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".

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

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) Who

Itemized Deductions

For Part-Year Residents

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

	Attach to your return.		
Your Nan	ne 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 Arizona Source Itemized Deductions for the Period While a Nor		
	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		
	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: See instructions		3
	4 Gifts to charity allowable on federal Form 1040, Schedule A, that you incurred a		
	Arizona resident plus the amount of such gifts from Arizona sources that you in	•	
	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	8	_
	8 Divide line 7 by line 6, and enter the percentage		
	9 Multiply 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	10	_
	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 Divide line 11 by line 10, and enter the percentage	12	
	13 Miscellaneous deductions subject to the 2% federal adjusted gross income	12	
	limit allowable on federal Form 1040, Schedule A, after applying the limitation.	13	
	14 Multiply 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: Subtract line 18 from line 17	19	
	20 If line 19 is less than line 16, subtract line 19 from line 16; otherwise		
	enter "zero"	20	
	21 If you completed lines 16 through 20, subtract line 20 from line 15. If you		
	skinned lines 16 through 20. enter amount on line 15 here	21	1

22 Add lines 14 and 21.....

Subtotal of Itemized Deductions 23 Tentative Artzona itemized deduction: Add 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), complete lines 24 through 26 below. Otherwise, skip lines 24 through 28. 24 If your federal adjusted gross income is more than \$166,800 (\$83,400 if married filing separately), enter on line 24 the amount by which you have to reduce your federal adjusted gross income is more than \$166,800 (\$83,400 if married filing separately), enter on line 24 the amount by which you have to reduce your federal itemized deductions because your federal adjusted gross income was over this threshold. 25 Enter your total federal itemized deductions allowable on federal Form 1040, Schedule A, prior to the federal adjusted gross income limitation. 25 Enter your total federal itemized deductions allowable on federal Form 1040, Schedule A, prior to the federal adjusted gross income limitation. 26 Divide line 23 by line 25, and enter the percentage. 27 Multiply line 24 by the percentage on line 26, and enter the resulf. 28 Subtract line 27 from line 23, and enter the resulf. 29 Adjustment to Medical and Dental Expenses 29 Medical and dental expenses. 30 Amount of MSA distributions used to pay qualified medical expenses included on line 29. 31 Medical expenses allowed to be taken as a federal Itemized deduction. 31 If line 29 is the same as or more than line 32, subtract line 32 from line 29. 31 While 29 is the same as or more than line 32, subtract line 32 from line 29. 32 Adjustment to Interest Deduction 35 If you received a federal credit for interest paid on mortgage credit certificates (from federal Form S98), erret rhe amount of mortgage interest you paid for 2000 that is equal to the amount on your 2009 federal credit. 35 Adjustment to Charitable Contributions of the Special adjusted gross income 37. 36 Wagering losses allowed as a federal itemized deduction 35 Magering losses showed as a federal itemized of dedu	Your Name	e (as shown on page 1)	our Social Security No.		
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filing separately), complete lines 24 through 28			·		
### Adjustment to Interest Deduction 31 Hine 29 is the same as or more than 1516,800 (\$83,400 if married filing separately), enter on fine 24 the amount by which you have to reduce your federal itemized deductions because your federal adjusted gross income was over this threshold. 25 Enter your total federal itemized deductions allowable on federal Form 1040, Schedule A, prior to the federal adjusted gross income limitation. 26 Divide line 23 by line 25, and enter the percentage. 27 Multiply line 24 by the percentage on line 26, and enter the result. 28 Subtract line 27 from line 23, and enter the result. 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. 30 Amount of MSA distributions used to pay qualified medical expenses included on line 29. 31 Medical expenses allowed to be taken as a federal itemized deduction. 31 If line 29 is the same as or more than line 32, subtract line 32 from line 29. Otherwise, go to line 34. 31 If line 32 is more than line 29, subtract line 32 from line 32. 34 If line 32 is more than line 29, subtract line 32 from line 32. 35 If you received a federal credit for interest paid on mortgage credit certificates (from federal Form 8396), enter the amount of mortgage interest you paid for 2009 that is equal to the amount of your 2009 federal credit. 35 Adjustment to Gambling Losses 36 Wagering losses allowed as a federal litemized deduction. 37 Total gambling winnings included in your federal adjusted gross income. 37 Total gambling winnings included in your federal adjusted gross income. 37 Total gambling winnings included in your federal adjusted gross income. 37 Total gambling winnings included eductions 34 Adjustment to Charitable contributions 42 Add the amounts on lines 33 and 35. 43 Add lines 34, 40 and 41. 44 Total temized Deductions 45 Adjusted Itemized Deductions 46 Add the amount on lines 43 and 55. 47 Enter the amount from line			1 1		
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25 Enter your total federal itemized deductions allowable on federal Form 1040, Schedule A, prior to the federal adjusted gross income limitation					
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46 Add the amount on lines 44 and 45					
47 Enter the amount from line 43 above					
48 Subtract line 47 from line 46					
49 If you skipped lines 24 through 28, enter the amount on line 23 here. If you completed lines 24 through 28, enter the amount from line 28 here					
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Schedule A(PYN) instructions					
52 Multiply the percentage on line 51 by the amount on line 50			5 1		
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