

State of Oklahoma Farm Income Averaging

Provide this form with your Oklahoma tax return.

FORM **573** 2025

Taxpayer's First Name and Middle Initial	Last Name
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Taxpayer's Social Security Number

1. Enter the 2025 taxable income from Form 511, line 13 or Form 511-NR, line 13...1		00
2. Enter your elected farm income, but not more than the amount on line 1. (See instructions).....2		00
3. Subtract line 2 from line 13		00
4. Figure the tax on the amount on line 3. Use the 2025 Tax Table4		00
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5. Enter the 2022 taxable income. To determine taxable income, see page 3. (If zero or less, see instructions)5		00
6. Divide the amount on line 2 by 36		00
7. Combine lines 5 and 6. If less than zero, enter "0"7		00
8. Figure the tax on the amount on line 7 using 2022 tax rates. (See page 2 for tax rate schedule).....8		00
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9. Enter the 2023 taxable income. To determine taxable income, see page 3. (If zero or less, see instructions)9		00
10. Enter the amount from line 6.....10		00
11. Combine lines 9 and 10. If less than zero, enter as a negative amount..... 11		00
12. Figure the tax on the amount on line 11 using 2023 tax rates. (See page 2 for tax rate schedule).....12		00
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13. Enter the 2024 taxable income. To determine taxable income, see page 3. (If zero or less, see instructions)13		00
14. Enter the amount from line 6.....14		00
15. Combine lines 13 and 14. If less than zero, enter as a negative amount15		00
16. Figure the tax on the amount on line 15 using 2024 tax rates. (See page 2 for tax rate schedule)16		00
17. Add lines 4, 8, 12, and 1617		00
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18. Enter the tax for 2022. To determine tax, see page 3.....18		00
19. Enter the tax for 2023. To determine tax, see page 3.....19		00
20. Enter the tax for 2024. To determine tax, see page 3.....20		00
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21. Add lines 18 through 2021		00
22. Subtract line 21 from line 17, enter here and on Form 511, line 14a or Form 511-NR, line 14a. (Enter a "1" in the box for "Farm Income Averaging").....22		00

Farm Income Averaging Instructions

Use Form 573 to elect to figure your 2025 tax by averaging, over the previous three base years, all or part of your 2025 taxable income from your trade or business of farming. Making this election may give you a lower tax if your 2025 income from farming is high and your taxable income for one or more of the three prior years was low.

Line 2: Your “elected farm income” is the amount of your taxable income from your farming business, as defined in Internal Revenue Code (IRC) Section 263A(e)(4), that you elect to include on line 2. You do not have to include all of your taxable income from farming on line 2.

A gain from the sale or other disposition of property, other than land, regularly used by you in your farming business for a substantial period shall be treated as attributable to such farming business.

Lines 5, 9, and 13: If your deductions exceed your gross income for any year that is a base year for 2025 (2022, 2023, or 2024), your taxable income for farm income averaging purposes for such year may be a negative amount. **However,** when you enter your taxable income:

- Do not include such year’s Net Operating Loss (NOL). The amount of the NOL, from your 511-NOL, Schedule A or your 511-NR-NOL, Schedule A, “Federal Amount Column,” that is being carried to another year should be added back to arrive at the amount of the taxable income to enter.
- Do not include any of a NOL carryover or carryback that was not used (absorbed) in such year. The amount of the NOL, from your 511-NOL Schedule B, or your 511-NR-NOL, Schedule B, “Federal Amount Column,” that is being carried over to the following year should be added back to arrive at the amount of the taxable income to enter.

Line 22: Enter your tax on Form 511, line 14a or Form 511-NR, line 14a and enter a “1” in the box for “Farm Income Averaging”.

Oklahoma Tax Rates for Tax Years 2024 - 2025

<u>Married Joint, Head of Household, and Surviving Spouse Filers</u>						<u>Single and Married Separate Filers</u>							
If taxable income is:						If taxable income is:							
-0-	-	2,000	Pay	0.00	+ 0.25% over	0	-0-	-	1,000	Pay	0.00	+ 0.25% over	0
2,001	-	5,000	Pay	5.00	+ 0.75% over	2,000	1,001	-	2,500	Pay	2.50	+ 0.75% over	1,000
5,001	-	7,500	Pay	27.50	+ 1.75% over	5,000	2,501	-	3,750	Pay	13.75	+ 1.75% over	2,500
7,501	-	9,800	Pay	71.25	+ 2.75% over	7,500	3,751	-	4,900	Pay	35.63	+ 2.75% over	3,750
9,801	-	14,400	Pay	134.50	+ 3.75% over	9,800	4,901	-	7,200	Pay	67.25	+ 3.75% over	4,900
14,401	-	over	Pay	307.00	+ 4.75% over	14,400	7,201	-	over	Pay	153.50	+ 4.75% over	7,200

Oklahoma Tax Rates for Tax Years 2022 - 2023

<u>Married Joint, Head of Household, and Surviving Spouse Filers</u>						<u>Single and Married Separate Filers</u>							
If taxable income is:						If taxable income is:							
-0-	-	2,000	Pay	0.00	+ 0.25% over	0	-0-	-	1,000	Pay	0.00	+ 0.25% over	0
2,001	-	5,000	Pay	5.00	+ 0.75% over	2,000	1,001	-	2,500	Pay	2.50	+ 0.75% over	1,000
5,001	-	7,500	Pay	27.50	+ 1.75% over	5,000	2,501	-	3,750	Pay	13.75	+ 1.75% over	2,500
7,501	-	9,800	Pay	71.25	+ 2.75% over	7,500	3,751	-	4,900	Pay	35.63	+ 2.75% over	3,750
9,801	-	12,200	Pay	134.50	+ 3.75% over	9,800	4,901	-	7,200	Pay	67.25	+ 3.75% over	4,900
12,201	-	over	Pay	224.50	+ 4.75% over	12,200	7,201	-	over	Pay	153.50	+ 4.75% over	7,200

Farm Income Averaging

Determination of Taxable Income and Tax for Tax Years 2022, 2023, and 2024

2022 Taxable Income

Line 5

If you used Form 573 to figure your tax for:

- **2024** enter the amount from your 2024 Form 573, line 11. Stop here, go to line 6.
- **2023** and not 2024 enter the amount from your 2023 Form 573, line 15. Stop here, go to line 6.
- **2022** but not 2023 nor 2024 enter the amount from your 2022 Form 573, line 3. Stop here, go to line 6.

If you did not use Form 573 in 2024, 2023, or 2022, enter the taxable income from your **2022** Form 511, line 13 or Form 511-NR, line 14. If zero or less, see instructions.

2023 Taxable Income

Line 9

If you used Form 573 to figure your tax for:

- **2024** enter the amount from your 2024 Form 573, line 15. Stop here, go to line 10.
- **2023** and not 2024 enter the amount from your 2023 Form 573, line 3. Stop here, go to line 10.

If you did not use Form 573 in 2024 or 2023, enter the taxable income from your **2023** Form 511, line 13 or Form 511-NR, line 14. If zero or less, see instructions.

2024 Taxable Income

Line 13

If you used Form 573 to figure your tax for:

- **2024** enter the amount from your 2024 Form 573, line 3. Stop here, go to line 14.

If you did not use Form 573 in 2024, enter the taxable income from your **2024** Form 511, line 13 or Form 511-NR, line 14. If zero or less, see instructions.

2022, 2023, and 2024 Tax

Line 18 - Tax for 2022

If you used Form 573 to figure your tax for:

- **2024** enter the amount from your 2024 Form 573, line 12. Stop here, go to line 19.
- **2023** and not 2024 enter the amount from your 2023 Form 573, line 16. Stop here, go to line 19.
- **2022** but not 2023 nor 2024 enter the amount from your 2022 Form 573, line 4. Stop here, go to line 19.

Otherwise, enter the tax from your **2022** Form 511, line 14 or Form 511-NR, line 15.

Line 19 - Tax for 2023

If you used Form 573 to figure your tax for:

- **2024** enter the amount from your 2024 Form 573, line 16. Stop here, go to line 20.
- **2023** and not 2022 enter the amount from your 2023 Form 573, line 4. Stop here, go to line 20.

Otherwise, enter the tax from your **2023** Form 511, line 14 or Form 511-NR, line 15.

Line 20 - Tax for 2024

If you used Form 573 to figure your tax for:

- **2024** enter the amount from your 2024 Form 573, line 4. Stop here, go to line 21.

Otherwise, enter the tax from your **2024** Form 511, line 14 or Form 511-NR, line 15.