5) Widow(er) with dependent child(ren)	☐	☐

2 CHECK IF: (on federal return)

	Original	Amended
(1) **You** were 65 or over	☐	☐
(2) **You** were blind	☐	☐
(3) **Spouse** was 65 or over	☐	☐
(4) **Spouse** was blind	☐	☐
(5) You or your spouse can be claimed as a dependent on another person's return	☐	☐

3 TYPE OF RETURN BEING FILED (check only one for each return):

	Original	Amended
(1) Resident	☐	☐
(2) Partial-year resident from _____ to _____	☐	☐
(3) Nonresident	☐	☐

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

Computation of Tax		(A) As Reported or Adjusted	(B) Net Change	(C) Correct Amount
5 Federal adjusted gross income (AGI)	5			5
6 Nebraska standard deduction (see Form 1040N instructions)	6			6
7 Total itemized deductions (see instructions)	7			7
8 State and local income tax included in line 7	8			8
9 Nebraska itemized deductions (line 7 minus line 8)	9			9
10 Amount from line 6 or line 9, whichever is greater	10			10
11 Nebr. income before adjustments (line 5 minus line 10)	11			11
12 Adjustments increasing federal AGI	12			12
13 Adjustments decreasing federal AGI	13			13
14 Nebraska tax table income (line 11 plus line 12 minus line 13)	14			14
15 Nebraska income tax	15			15
16 Nebraska minimum or other tax	16			16
17 Total Nebraska income tax (line 15 plus line 16)	17			17

NEBRASKA DEPARTMENT OF REVENUE USE ONLY:

Int. Type	Int. Calc. Date	Para. Code

COMPLETE REVERSE SIDE

Visit our Web site: www.revenue.state.ne.us, or call 1-800-742-7474 (toll free in NE and IA) or 1-402-471-5729.

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	**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 credit	**23**		**23**
24 Form 829N credit	**24**		**24**
25 Credit for child and dependent care expenses	**25**		**25**
26 Total nonrefundable credits (total of lines 19 through 25)	**26**		**26**
27 Line 18 minus line 26 (if less than zero, enter -0-) (see instructions)	**27**		**27**
28 Nebraska income tax withheld	**28**		**28**
29 Estimated tax payments	**29**		**29**
30 Form 4136N credit	**30**		**30**
31 Refundable credit for child and dependent care expenses	**31**		**31**
32 Beginning Farmer credit	**32**		**32**
33 Amount paid with original return, plus additional tax payments made after it was filed			**33**
34 Total payments (total of lines 28 through 33, column C)			**34**
35 Overpayment allowed on original return, plus additional overpayments of tax allowed after it was filed			**35**
36 Line 34 minus line 35			**36**
37 If line 27, column C is more than line 36, subtract line 36 from line 27, column C and enter tax due			**37**
38 Penalty (see instructions)			**38**
39 Interest (on line 37 amount – see instructions)			**39**
40 Total BALANCE DUE (total of lines 37 through 39). Pay in full with this return			**40**
41 REFUND to be received (line 36 minus line 27, column C) (Allow three months for your refund)			**41**

Explanation of Changes

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

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is correct and complete.

sign here

Your Signature _____ Date _____ Signature of Preparer Other than Taxpayer _____ Date _____

Spouse's Signature (if filing jointly **both** must sign) _____ Daytime Phone _____ Preparer's Address _____ Daytime Phone _____

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

nebraska department of revenue

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
2003

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
42 Bonus depreciation add-back (see instructions)	42			
43 Enhanced Section 179 expense deduction add-back	43			
44 Other adjustments increasing income (include interest from non-Nebraska state and local obligations)	44			
45 Total adjustments increasing income (add lines 42, 43, and 44). Enter here and on line 12, Form 1040XN	45			

PART B — Adjustments Decreasing Federal Adjusted Gross Income

		(A) As Reported or Adjusted	(B) Net Change	(C) Correct Amount
46 State income tax refund deduction	46			
47 Interest or dividend income from U.S. obligations	47			
48 Tier I or II benefits paid by the Railroad Retirement Board	48			
49 Special capital gains deduction	49			
50 Nebraska College Savings Plan	50			
51 Other adjustments decreasing income	51			
52 Total adjustments decreasing income (add lines 46 through 51). Enter here and on line 13, Form 1040XN	52			

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

- **If line 54 or 56 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
53 Total Nebraska income tax (line 17, Form 1040XN)	53			
54 Adjusted gross income from another state (do not enter amount of taxable income from the other state)	54			
55 Computed tax credit Line 54 ____ / Line 5 + Line 12 - Line 13 = Total ____ x Line 53 ____	55			
56 Tax due and paid to another state (do not enter amount withheld for the other state)	56			
57 Maximum tax credit (line 53, 55, or 56, whichever is least). Enter amount here and on line 20, Form 1040XN	57			

Nebraska Schedule III — Computation of Nebraska Tax

- **Nonresidents and partial-year residents complete lines 58 through 68 below**

		(A) As Reported or Adjusted	(B) Net Change	(C) Correct Amount
58 Income derived from Nebraska sources	58			
59 Adjustments as applied to Nebraska income, if any	59			
60 Nebraska adjusted gross income (line 58 minus line 59)	60			
61 Ratio – Nebraska's share of the total income (round to four decimal places): Line 60 ____ / Line 5 + Line 12 - Line 13 = Total ____ =	61	.	.	.
62 Nebraska tax table income (from line 14, Form 1040XN)	62			
63 Nebraska total income tax (see instructions): $ _____, minus credits: $ _____. Enter difference here	63			
64 Enter **personal exemption credit** (if any)	64			
65 Difference (line 63 minus line 64) (if less than -0-, enter -0-)	65			
66 Nebraska share of line 65 (multiply line 65 by line 61 ratio). Enter here and on line 15, Form 1040XN	66			
67 Nebraska minimum and other taxes (see instructions)	67			
68 Nebraska share of line 67 (multiply line 67 by line 61 ratio). Enter here and on line 16, Form 1040XN	68			

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 2003

This Form 1040XN is to be used **only** when the return for tax year 2003 is amended. If you originally filed Form 1040NS, see the special instructions below.

INSTRUCTIONS

AN AMENDED NEBRASKA INDIVIDUAL INCOME TAX RETURN, Form 1040XN, is filed whenever the taxpayer's federal or other state's tax return for 2003 is amended or corrected, or whenever the information on a Nebraska return previously filed is not correct. Form 1040XN may only be filed after the Nebraska Individual Income Tax Return, Form 1040N or Form 1040NS, has been filed or the taxpayer has filed using one of the department's electronic filing programs, including TeleFile.

The amended return is due 90 days after filing an amended federal return or after an Internal Revenue Service 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 in another state's return is also due within 90 days after an amended return is filed 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. Except as otherwise noted, the Form 1040XN used to claim a refund 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 90 days following the final determination of such 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). Interest on such refunds will cease to accrue after the 90th day if the amended return has not been filed within 90 days after the change. Attach a copy of any federal or state document relating to the federal or state change which establishes the timeliness of the refund claim.

An oral 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. An amended return based on the filing of a federal protective claim with the IRS does not require the filing of an amended Nebraska return as a protective claim. The payment by the IRS of a refund on a protective claim is a federal change that must be reported within 90 days of such refund.

NEBRASKA NET OPERATING LOSS. If you are 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. The amount of any federal NOL deduction is entered on line 44 of Schedule I, and the amount of the Nebraska NOL is entered on line 51 of Schedule I.

AMENDING AN ELECTRONICALLY FILED RETURN. Electronically filed returns, including TeleFile returns, are amended by filing a paper Form 1040XN. For returns filed through the Federal/State E-file program, information for completing the amended return should be available on your computer's hard drive or from printed copies of the return. For returns submitted through TeleFile or the NebFile programs, information for completing the amended return can be found on the TeleFile Worksheet, or the NebFile Filing Summary Sheet. If help is needed in completing the amended return, contact Taxpayer Assistance.

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

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

Confidential tax information will be given only by 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 to the preparer only the information contained on that return.

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), 27 (9), and 28 (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. A change in the filing status can only be made when the federal filing status has been changed. An exception is made when a joint federal return was filed and the residencies of the spouses are different.

The 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. The couple with different residencies may file original returns with Nebraska on either a joint return or a separate return basis.

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

The couple with different residencies who filed a joint Nebraska return and wish to change to separate returns must satisfy the following conditions:

1. Both spouses must file a separate Nebraska return with a "married, filing separate" status. The spouse whose social security number was listed first 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 joint return and copies of federal returns recomputed on a married filing separate 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's return.

LINE 3, TYPE OF RETURN BEING FILED. Residency is determined in accordance with the Form 1040N instructions. Military service members can refer to the Nebraska Income Tax for Military Service Members Information Guide.

LINE 5. Enter adjusted gross income from your federal return.

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

LINES 7 THROUGH 9. Only taxpayers who itemized should complete these lines. If federal adjusted gross income is such that your federal itemized deductions are limited, you must complete the Nebraska Itemized Deduction Worksheet included with the original 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 to which you were entitled on line 6, then enter the line 6 amount on line 10.

LINE 10. Enter line 6 amount or, if you itemized on your Federal Form 1040, and line 9 is greater than line 6, enter line 9.

LINE 12. Enter amount from Amended Nebraska Individual Income Tax Return, Form 1040XN, line 45, Schedule I.

LINE 13. Enter amount from Amended Nebraska Individual Income Tax Return, Form 1040XN, line 52, Schedule I. **Complete Schedule I to change 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. The Nebraska minimum or other tax is the sum of (1) federal alternative minimum tax; (2) federal tax on lump-sum distributions of **pensions**; and (3) federal tax on early individual retirement account distributions, multiplied by the tax rate of 29.6 percent.

USE THE FOLLOWING WORKSHEET to calculate Nebraska minimum or other tax.

NEBRASKA MINIMUM OR OTHER TAX WORKSHEET

1. Alternative minimum tax, amount on Federal Form 6251 recalculated for Nebraska in accordance with Neb. Rev. Rul. 22-03-1 ..... $ _____
2. Tax on lump-sum distributions (enter federal tax amount from Fed. 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 result on line 67, Nebraska Schedule III

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 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 53 of Nebraska 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 $99 for 2003. See 1040N instructions for a chart listing the reduced credits for higher income taxpayers. If your federal AGI is changed and you need to amend the previous personal exemption credit, consult the 1040N instructions to determine the correct amount of personal exemption credit to claim.

Nonresidents and partial-year residents claim the personal exemption credit on line 64, 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 63, Schedule III. If you are correcting this credit, the change must be explained in detail on Nebraska Explanation of Changes. A copy of the corrected Federal Schedule R, or Schedule 3, Federal Form 1040A, must be attached to verify any change in the Nebraska credit.

LINE 22, COMMUNITY DEVELOPMENT ASSISTANCE ACT CREDIT (CDAA). 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 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. FORM 829N CREDIT. Attach documentation if this credit is changed.

LINE 25, CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES. 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 25, and partial-year residents should include the credit on line 63, Schedule III. If you are correcting this credit, the change must be explained in detail on Nebraska Explanation of Changes.

LINE 27. If the result is more than your federal tax liability before credits, and your adjustments increasing income (Schedule I, line 45) are less than $5,000, see the Form 1040N instructions.

LINE 28, NEBRASKA INCOME TAX WITHHELD. If you are correcting the amount of income tax withheld on line 28, you must attach a Nebraska copy of any additional or corrected Wage and Tax Statements, Federal Forms W-2, which were not filed with your original return.

Nonresidents are to include on line 28 the credit for Nebraska income tax paid on their behalf by a partnership, S corporation, limited liability company, estate, or trust as reported on Form 14N.

LINE 29, ESTIMATED TAX PAYMENTS. Enter the total Nebraska estimated income tax paid for the taxable year you are amending. Include the income tax credit which was not refunded to you from the previous tax year. If the amount on line 29, column C, is greater than the amount on line 29, column A, you must attach copies of all of your payments (canceled checks or money orders) of Nebraska estimated income tax for tax year 2003.

LINE 30, FORM 4136N CREDIT. If you are correcting the nonhighway use motor vehicle fuels credit, the change must be

explained in detail on the Explanation of Changes. The gallons of fuel claimed must be for the period in which they were purchased. A Nebraska Nonhighway Use Motor Vehicle Fuels Credit Computation, Form 4136N, is required.

LINE 31. REFUNDABLE CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES (if AGI is $29,000, or less). See the Form 1040N instructions for information on this credit. (Attach documentation if you are correcting the credit).

LINE 32. BEGINNING FARMER CREDIT. Attach documentation if this credit is changed.

LINE 33, AMOUNT PAID. Enter on line 33 the amount of tax paid with the original return plus any tax payments for the same taxable year made after the filing of your original return. Do not include the portion of a payment which was for interest or penalty.

LINE 35, OVERPAYMENTS ALLOWED. Enter on line 35 the amount of overpayment allowed on your original return, previous amended returns, or as later corrected by the Nebraska Department of Revenue. This includes both amounts refunded and amounts applied to the succeeding year's estimated tax. Do not include interest received on any refund.

LINE 38, PENALTY. If your original return was not filed by the due date, or during the period of an extension, and line 37 indicates a tax due, it is necessary to calculate a penalty for failure to timely file. Multiply the line 37 amount 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 38.

If this amended return is being filed because of a change made by the IRS and the IRS assessed a penalty, multiply the line 37 amount by five percent. Enter the result on line 38. If both the penalty for failure to timely file and the penalty because of an IRS assessment are calculated, enter the larger amount on line 38.

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.

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 39, INTEREST. If line 37 indicates that tax is due, interest is due at the statutory rate from the original due date to the date the tax is paid. Consult the department's Web site to obtain the rate to use for the tax year to be amended. Otherwise, contact Taxpayers' Assistance at 1-800-742-7474 in Nebraska and Iowa, or call 1-402-471-5729.

If you are due interest on the refund, it will be calculated by the department and added to the amount shown on line 41.

LINE 40, TOTAL BALANCE DUE. Enter the total of lines 37 through 39. 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 by credit card. Visit the department's Web site at www.revenue.state.ne.us for details about this option. Checks written to the Department of Revenue may be presented for payment electronically.

LINE 41, REFUND. Enter the overpayment amount. This will be refunded separately from an amount claimed as an overpayment on your original return. An amount less than $2.00 will not be refunded. None of the overpayment will be applied to estimated tax.

If a taxpayer has an existing tax liability of any kind with the department, an overpayment shown on this return may be applied to such 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 32. Attach a copy of each federal form used in reporting the change. If you are filing an amended return due to an audit by the IRS or the Nebraska Department of Revenue, 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 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, or other state's return or audit determination.

SIGNATURES. Both husband and wife are to sign their joint 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.

DECEASED TAXPAYERS. Attach Form 1310N if a refund is being claimed on behalf of a taxpayer who has died.

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

LINE 42, BONUS DEPRECIATION ADD-BACK. Include on this line any change in previously reported bonus depreciation claimed on a federal return.

LINE 43. ENHANCED SECTION 179 EXPENSE DEDUCTION ADD-BACK. Include on this line any change in previously reported enhanced Section 179 expense deduction add-back amount.

LINE 44, OTHER ADJUSTMENTS INCREASING INCOME. Interest from non-Nebraska state and local municipal obligations is taxable income for the state.

An S corporation's or limited liability company's loss distribution from non-Nebraska sources increases income and is reported on line 44.

Any federal NOL deduction used in calculating federal AGI on line 5 must be reported on line 44.

LINES 46 THROUGH 52, TOTAL ADJUSTMENTS DECREASING FEDERAL ADJUSTED GROSS INCOME. Adjustments decreasing Nebraska taxable income, such as state income tax refund, interest or dividend income from U.S. government bonds and other U.S. obligations, or Tier I or Tier II benefits paid by the Railroad Retirement Board can be deducted from income for Nebraska income tax purposes.

List the source of any adjustments on an attached schedule. 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 47:

1. Savings and loan associations or credit unions.
2. Mortgage participation certificates issued by the Federal National Mortgage Association.
3. Washington Metropolitan Area Transit Authority.
4. Interest on federal income tax refunds.
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 Sch. K-1.

Special capital gains deduction. If you are correcting the amount of special capital gains deduction, copies of the original and corrected Special Capital Gains Deduction Computation, Form 4797N, and Federal Schedule D must be attached.

Native American Indians residing on a Nebraska reservation with income derived from sources within the boundaries of the reservation may deduct such income on line 51.

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 51. Enter other adjustments decreasing income. An S corporation's or limited liability company's income distribution from non-Nebraska sources decreases income and is reported on line 51. A Nebraska NOL deduction is also reported on line 51.

LINE 52. Total adjustments decreasing taxable income are the sum of lines 46 through 51.

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 the other state's return is amended or changed by the other state, Form 1040XN is to 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 54, ADJUSTED GROSS INCOME FROM ANOTHER STATE. If lines 54 or 56 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 42 through 52. Use your copy of your original return and instructions to make the necessary tax computations. Enter the amounts from lines 45 and 52 on lines 12 and 13, respectively, Form 1040XN.

LINE 58. 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 61. Calculate the ratio to at least five decimal places and round to four decimal places.

LINE 63. Use the Nebraska Tax Table and the Additional Tax Rate Schedule contained in the 2003 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 62 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 and credit for prior year minimum tax (AMT credit). See instructions for lines 21 through 25 for specific information. Also complete the partial-year dates in block 3 on the front page.

Nonresidents enter the Nebraska tax on the line 62 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 or a credit for child and dependent care expenses but are allowed an AMT credit.

LINE 64. Most nonresidents and partial-year residents will enter the personal exemption credit of $99 for 2003 for each federal personal exemption claimed on line 4. Higher income taxpayers must review the Form 1040N instructions for information on the credit amount allowed.

LINE 65. Subtract line 64 from line 63, but not below 0.

LINE 66. Multiply the line 61 ratio by line 65.

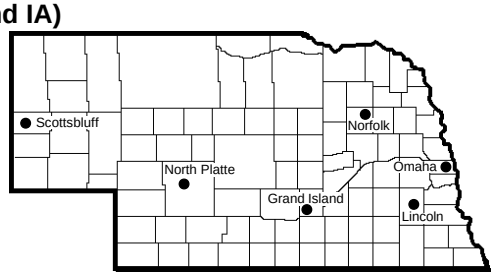
LINE 67. To calculate the Nebraska minimum or other tax, see the worksheet provided with the line 16, Form 1040XN instructions. Reduce the result by any unused exemption credit from line 65.

FOR NEBRASKA TAX ASSISTANCE

For All Tax Programs Except Motor Fuels

Contact your regional office or call 1-800-742-7474 (toll free in NE and IA)
or 1-402-471-5729

Nebraska Department of Revenue Web site address: www.revenue.state.ne.us
A copy of the Taxpayer Bill of Rights is available by calling any of our regional offices or visiting our Web site.



SCOTTSBLUFF
Panhandle State Office Complex
4500 Avenue I, Box 1500
Scottsbluff, Nebraska 69363-1500
Telephone (308) 632-1200

GRAND ISLAND
TierOne Bank Building, Suite 460
1811 West Second Street
Grand Island, Nebraska 68803-5469
Telephone (308) 385-6067

NORTH PLATTE
Craft State Office Building
200 South Silber Street
North Platte, Nebraska 69101-4200
Telephone (308) 535-8250

NORFOLK
304 North 5th Street, Suite "D"
Norfolk, Nebraska 68701-4091
Telephone (402) 370-3333

OMAHA
Nebraska State Office Building
1313 Farnam-on-the-Mall
Omaha, Nebraska 68102-1871
Telephone (402) 595-2065

LINCOLN
Nebraska State Office Building
301 Centennial Mall South
Lincoln, Nebraska 68509-4818
Telephone (402) 471-5729

For Motor Fuels tax programs only call toll free 1-800-554-3835 (Lincoln residents call 471-5730).

Hearing-impaired individuals may call the Text Telephone (TT) at 1-800-382-9309. TDD (Telecommunications Device for the Deaf) is designated by the use of "TT," which is consistent with the Americans with Disabilities Act.