

Low Income Credit Worksheet

You may claim the low income credit if your Federal adjusted gross income is less than \$20,000 and you are not claimed or eligible to be claimed as a dependent on another taxpayer's Federal or Georgia income tax return. Part-year residents may only claim the credit if they were residents at the end of the tax year. Taxpayers filing a separate return for a taxable year in which a joint return could have been filed can only claim the credit that would have been allowed had a joint return been filed. **You cannot claim this credit if you are an inmate in a correctional facility. Please note for tax years beginning on or after January 1, 2010, the credit cannot exceed the taxpayer's income tax liability.**

1. Enter the amount from Form 500, Line 8 or Form 500EZ, Line 1. _____
2. Enter the number of exemptions. Exemptions are self, spouse and natural or legally adopted children. _____
3. Enter 1 if you or your spouse is 65 or older; enter 2 if you and your spouse are 65 or older. _____
4. Add Lines 2 and 3; enter on line 17a of Form 500, or if filing the Form 500EZ, Line 5a. _____
5. Find the credit that corresponds to your income in the table below and enter on line 17b of Form 500, or if filing the Form 500EZ, Line 5b. _____
6. Multiply Line 4 by Line 5; enter the total on line 17c of Form 500; or if filing the Form 500EZ, Line 5c. _____

Credit Table:	<u>Federal Adjusted Gross Income</u>	<u>Credit</u>
	Under \$6,000	\$26
	\$6,000 but not more than \$7,999	\$20
	\$8,000 but not more than \$9,999	\$14
	\$10,000 but not more than \$14,999	\$ 8
	\$15,000 but not more than \$19,999	\$ 5

All claims for the low income credit, including claims on amended returns, must be filed on or before the end of the 12th month following the close of the tax year for which the credit may be claimed.

RETIREMENT INCOME EXCLUSION WORKSHEET (Keep for your records)

	TAXPAYER	SPOUSE
1. Salary and wages		
2. Other Earned Income(Losses)		
3. Total Earned Income		
4. Maximum Earned Income	\$4,000	\$4,000
5. Smaller of Line 3 or 4; if zero or less, enter zero		
6. Interest Income		
7. Dividend Income		
8. Alimony		
9. Capital Gains(Losses)		
10. Other Income(Losses)*		
11. Taxable IRA Distributions		
12. Taxable Pensions		
13. Rental, Royalty, Partnership, S Corp, etc. Income(Losses)**		
14. Total of Lines 6 through 13; if zero or less, enter zero		
15. Add Lines 5 and 14		
16. Maximum Allowable Exclusion, if age 62-64 or less than age 62 and permanently disabled enter \$35,000, or if age 65 or older enter \$65,000.		
17. Smaller of Lines 15 and 16; enter here and on Form 500, Schedule 1, Lines 7 A & B		

Social security and railroad retirement paid by the Railroad Retirement Board, exempt interest, or other income that is not taxable to Georgia should not be included in the retirement income exclusion calculation. Income or losses should be allocated to the person who owns the item. If any item is held jointly, the income or loss should be allocated to each taxpayer at 50%.

Part-year residents and nonresidents must prorate the retirement income exclusion. The earned income portion and the unearned income portion must be separately prorated. The earned income portion shall be prorated using the ratio of Georgia source earned income to total earned income computed as if the taxpayer were a resident of Georgia for the entire year. The unearned portion shall be prorated using the ratio of Georgia source unearned retirement income to total unearned retirement income computed as if the taxpayer were a resident of Georgia for the entire year.

*Retirement income does not include income received directly or indirectly from lotteries, gambling, illegal sources or similar income.

** Rental, Royalty or Partnership income that is subject to FICA tax or Self employment tax should be included on line 2 not line 13. Trade or business income from an S Corp in which the taxpayer or their spouse materially participated should be included on line 2 not line 13.