

# 2024 Form 140PY Schedule A(PYN) Itemized Deductions

## For Part-Year Residents Who Also Had Arizona Source Income During the Part of the Year While an Arizona Nonresident

Before you complete Arizona Form 140PY Schedule A(PYN), you must complete a federal Form 1040 Schedule A even if you do not itemize deductions on your 2024 federal return.

You may itemize your deductions on your Arizona return even if you do not itemize deductions on your federal return. For the most part, you can deduct those items that are allowable itemized deductions under the Internal Revenue Code (IRC).

Even if you don't itemize deductions on your federal return, you must complete and include a copy of the federal Form 1040 Schedule A with this form.

A part-year resident who also has Arizona source income during the part of the year while an Arizona nonresident can deduct **all** of the following:

- Those expenses incurred and paid during the part of the year while an Arizona resident.
- Arizona source itemized deductions incurred and paid during the part of the year while a nonresident.
- A portion of all other itemized deductions paid during the part of the year while a nonresident.

For more information, see the department's ruling, ITR 94-10, *Part-Year Resident Deductions*, at [www.azdor.gov](http://www.azdor.gov).

## General Instructions

Arizona is a community property state. If you are married filing a separate return and claiming itemized deductions, see the department's ruling, ITR 93-19, *Deductions, Exemptions, and Credits for Married Taxpayers who file Separate Returns*, for more information claiming itemized deductions.

When married taxpayers file separate Arizona income tax returns, both filers must either claim the standard deduction or itemize deductions. One spouse may not claim a standard deduction when the other spouse itemizes deductions. If this situation does occur, the standard deduction will be disallowed, regardless of which return may have been filed first.

The treatment of itemized deductions by spouses who file separate returns depends on whether the deductible expenses were paid with community funds or with separate funds. If the expenses were paid with community funds, the deduction is divided equally between each spouse. Expenses paid with separate funds are deductible by the spouse who paid the expenses. Under no circumstances may more than 100 percent of the allowable deductions be claimed.

**NOTE:** *If you or your spouse claim 100% of the allowable itemized deductions, the other spouse must enter "0" on Form 140PY, line 53, and that spouse cannot claim an adjustment for either itemized deductions or the standard deduction.*

In some cases, the itemized deductions allowed on your Arizona return are not the same as those allowable under

the IRC. The itemized deductions allowed on your Arizona return can differ from your federal return.

You must complete Schedule A(PYN) if you are a part-year resident claiming itemized deductions and you had any Arizona source income during the part of the year when you were a non-resident. If you are a part-year resident claiming itemized deductions who did not have Arizona source income during the part of the year when you were a non-resident, you must complete Schedule A(PY) instead.

## PART 1 - Itemized Deductions for the Period of the Year While an Arizona Resident Plus Arizona Source Itemized Deductions for the Period While a Nonresident

### Line 1 - Medical and Dental Expenses

Enter the amount of medical and dental expenses incurred and paid while an Arizona resident. Also enter the amount of such expenses from Arizona sources that you incurred and paid during the part of the year that you were a nonresident.

The medical and dental expenses that you can deduct on your Arizona return are the same expenses that you can deduct on your federal return.

Be sure you reduce these expenses by any payments received from insurance or other sources. Do not include the following amounts you paid through an employer-sponsored health insurance plan (cafeteria plan) unless your employer included the amount(s) in Box 1 of your Form W-2:

- Insurance premiums you paid through the plan.
- Other medical and dental expenses paid by the plan.

If you are self-employed, do not include any amount that you paid for health insurance that you deducted in computing your federal adjusted gross income.

### Line 2 - Taxes

Enter the amount of taxes allowable on federal Form 1040, Schedule A that you incurred and paid while an Arizona resident. Also enter the amount of such taxes from Arizona sources that you incurred and paid during the part of the year while a nonresident.

Do not include any state taxes paid to other states for prior years if you were not an Arizona resident for that prior year.

### Line 3 - Interest Expense

Enter the amount of interest expense allowable on federal Form 1040, Schedule A that you incurred and paid while an Arizona resident. Also enter the amount of such interest from Arizona sources that you incurred and paid during the part of the year while a nonresident.

Do not enter any interest expense that you incurred to purchase or carry U.S. obligations, the income from which is exempt from Arizona income tax.

### Line 4 - Adjustment to Interest Deduction

If you received a federal credit for interest paid on mortgage credit certificates (from federal Form 8396), you may deduct

some of the mortgage interest you paid for 2024 that you could not deduct for federal purposes. **Include that portion of such interest that you incurred and paid during the part of the year while an Arizona resident.**

**Line 5 - Gifts to Charity**

Enter the amount of gifts to charity allowable on federal Form 1040 Schedule A, that you incurred and paid while an Arizona resident. Also enter the amount of such gifts from Arizona sources that you incurred and paid during the part of the year while a nonresident.

For Example:		
If you claimed a credit on Arizona Form:	For:	You can not claim a deduction on the Arizona Form 140PY, Schedule A (PYN) for the amount of that contribution.
321	Contributions to Qualifying Charitable Organizations	
322	Contributions Made or Fees paid to Public Schools	
323	Contributions to Private School Tuition Organizations	
331	Donation of School Site	
335-I	Contributions made by an S Corporation to a School Tuition Organizations - Individual	
340	Donations to the Military Family Relief Fund	
341-I	Contributions made by an S Corporation to a School Tuition Organization for Displaced Students or Students with Disabilities - Individual	
348	Contributions to Certified School Tuition Organizations - Individual	
352	Contributions to Qualifying Foster Care Charitable Organizations	

If you claimed a credit on your 2023 return for a contribution that you made during 2024 (see Arizona Forms 321, 322, 323, 348, and 352), you must exclude this deduction on your 2024 Arizona return, even though you claimed the credit on your 2023 Arizona return.

If you are claiming a credit on your 2024 return for a contribution made during 2025 (see Arizona Forms 321, 322, 323, 348, and 352), you must exclude this deduction on your 2025 return, even though you are claiming the credit on your 2024 return.

**Lines 6 and 7 - Casualty and Theft Losses**

**Line 6**

Enter the casualty loss(es) allowable on federal Form 4684.

**Line 7**

Enter the amount of casualty loss shown on line 6 that you incurred and paid while an Arizona resident. Also enter the amount of casualty loss shown on line 6 from Arizona sources that you incurred during the part of the year while a nonresident.

**Other Expenses Allowable on Federal Form 1040 Schedule A**

**Line 8**

Combine the following amounts and enter the total on line 8:

1. Other expenses that you incurred and paid while an Arizona resident; and
2. Other expenses from Arizona sources that you incurred and paid during the part of the year while a nonresident.

Other expenses may include, but are not limited to:

- Casualty and theft losses of income-producing property reported on federal Forms 4684 or 4797.
- Impairment-related work expenses of a disabled person.

See the instructions for federal Form 1040 Schedule A for other types of expenses.

**Line 9 -**

Add lines 1, 2, 3, 4, 5, 7, and 8 and enter the total.

**Line 10 - Adjustment to State Income Taxes**

Arizona Revised Statute § 43-1042 was amended to require taxpayers to reduce the amount of itemized deductions for amounts used to claim an Arizona credit even if the amount was deducted on the federal return as taxes paid rather than charitable contributions.

Did you claim sales taxes rather than income taxes on your federal schedule A?

- If yes, **stop**. No adjustment is necessary. Go to line 11.
- If no, complete the worksheet (Table A) on page 3 of Form 140PY Schedule A(PYN) to determine the amount of your adjustment to enter on line 10.

**Line 11 – Adjustment to Charitable Contributions**

Enter the total amount of charitable contributions for which you are taking a credit under Arizona law.

**Line 12 -** Subtract lines 10 and 11 from line 9. If less than zero, enter “0”.

**PART 2 - Portion of Itemized Deductions Allowable for the Part of the Year While a Nonresident**

**Adjustment to Medical and Dental Expenses**

**Line 13**

Enter the **total** of your medical and dental expenses after you reduce these expenses by any payments received from insurance or other sources. Do not include insurance premiums you paid through an employer-sponsored health insurance plan (cafeteria plan) unless your employer included the premiums in Box 1 of your Form(s) W-2.

Also, do not include any other medical and dental expenses paid by the plan unless your employer included the amount paid in Box 1 of your Form(s) W-2.

If self-employed, do not include any amount paid for health insurance that you deducted in computing your federal adjusted gross income.

The medical and dental expenses for Arizona purposes are the same as for federal purposes.

**Line 14**

Enter the amount of medical and dental expenses allowed to be taken as a federal itemized deduction.

**Lines 15**

If line 13 is the same as or more than line 14, subtract line 14 from line 13 and enter the difference. Otherwise, go to line 16.

**Line 16**

If line 14 is more than line 13, subtract line 13 from 14 and enter the difference.

**Adjustment to Interest Deduction**

**Line 17**

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 2024 that is equal to the amount of your 2024 federal credit.

**Adjustment to Charitable Contributions**

**Line 18**

Enter the total amount of charitable contributions for which you are taking a credit under Arizona law.

<b>For Example: (continued on next column)</b>		
If you claimed a credit on Arizona Form:	For:	You must make an entry here if you deducted the amount contributed as an itemized deduction on federal Form 1040, Schedule A.
321	Contributions to Qualifying Charitable Organizations	
322	Contributions Made or Fees Paid to Public Schools	
323	Contributions to Private School Tuition Organizations	

If you claimed a credit on Arizona Form:	For:
331	Donation of School Site
335-I	Contributions made by an S Corporation to a School Tuition Organizations - Individual
340	Donations to the Military Family Relief Fund
341-I	Contributions made by an S Corporation to a School Tuition Organization for Displaced Students or Students with Disabilities - Individual
348	Contributions to Certified School Tuition Organizations - Individual
352	Contributions to Qualifying Foster Care Charitable Organizations

If you claimed a tax credit on your 2023 return for a contribution that you made during 2024 (see Arizona Form 321, 322, 323, 348, and 352), you must exclude this deduction on your 2024 return, even though you claimed the credit on your 2023 return.

If you are claiming a tax credit on your 2024 return for contributions made during 2025 (see Arizona Forms 321, 322, 323, 348, and 352), you must exclude this deduction on your 2025 return, even though you are claiming the credit on your 2024 return.

**Line 19 - Adjustment to State Income Taxes**

Arizona Revised Statutes § 43-1042 was amended to require taxpayers to reduce the amount of itemized deductions for amounts used to claim an Arizona credit even if the amount was deducted on the federal return as taxes paid rather than charitable contributions.

Did you claim sales taxes rather than income taxes on your federal schedule A?

- If yes, **stop**. No adjustment is necessary. Go to line 20.
- If no, complete the worksheet (Table B) on page 3 of Form 140PY Schedule A(PYN) to determine the amount of your adjustment to enter on line 19.

**Adjusted Itemized Deductions**

**Lines 20 through 25**

Complete lines 20 through 25 as instructed on the form.

**Line 26**

Subtract line 25 from line 24 and enter the difference. If less than zero, enter "0".

**Line 27**

Subtract line 12 from line 26 and enter the difference. If less than zero, enter "0".

**Line 28**

Complete the worksheet on page 4 to determine what **income ratio** to enter on line 28.

<b>Worksheet</b>							
	Amount						
1. Arizona source income							
a. _____	a. _____						
b. _____	b. _____						
c. _____	c. _____						
d. _____	d. _____						
2. Add the amounts on lines 1a through line 1d.							
3. Enter the amount from Form 140PY, page 1, line 25.							
4. Divide the amount on line 2 by the amount on line 3. Enter the percent in decimal form here and on Form 140PY Schedule A (PYN), line 28. <b>You must round your answer to three decimal places.</b> Do not enter more than 1.000	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">.</td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>			.			
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**Line 29**

Multiply the ratio on line 28 by the amount on line 27. Enter the result.

**Line 30 – Arizona Itemized Deductions**

Add line 12 and line 29 and enter the total. Also, enter the total on Form 140PY, page 2, line 53.

**NOTE:** *The amount entered on line 30 cannot be a negative number. Entering a negative number on Form 140PY, line 53 may delay the processing of your return*