

Mississippi Tax Credit For Income Tax Paid To One Or More Other States

Name _____

SSN _____

Tax credit, as determined below, is allowed only to LEGAL RESIDENTS of Mississippi who pay an income tax imposed by another state on income earned therein and taxed by Mississippi. If a credit is claimed for tax paid to another state, **there must be attached to the Mississippi income tax return a copy of the income tax return filed with the other state and proof of payment of tax.** A copy of the Wage and Tax Statement indicating tax withheld is not considered proof of payment of the liability to another state.

INCOME SUMMARY

	TOTAL INCOME EARNED EVERYWHERE		INCOME EARNED IN STATE OF	INCOME EARNED IN STATE OF	INCOME EARNED IN STATE OF	TOTAL OUT OF STATE INCOME <small>(line 4, column 3 plus column 4 and column 5)</small>
	Taxpayer Joint or Single	Spouse	(Name of State)	(Name of State)	(Name of State)	
	Column 1	Column 2	Column 3	Column 4	Column 5	
1 Total Income						
2 Standard or Itemized Deduction(s)						
3 Exemption						
4 Taxable Income <small>(line 1 minus line 2 and line 3)</small>						

MISSISSIPPI TAX COMPUTATION

Taxable Income Earned Everywhere <small>(from line 4, column 1 and column 2)</small>	Column A	Column B	Column C	Column D	Column E	
	Taxpayer Taxable Income <small>(from line 4, column 1)</small>	Spouse Taxable Income <small>(from line 4, column 2)</small>	Total Taxable Income <small>(column A plus column B)</small>	Rates	Total Income Tax <small>(column C multiplied by column D)</small>	
5 First \$5,000 or part	+	=		X 3 % =		
6 Next \$5,000 or part	+	=		X 4 % =		
7 Remaining Balance	+	=		X 5 % =		
8 Adjusted Mississippi Income Tax <small>(line 5 plus line 6 and line 7)</small>						

COMPUTATION OF TAX CREDIT

9 Ratio (divide amounts on line 4, columns 3, 4 and 5 by the amount on line 4, column 6)	Column 3	Column 4	Column 5	
	%	%	%	
OTHER STATES INCOME AT MISSISSIPPI RATES				TOTAL
Enter amount of line 4, column 6 that equals up to the amount on line 5, column C	MULTIPLY TAX COMPUTED AT LEFT BY RATIO ABOVE			Column 6
	Column A	Rates	Column B	Column 3, plus column 4 and column 5
10 First \$5,000 or part		X 3 % =		
11 Next \$5,000 or part		X 4 % =		
12 Remaining Balance		X 5 % =		
13 Tax credit computed <small>(line 10, plus line 11 and line 12)</small>				
14 Income tax due to other states <small>(from other states return(s), attach other states return(s))</small>				
15 Enter the lesser of line 13, column 3 through column 5 or line 14 column 3 through column 5				

16 Enter amount of total adjusted income tax due (from line 8; should also total amount on Form 80-105, page 1, line 17) 16 _____ .00

17 Allowable tax credit for tax paid to other states (enter here and on Form 80-105, page 1, line 18) 17 _____ .00

Mississippi Tax Credit For Income Tax Paid To One Or More Other States

If you are a resident of Mississippi who earns income in another state and are required to pay an income tax to that other state, you are allowed to take a credit against your Mississippi income tax due in the same year for the total income tax due to the other state (subject to certain limitations). The withholding amounts shown on your W-2 forms are **NOT** the same as actual tax paid to the other state. Copies of withholding statements are not sufficient to establish the credit. In order to be allowed this credit, you **MUST** file an income tax return with the other state **and** attach a copy of the other state returns along with this Form 80-160 to your Mississippi return.

Limitations

Miss. Code Ann. Section 27-7-77 provides for the following three limitations:

- (1) The credit may not exceed the amount of income tax due the State of Mississippi, indicated on line 17;
- (2) The credit may not exceed the amount of income tax actually paid to the other state; and
- (3) The credit may not exceed an amount computed by applying the highest applicable Mississippi rates to the net taxable income reported to the other state. Highest rates is defined as the highest rates at which the net taxable income reported to the other state is taxable by the State of Mississippi.

Specific Line Instructions

Income Summary

- Line 1 Enter the total income earned everywhere in column 1 and column 2, if applicable. Enter the income earned in other states separately in columns 3, 4 and 5. The name of each state should be entered above columns 3, 4 and 5.
- Line 2 Enter the standard or itemized deduction(s) claimed on your Mississippi return in column 1 and column 2, if applicable. Enter the standard or standard or itemized deduction(s) claimed on your other state return(s) in columns 3, 4 and 5.
- Line 3 Enter the exemption amount claimed on your Mississippi return in column 1 and column 2, if applicable. Enter the exemption amount claimed on your other state return(s) in columns 3, 4 and 5. Allocate deductions and exemptions to the taxpayer and/or spouse in the same manner as state return(s).
- Line 4 Enter the taxable income in columns 1 through 5 by subtracting line 2 and line 3 from line 1. Enter the total out of state taxable income in column 6 by adding columns 3, 4 and 5.

Mississippi Tax Computation

- Line 5 Enter the first \$5,000 of taxable income or part (\$0 - \$5,000) from line 4, column 1 and 2, in column A and column B if applicable. Enter the total taxable income in column C by adding line 5, column A and column B. Enter the total income tax in column E by multiplying the amount in in column C by column D (3%).
- Line 6 Enter the next \$5,000 of taxable income or part (\$5,001 - \$10,000) from line 4, column 1 and 2, in column A and column B if applicable. Enter the total taxable income in column C by adding line 6, column A and column B. Enter the total income tax in column E by multiplying the amount in column C by column D (4%).
- Line 7 Enter the remaining balance of taxable income (\$10,001 and above) from line 4, column 1 and 2, in column A and column B if applicable. Enter the total taxable income in column C by adding line 7, column A and column B. Enter the total income tax in column E by multiplying the amount in column C by column D (5%).
- Line 8 Enter the adjusted Mississippi income tax in column E by adding lines 5, 6 and 7.

Computation of Tax Credit

- Line 9 Enter the ratio by dividing amounts on line 4, columns 3, 4 and 5 by the amount on line 4, column 6.
- Line 10 Enter the first \$5,000 of taxable income or part (\$0 - \$5,000) of amount in line 4, column 6 that equals up to the amount on line 5 column C on line 10, column A. Enter the total income tax in column B by multiplying column A by 3%. Enter the percentage of tax due by multiplying the amount in Column B by the ratio amounts in line 9, columns 3, 4 and 5.
- Line 11 Enter the first \$5,000 of taxable income or part (\$5,001 - \$10,000) of amount in line 4, column 6 that equals up to the amount on line 5 column C on line 11, column A. Enter the total income tax in column B by multiplying column A by 4%. Enter the percentage of tax due by multiplying the amount in Column B by the ratio amounts in line 9, columns 3, 4 and 5.
- Line 12 Enter the remaining balance of taxable income (\$10,001 and above) of amount in line 4, column 6 that equals up to the amount on line 5 column C on line 11, column A. Enter the total income tax in column B by multiplying column A by 5%. Enter the percentage of tax due by multiplying the amount in Column B by the ratio amounts in line 9, columns 3, 4 and 5.
- Line 13 Enter the computed tax credit by adding lines 10 through 12 in columns 3, 4 and 5.
- Line 14 Enter the income tax due to other states (from other state return(s) and attach a copy of the other state return(s).
- Line 15 Enter the lesser of line 13 or line 14, columns 3, 4 and 5.
- Line 16 Enter the amount of total adjusted income tax from line 8, column E. The amount of total adjusted income tax due should equal the amount of income tax due on Form 80-105, page 1, line 17.
- Line 17 Enter the amount of allowable tax credit for tax paid to other states here and on Form 80-105, page 1, line 18.