

Notice

Form 140PY, Schedule A(PYN)

Arizona has not fully conformed to the federal changes to the Internal Revenue Code made in 2009.

The following are in addition to those adjustments already included in the 2009 Arizona Form 140PY, Schedule A(PYN), instructions:

Itemized Deduction for Sales Tax on the Purchase of a New Motor Vehicle.

Itemized deductions must be adjusted to exclude the deduction for the sales tax on a motor vehicle if you made the choice on your federal return to deduct state and local income taxes rather than general sales taxes. If you made the choice to deduct state income taxes, do not include the sales tax on the motor vehicle in the total on Arizona Schedule A(PYN), line 2.

Additionally, if you deducted this amount as an itemized deduction on your 2009 federal income tax return, you must adjust this amount on your Arizona Form 140PY, Schedule A(PYN) to exclude this deduction on the Arizona return. Make the reduction to itemized deductions on Arizona Form 140PY, Schedule A(PYN), line 41, "Adjustments to Charitable Contributions" and next to "charitable" write in "sales tax on vehicle".

Deduction for Cash Contributions for Haiti Earthquake Relief Made After January 11, 2010 and Before March 1, 2010.

You may not deduct any contributions for Haiti earthquake relief for contributions made after January 11, 2010 and before March 1, 2010 that you deducted as an itemized deduction on your 2009 federal return. You may deduct these amounts on your 2010 Arizona return. Do not include any of these contributions made in 2010 for Haiti relief on Arizona Schedule A(PYN), line 4.

Additionally, if you deducted this amount as an itemized deduction on your 2009 federal income tax return, you must adjust this amount on your Arizona Form 140PY, Schedule A(PYN) to exclude this deduction on the Arizona return. Make the reduction to itemized deductions on Arizona Form 140PY, Schedule A(PYN), line 41.

**ARIZONA SCHEDULE
A(PYN)**

**Itemized Deductions
For Part-Year Residents**

2009

Who also had Arizona source income during the period of the year while a nonresident.

Attach to your return.

Your Name as shown on Form 140PY	Your Social Security Number
Spouse's Name as shown on Form 140PY	Spouse's Social Security Number

Part I: Itemized Deductions for the Period of the Year While an Arizona Resident Plus Arizona Source Itemized Deductions for the Period While a Nonresident

Medical and Dental Expenses • Taxes • Interest Expense • Gifts to Charity

1 Medical and dental expenses incurred and paid while an Arizona resident plus the amount of such expenses from Arizona sources that you incurred and paid during the part of the year while an Arizona nonresident	1		
2 Taxes allowable on federal Form 1040, Schedule A, that you incurred and paid while an Arizona resident plus the amount of such taxes from Arizona sources that you incurred and paid during the part of the year while an Arizona nonresident	2		
3 Interest expense: <i>See instructions</i>	3		
4 Gifts to charity allowable on federal Form 1040, Schedule A, that you incurred and paid while an Arizona resident plus the amount of such gifts from Arizona sources that you incurred and paid during the part of the year while an Arizona nonresident	4		

Casualty and Theft Losses

5 Casualty loss(es) allowable on federal Form 1040, Schedule A, after applying the 10% federal adjusted gross income limitation and the \$500 per loss floor ..	5		
6 Casualty loss(es) allowable on federal Form 4684 before applying the 10% federal adjusted gross income limitation and the \$500 per loss floor.....	6		
7 Amount of loss on line 6 incurred while you were an Arizona resident plus the amount of loss from Arizona sources on line 6 that you incurred during the part of the year while an Arizona nonresident	7		
8 <i>Divide</i> line 7 by line 6, and <i>enter the percentage</i>	8		
9 <i>Multiply</i> line 5 by the percentage on line 8	9		

Job Expenses and Other Miscellaneous Expenses

10 Miscellaneous expenses subject to the 2% federal adjusted gross income limitation allowable on federal Form 1040, Schedule A, before applying the limitation	10		
11 Amount on line 10 that you incurred and paid while an Arizona resident plus the amount on line 10 from Arizona sources that you incurred and paid during the part of the year while an Arizona nonresident	11		
12 <i>Divide</i> line 11 by line 10, and <i>enter the percentage</i>	12		
13 Miscellaneous deductions subject to the 2% federal adjusted gross income limit allowable on federal Form 1040, Schedule A, after applying the limitation.	13		
14 <i>Multiply</i> line 13 by the percentage on line 12	14		
15 Other miscellaneous expenses allowable on federal Form 1040, Schedule A, not subject to the 2% federal adjusted gross income limitation that you incurred and paid while an Arizona resident plus the amount of such expenses from Arizona sources that you incurred and paid during the part of the year while an Arizona nonresident	15		
Skip lines 16 through 20 if not deducting gambling losses.			
16 Wagering losses included on line 15	16		
17 Total gambling winnings included in your Arizona gross income.....	17		
18 Arizona lottery subtraction from Form 140PY, page 2, line D32.....	18		
19 Maximum allowable gambling loss deduction: <i>Subtract</i> line 18 from line 17	19		
20 If line 19 is less than line 16, <i>subtract</i> line 19 from line 16; otherwise <i>enter "zero"</i>	20		
21 If you completed lines 16 through 20, <i>subtract</i> line 20 from line 15. If you skipped lines 16 through 20, <i>enter amount on line 15 here</i>	21		
22 <i>Add</i> lines 14 and 21.....	22		

Subtotal of Itemized Deductions

23 Tentative Arizona itemized deduction: <i>Add</i> lines 1, 2, 3, 4, 9, and 22. If your federal adjusted gross income is more than \$166,800 (\$83,400 if married filing separately), <i>complete lines 24 through 28 below</i> . Otherwise, <i>skip lines 24 through 28</i>	23		
24 If your federal adjusted gross income is more than \$166,800 (\$83,400 if married filing separately), <i>enter on line 24</i> the amount by which you have to reduce your federal itemized deductions because your federal adjusted gross income was over this threshold.....	24		
25 <i>Enter your total federal itemized deductions allowable on federal Form 1040, Schedule A, prior to the federal adjusted gross income limitation</i>	25		
26 <i>Divide</i> line 23 by line 25, and <i>enter the percentage</i>	26		
27 <i>Multiply</i> line 24 by the percentage on line 26, and <i>enter the result</i>	27		
28 <i>Subtract</i> line 27 from line 23, and <i>enter the result</i>	28		

Part II: Portion of Itemized Deductions Allowable for the Part of the Year While a Nonresident

Adjustment to Medical and Dental Expenses

29 Medical and dental expenses.....	29		
30 Amount of MSA distributions used to pay qualified medical expenses included on line 29.....	30		
31 Medical expenses allowed to be taken as a federal itemized deduction.....	31		
32 <i>Add</i> lines 30 and 31, and <i>enter the result</i>	32		
33 If line 29 is the same as or more than line 32, <i>subtract</i> line 32 from line 29. Otherwise, <i>go to line 34</i>	33		
34 If line 32 is more than line 29, <i>subtract</i> line 29 from line 32.....	34		

Adjustment to Interest Deduction

35 If you received a federal credit for interest paid on mortgage credit certificates (from federal Form 8396), <i>enter the amount of mortgage interest you paid for 2009 that is equal to the amount of your 2009 federal credit</i>	35		
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Adjustment to Gambling Losses

36 Wagering losses allowed as a federal itemized deduction.....	36		
37 Total gambling winnings included in your federal adjusted gross income.....	37		
38 Arizona lottery subtraction from Form 140PY, page 2, line D32.....	38		
39 Maximum allowable gambling loss deduction: <i>Subtract</i> line 38 from line 37....	39		
40 If line 39 is less than line 36, <i>subtract</i> line 39 from line 36; otherwise <i>enter "zero"</i>	40		

Adjustment to Charitable Contributions

41 Amount of charitable contributions for which you are taking a credit under Arizona law.....	41		
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Adjusted Itemized Deductions

42 <i>Add</i> the amounts on lines 33 and 35.....	42		
43 <i>Add</i> lines 34, 40 and 41.....	43		
44 Total itemized deductions allowed to be taken on federal return.....	44		
45 <i>Enter the amount from line 42 above</i>	45		
46 <i>Add</i> the amount on lines 44 and 45.....	46		
47 <i>Enter the amount from line 43 above</i>	47		
48 <i>Subtract</i> line 47 from line 46.....	48		
49 If you skipped lines 24 through 28, <i>enter the amount on line 23 here</i> . If you completed lines 24 through 28, <i>enter the amount from line 28 here</i>	49		
50 <i>Subtract</i> line 49 from line 48.....	50		
51 Arizona percentage from line 4 of the worksheet on page 2 of the Schedule A(PYN) instructions.....	51		
52 <i>Multiply</i> the percentage on line 51 by the amount on line 50.....	52		
53 <i>Add</i> lines 49 and 52. <i>Enter the result here and on Form 140PY, page 1, line 20</i>	53		