



Instruction for AR1100REC

- Line 1:** Amount of Depreciation included in Federal form **1120, page 1, Line 20.**
- Line 2:** Add the amount of depreciation claimed elsewhere on Federal form 1120 **OTHER** than on Federal form 1120, Line 20 (COGS, etc.)
- Line 3:** Add Lines 1 and Line 2 above.
- Line 4:** Subtract the amount of Section 179 depreciation shown on Federal form 4562, Line 12.
- Line 5:** Subtract the amount on Federal form 4562, Line 14, “Special depreciation allowance for qualified property (**Other than listed property**) placed in service during the tax year.”
- Line 6:** Subtract the amount on Federal form 4562, Line 25, “Special depreciation allowance for qualified property placed in service during the tax year and used more than 50% in qualified business use”, and any other “bonus” depreciation included on Federal form 4562.
- Line 7:** Add Section 179 Depreciation expense allowed by the State of Arkansas.
- **Arkansas Section 179 Depreciation Deduction is limited to Net Taxable Income Excluding Section 179 Depreciation Deduction.**
Tax year beginning 01/01/2011-12/31/2011 \$ 25,000.00
 - **Arkansas Section 179 Phase Out Limitations**
Tax year beginning 01/01/2011 \$200,000.00
- This is a dollar-for-dollar phase out reduction to the total amount of Section 179 expense allowed for property placed in service after the specified tax year beginning date referenced exceeding the threshold amount.**
- Line 8:** Add any depreciation adjustment that relates to basis differences due to prior or current year Line 14, Line 25, or Line 12 adjustments. (**Attach Schedule**)
- Line 9:** This gain or loss adjustment relates to depreciable property included on Federal form 4797 or Federal Schedule D with basis difference in Arkansas due to prior year Line 14, Line 25 or Line 12 depreciation adjustments. (**Attach Schedule - Status 1 includes the adjustment on AR1100CT, page 1, Line 15, Multistate enter adjustment on Schedule A, Section A**)
- Line 10:** Total depreciation allowed by the State of Arkansas. Combine Lines 3-8.
- Line 11:** Amount of Arkansas depreciation **NOT** to be included on Arkansas form AR1100CT, page 1, Line 25. This amount should be included in AR1100CT, Line 10: COGS or other than Line 25 for Status 1 filers. Status 2 filers enter \$0.
- Line 12:** Subtract Line 11 from Line 10. Net Arkansas depreciation shown here and on Arkansas form AR1100CT, page 1, Line 25. **Status 2 filers:** The difference in Line 1 to Line 12 is the Arkansas Depreciation adjustment to be entered Line A.2 if positive or A.3 if negative of form AR1100CT, page 2, Schedule A, Section A.