

Mississippi

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

Name XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

SSN 999999999

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

Table with 6 columns: TOTAL INCOME EARNED EVERYWHERE, INCOME EARNED IN STATE OF, INCOME EARNED IN STATE OF, INCOME EARNED IN STATE OF, TOTAL OUT OF STATE INCOME. Rows include Total Income, Standard or Itemized Deduction(s), Exemption, and Taxable Income.

MISSISSIPPI TAX COMPUTATION

Table with 6 columns: Taxable Income Earned Everywhere, Column A, Column B, Column C, Column D, Column E. Rows include First \$5,000 or part, Next \$5,000 or part, Remaining Balance, and Adjusted Mississippi Income Tax.

COMPUTATION OF TAX CREDIT

Table with 4 columns: Column 3, Column 4, Column 5, TOTAL. Row 9: Ratio (divide amounts on line 4, columns 3, 4 and 5 by the amount on line 4, column 6).

OTHER STATES INCOME AT MISSISSIPPI RATES

Table with 7 columns: Column A, Rates, Column B, MULTIPLY TAX COMPUTED AT LEFT BY RATIO ABOVE, Column 3, Column 4, Column 5, TOTAL. Rows 10-15: First \$5,000 or part, Next \$5,000 or part, Remaining Balance, Tax credit computed, Income tax due to other states, and lesser of line 13 or line 14.

Table with 4 columns: Column 3, Column 4, Column 5, TOTAL. Row 16: Enter amount of total adjusted income tax due. Row 17: Allowable tax credit for tax paid to other states.

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 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.