

CONVERSION CHART FOR NEBRASKA

SCHEDULE II LINES 62 & 64

TAX YEAR 2008

Last Updated 02/04/2009

SCHEDULE II CONVERSION CHART SPECIAL INSTRUCTIONS

1. Watch for **married filing joint accounts that file married filing separate with the other state**. If the Line 62 instruction says to use the other state's total W-2 wages, use only the other state's wages of the spouse filing the separate return. **DO NOT USE THE WAGES OF BOTH SPOUSES.**

If the filing status on the Nebraska return is married filing separate, but a joint return is filed in the other state, the credit must be prorated. If the other state's return separates the income of both spouses, use the income and tax paid to the other state reported by the spouse who is filing the resident return with Nebraska. If the income is not separately stated, review the account with the Specialist.

2. If line 62 *excludes* **non-Nebraska S Corporation** income or **Limited Liability Company** income from non-Nebraska sources, lines 62 and 64 should be less than that indicated using the conversion chart. When the taxpayer indicates that the credit has been adjusted because of S Corporation, or Limited Liability Company income, accept lines 62 and 64 as reported. If Line 62 *includes* a non-Nebraska S Corporation loss from line 49, line 62 should be more than that indicated using the conversion chart. Accept the amounts reported in both cases. (An S-Corp or LLC adjustment on lines 49 or 59 are indicators that lines 62 and 64 may reflect an adjusted amount).

3. DUAL STATE RESIDENTS (SCHEDULE II - SPECIAL CALCULATION)

When a taxpayer is a dual state resident whose total income is reported to both states and is claiming credit for tax paid to those states, calculate the credit by using the following formula:

Take the lower tax liability of the two returns and multiply by the ratio of the Nebraska liability, divided by the combined state liabilities on the two returns.

For both returns, the liability referenced in the above formula is the liability after nonrefundable credits, with the exception of the credit claimed for payment of tax to the other state representing the dual state residency.

On fiduciary returns, the tax liability for each separate state is computed on only the portion of the trust's income which is

subject to tax in BOTH states. First determine the tax liability for each of the resident returns in order to determine which state has the lower liability. The tax amount is computed on the portion of the trust's income which is subject to tax in both states. If there are any modifications to the other state's income **which are not the same modifications taken on the Nebraska return**, (such as an addition for a state income tax refund, etc.), the modification must **not** be included when determining the portion of the trust's income that is taxed in both states. In most situations, the liability for each state that is used in the formula should be the tax liability after all non-refundable credits except for the credit for tax paid to the other state.

4. ELECTRONIC FILINGS AND TELEFILE:

Treat electronic filing and telefile forms just like any other state form. If it is not on the conversion list, make a copy following the procedure manual.

FIDUCIARY CONVERSION CHART

TAX YEAR 2007 Not reviewed for 2008 yet.

Last updated 08/07/2008

STATE	FORM	SCHEDULE III, LINE 2	SCHEDULE III, LINE 4
Alabama	41	Line 5	Line 6 minus lines 7a and 7b
Arizona	141AZ	Line 13	Line 21
Arkansas	1002NR	Line 19, column B	Line 25
California	541	Line 20	Line 28
Colorado	105	Page 3, Schedule E, line 5, Colorado column.	Page 1, line 14
Connecticut	CT-1041	Schedule CT-1041FA, Part 1, line 4. If not available, use Form CT-1041, line 1.	Schedule CT-1041FA, Part 1, line 12. If not available, use Form CT-1041, line 3.
Delaware	Form 400	Line 7	Line 10
Georgia	Form 501	Line 7	Line 10
Hawaii	N-40	Line 22	Line 25
Idaho	Form 66		
Form not yet available. Not reviewed.			
Illinois	IL-1041	Schedule NR, line 26c	IL-1041, line 47
Indiana	IT - 41	Line 9	Line 12
Iowa	IA 1041	Line 22	Line 32
Kansas	K-41	Line 3	Line 11 minus line 6
Kentucky	Form 741	Line 16	Line 20
Louisiana	IT - 541	Line 8	Line 15
Maryland	Form 504	Line 29	Line 32
Massachusetts	Form 2	Page 2, total of lines 21, 29, and 37	Page 3, line 54
Michigan	Form MI-1041	Line 12	Line 22
Minnesota	M2	Line 9	Line 13
Mississippi	WIF	Line 6	Line 7 minus line 9

Form 81-110-03			
Missouri	MO 1041	Line 13	Line 18
Montana	FID-3	Line 38	Line 52
New Jersey	Form NJ-1041	Line 21	Line 25
New Mexico	FID-1	FID-B Sch. 1, Line 16, Col. 4	Line 12
New York	IT - 205	Fiduciary Allocation (IT-205-A) Page 2, line 38, Column b	IT-205, line 29 minus line 28
North Carolina	D-407	Line 7	Line 8 minus line 9
North Dakota	38	Page 2, line 5	Page 1, line 7
Ohio	IT - 1041	Line 7	Line 11
Oklahoma	513NR	Line 9	Line 29
Oregon	41	Line 7	Line 12
Pennsylvania	Form PA-41	Line 9	Line 10
South Carolina	Form SC1041	Line 7 OR Page 3, line 22, column C	Line 11
Tennessee	Form INC 250 (Filed for a Family Trust)	Line 3	Line 4
Utah	TC-41	Page 2, Schedule A, line 10. If Schedule A is missing, page 1, line 4 should be the correct amount. If it is the same as the federal taxable income, see the Specialist.	Line 13
Vermont	Form FI-161	Line 5	Line 10
Virginia	Form 770	Line 3	Line 4 minus lines 5(c) through 5(o)iii) and 5(q)
West Virginia	Form IT-141		
Form not yet available. Not reviewed.			
Wisconsin	Form 2	Line 5	Line 12