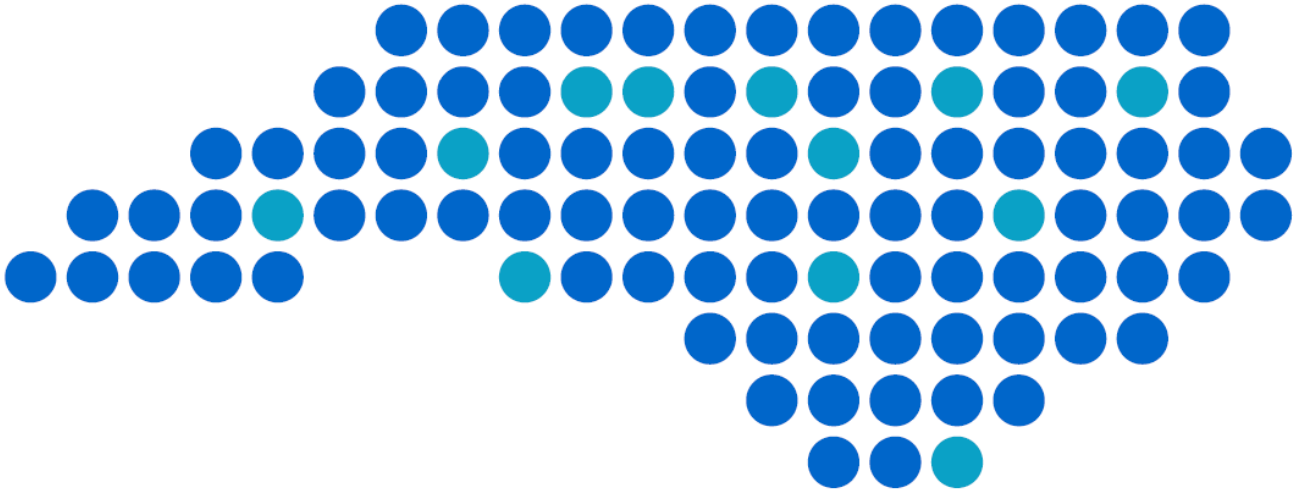
NCDOR | NORTH CAROLINA DEPARTMENT OF REVENUE

# How to fill out the NC D-400



Revised 1/30/2015

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**CAUTION**

The NC Department of Revenue provides this information as a courtesy to help keep you informed. As tax laws change, the way this information is applied may change as well. This information is generalized and should not be considered advice for your specific situation. If you would like to obtain specific tax advice that is binding on the Department, you may follow the procedure for requesting a letter ruling, which is located at www.dornc.com.

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# Items needed to fill out NC D-400

- Completed Federal Form 1040 EZ, 1040A, or 1040,
- Copy of W-2(s), 1099-R(s), or 1099-G(s) that show North Carolina income tax withholding,
- Records for estimated tax payments made, extension payments, partnership payments, or S-corporation payments if any, and
- Instructions for NC Form D-400

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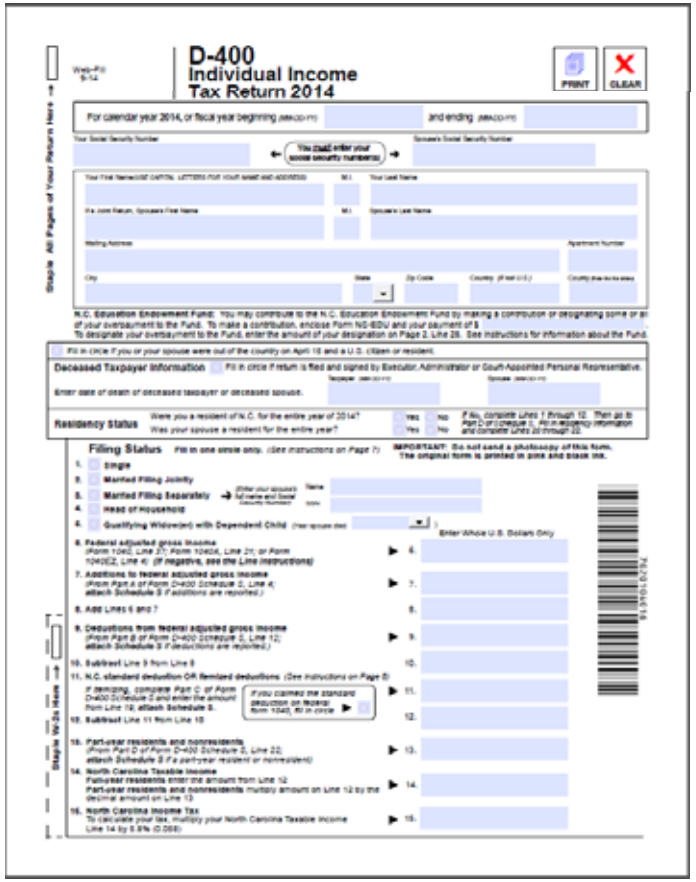
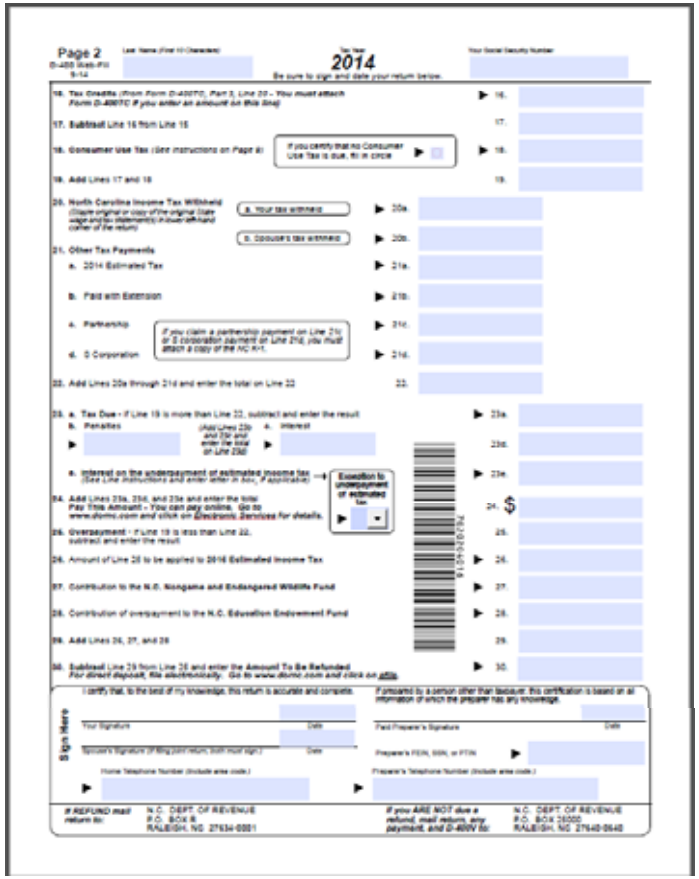
# 2014 NC D-400



- The 2014 NC D-400 has been reduced from 4 pages to 2 pages. This is the web fill-in version.

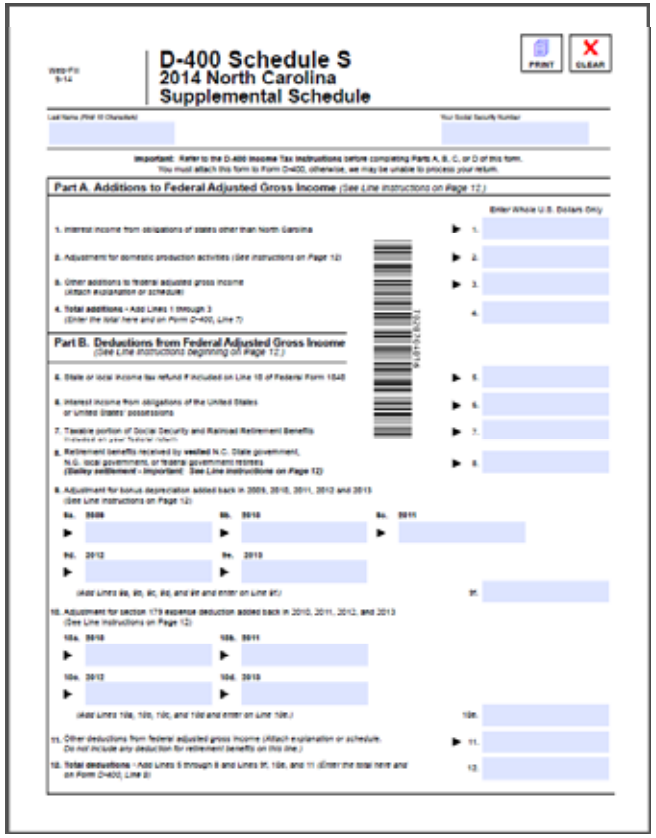


# 2014 NC D-400 Schedule S



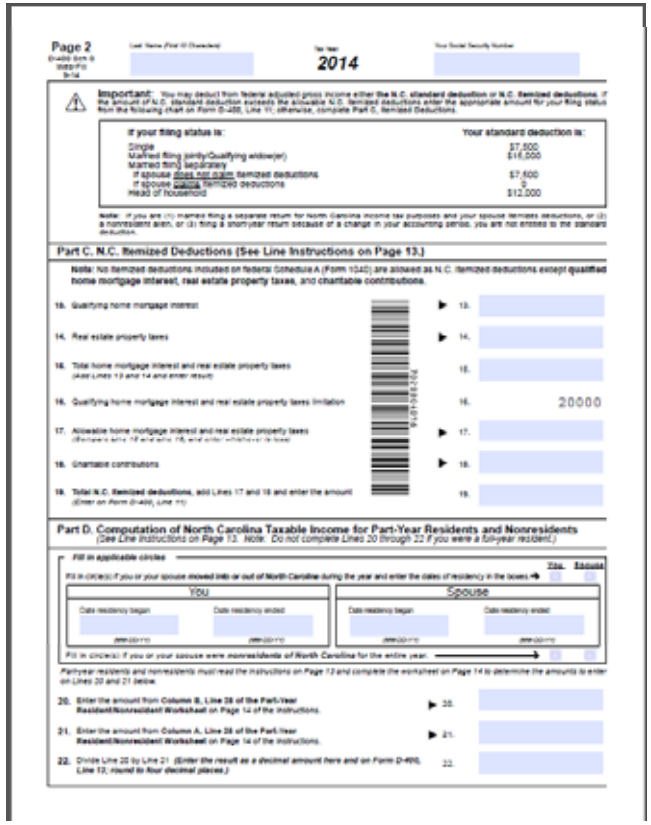
- The 2014 NC D-400 Schedule S has been added for taxpayers that have **additions** to and/or **deductions** from federal adjusted gross income, are claiming **N.C. itemized deductions**, or are **part-year residents or nonresidents** of North Carolina.



D-400 Schedule S
2014 North Carolina
Supplemental Schedule

Part A. Additions to Federal Adjusted Gross Income (See Line instructions on Page 12.)

Part B. Deductions from Federal Adjusted Gross Income (See Line instructions beginning on Page 12.)



Page 2 2014

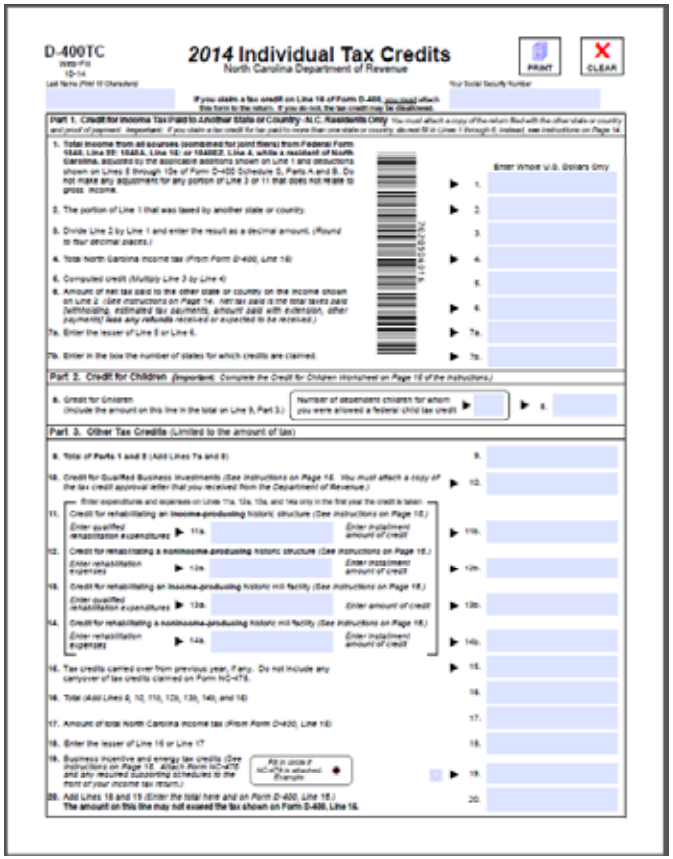
Part C. N.C. Itemized Deductions (See Line Instructions on Page 13.)

Part D. Computation of North Carolina Taxable Income for Part-Year Residents and Nonresidents

# 2014 NC D-400TC



- The 2014 NC D-400TC is for taxpayers who are claiming a credit for:
  - taxes paid to another state or country,
  - children,
  - qualified business investments,
    - rehabilitating historic structures,
    - rehabilitating historic mill facility,
    - tax credits carried over from prior year,
    - a business incentive or energy tax credit.


D-400TC

2014 Individual Tax Credits
North Carolina Department of Revenue

PRINT CLEAR

Part 1. Credit for Income Tax Paid to Another State or Country - N.C. Residents Only

Part 2. Credit for Children

Part 3. Other Tax Credits (Limited to the amount of tax)

Please see the instructions for further details.

# NC-D400 Example



- The following example will be used to illustrate how to fill out the NC-D400.

**Henry L. Caper is single and resided at 101 Maple St., Hometown, NC 29999 for the entire 2014 tax year. This is in Union County. His social security number is 111-22-3333.**

**Henry L. Caper is employed with Auto Zone in Mint Hill, NC. He has no dependents and his W-2 wages were $35,000.00 for 2014. He also earned $75.00 in interest from Bank of America. He paid $2,200.00 in North Carolina withholding tax.**

**His federal adjusted gross income is $35,075.00. He claimed the standard deduction on his federal return.**

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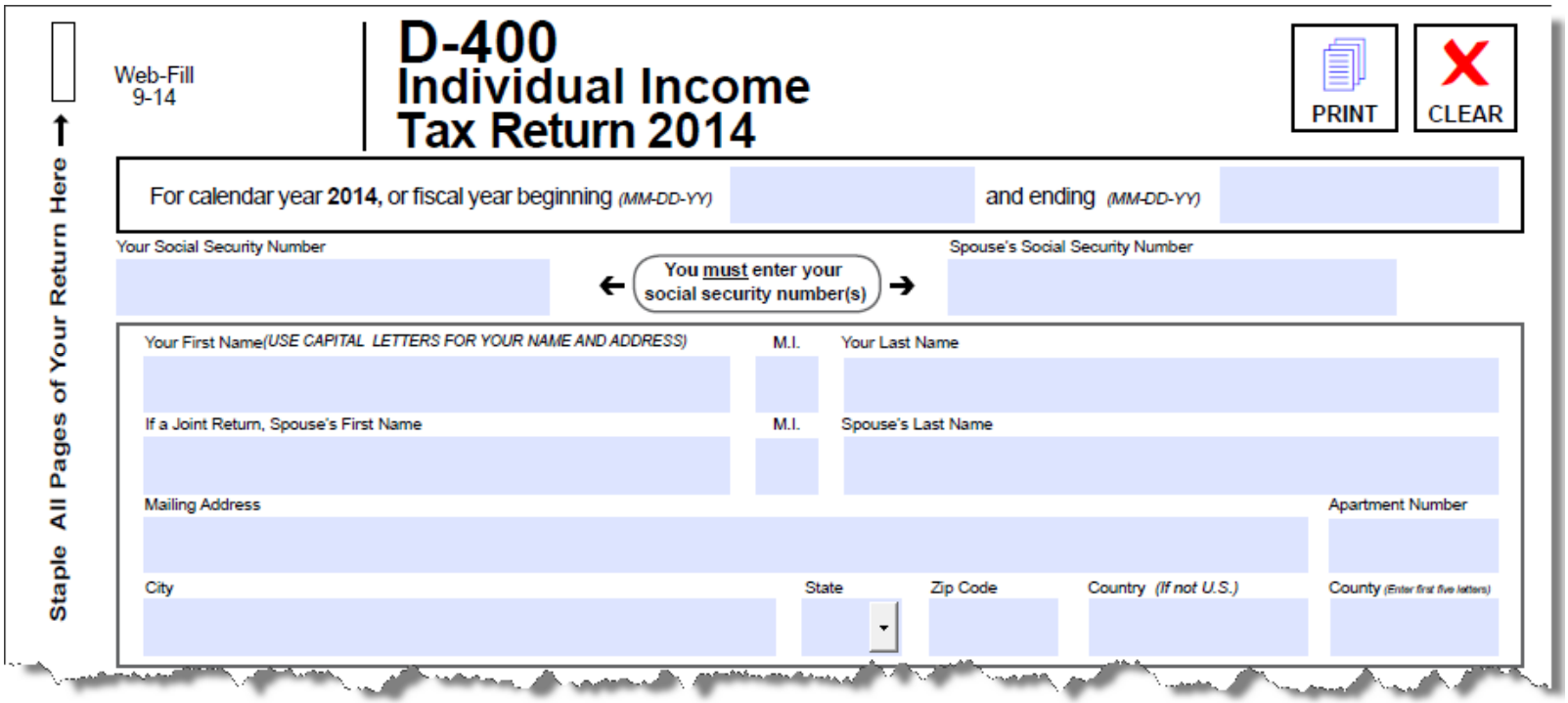
# Header



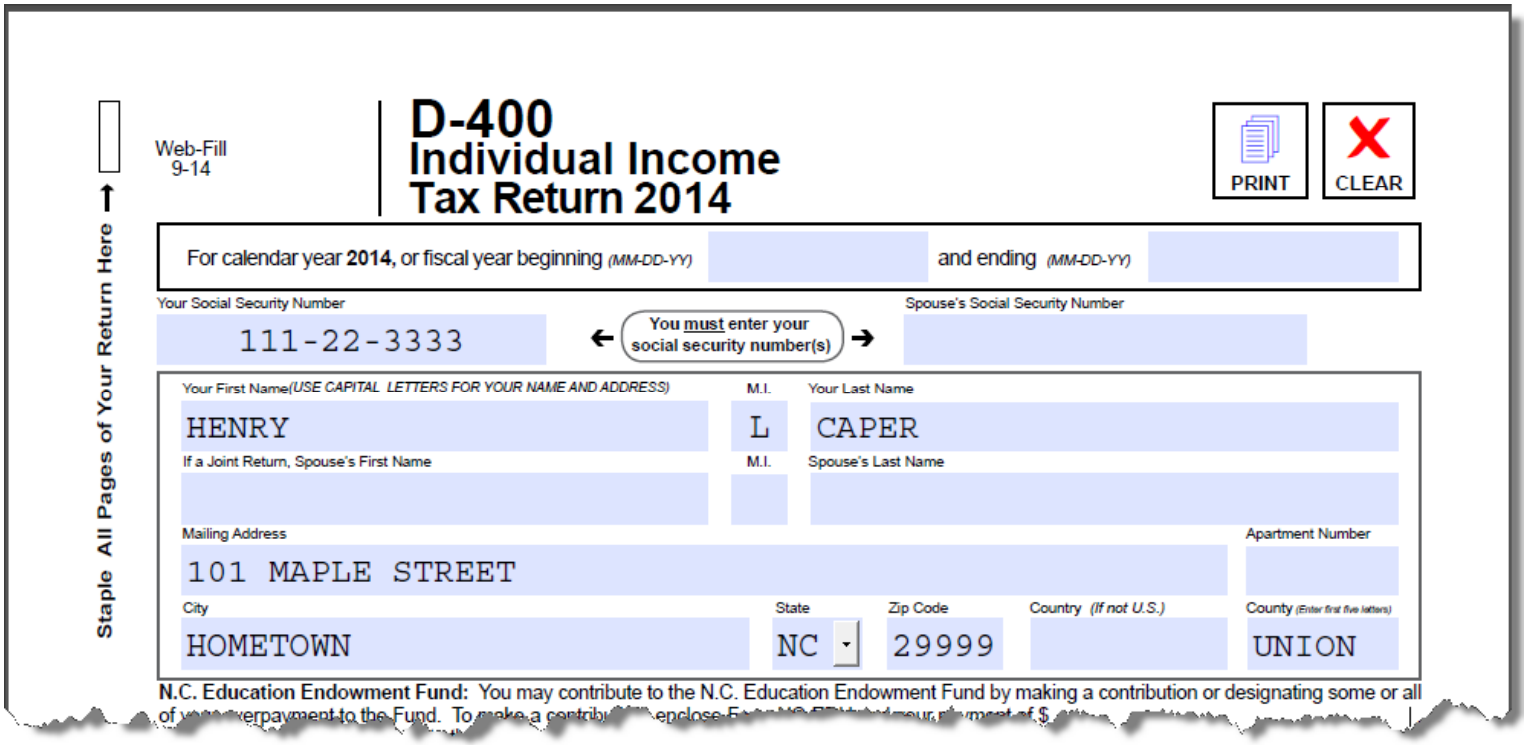
- Please fill out the header with your information.
  - Make sure your address and social security number are correct and clearly printed if completing return by hand. Refund checks are mailed to the address on the return.



# Header – Example



- Please fill out the header with your information.
  - Make sure your address and social security number are correct and clearly printed if completing return by hand. Refund checks are mailed to the address on the return.



Staple All Pages of Your Return Here

Web-Fill 9-14

**D-400**
**Individual Income Tax Return 2014**

PRINT CLEAR

For calendar year **2014**, or fiscal year beginning *(MM-DD-YY)* and ending *(MM-DD-YY)*

Your Social Security Number: 111-22-3333

You must enter your social security number(s)

Spouse's Social Security Number:

Your First Name *(USE CAPITAL LETTERS FOR YOUR NAME AND ADDRESS)*: HENRY

M.I.: L

Your Last Name: CAPER

If a Joint Return, Spouse's First Name:

M.I.:

Spouse's Last Name:

Mailing Address: 101 MAPLE STREET

Apartment Number:

City: HOMETOWN

State: NC

Zip Code: 29999

Country *(If not U.S.)*:

County *(Enter first five letters)*: UNION

**N.C. Education Endowment Fund:** You may contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all

# Header Cont'd



- Indicate the amount you would like to contribute to the N.C. Education Endowment Fund, if any.
- Fill in the circle if you were out of the country on April 15.
- If one or both of the taxpayers is deceased, fill in the appropriate information. See instructions for further details.
- Indicate whether you or your spouse were a resident of NC for the entire year of 2014. If not, complete Part D of Schedule S.

**N.C. Education Endowment Fund:** You may contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all of your overpayment to the Fund. To make a contribution, enclose Form NC-EDU and your payment of $ . To designate your overpayment to the Fund, enter the amount of your designation on Page 2, Line 28. See instructions for information about the Fund.

Fill in circle if you or your spouse were out of the country on April 15 and a U.S. citizen or resident.

**Deceased Taxpayer Information** Fill in circle if return is filed and signed by Executor, Administrator or Court-Appointed Personal Representative.

| | Taxpayer *(MM-DD-YY)* | Spouse *(MM-DD-YY)* |
|---|---|---|
| Enter date of death of deceased taxpayer or deceased spouse. | | |

**Residency Status**

| | | | |
|---|---|---|---|
| Were you a resident of N.C. for the entire year of 2014? | Yes | No | *If **No**, complete Lines 1 through 12. Then go to Part D of Schedule S. Fill in residency information and complete Lines 20 through 22.* |
| Was your spouse a resident for the entire year? | Yes | No | |

# Header Cont'd Example



- Indicate the amount you would like to contribute to the N.C. Education Endowment Fund, if any.
- Fill in the circle if you were out of the country on April 15.
- If one or both of the taxpayers is deceased, fill in the appropriate information. See instructions for further details.
- Indicate whether you or your spouse were a resident of NC for the entire year of 2014. If not, complete Part D of Schedule S.

**N.C. Education Endowment Fund:** You may contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all of your overpayment to the Fund. To make a contribution, enclose Form NC-EDU and your payment of $ . To designate your overpayment to the Fund, enter the amount of your designation on Page 2, Line 28. See instructions for information about the Fund.

○ Fill in circle if you or your spouse were out of the country on April 15 and a U.S. citizen or resident.

**Deceased Taxpayer Information** ○ Fill in circle if return is filed and signed by Executor, Administrator or Court-Appointed Personal Representative.

Enter date of death of deceased taxpayer or deceased spouse. Taxpayer *(MM-DD-YY)* Spouse *(MM-DD-YY)*

**Residency Status**

Were you a resident of N.C. for the entire year of 2014? ● Yes ○ No

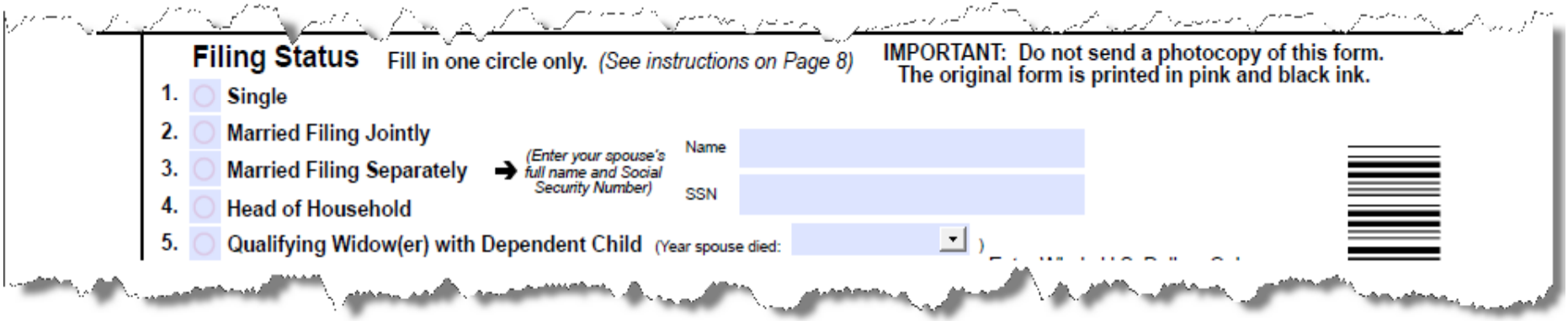
Was your spouse a resident for the entire year? ○ Yes ○ No

*If **No**, complete Lines 1 through 12. Then go to Part D of Schedule S. Fill in residency information and complete Lines 20 through 22.*

# Lines 1-5 of NC D-400



- Filing Status
  - Check the same filing status you checked on your federal return.
    - If Married Filing Separately, please enter your spouse's full name and social security number in the fields provided.
    - If either you or your spouse is a nonresident and had no North Carolina taxable income for the tax year, please see page 5 of the instruction booklet.



**Filing Status** Fill in one circle only. *(See instructions on Page 8)*

IMPORTANT: Do not send a photocopy of this form. The original form is printed in pink and black ink.

1. Single
2. Married Filing Jointly
3. Married Filing Separately → *(Enter your spouse's full name and Social Security Number)* Name SSN
4. Head of Household
5. Qualifying Widow(er) with Dependent Child (Year spouse died: )

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# Lines 1-5 Example



- Filing Status
  - Check the same filing status you checked on your federal return.

Form **1040** Department of the Treasury—Internal Revenue Service (99) **U.S. Individual Income Tax Return** 2014 OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2014, or other tax year beginning , 2014, ending , 20 See separate instructions.

Your first name and initial: HENRY L. Last name: CAPER Your social security number: 1 1 1 2 2 3 3 3 3

If a joint return, spouse's first name and initial Last name Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apt. no.
101 MAPLE STREET

Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).
HOMETOWN, NC 29999

Foreign country name Foreign province/state/county Foreign postal code

Presidential Election Campaign
Check here if you, or your spouse if filing jointly, want $3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

**Filing Status**
Check only one box.

1 ☑ Single
2 ☐ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶
4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 ☐ Qualifying widow(er) with dependent child

**Filing Status** Fill in one circle only. *(See instructions on Page 7)*

IMPORTANT: Do not send a photocopy of this form. The original form is printed in pink and black ink.

1. ● Single
2. ○ Married Filing Jointly
3. ○ Married Filing Separately ➔ *(Enter your spouse's full name and Social Security Number)* Name SSN
4. ○ Head of Household
5. ○ Qualifying Widow(er) with Dependent Child (Year spouse died: )

Enter Whole U.S. Dollars Only

# Line 6 of NC D-400



- **Federal adjusted gross income**
  - Line 4 of the federal Form 1040 EZ
  - Line 21 of the federal Form 1040A
  - Line 37 of the federal Form 1040
- **Enter your federal adjusted gross income from your federal return.**
  - If federal adjusted gross income is negative, enter the negative amount and fill in the circle to indicate the amount is negative.
  - If you are completing the web fill-in form enter a minus sign to indicate a negative number.

# Line 6 Example



- **Federal adjusted gross income**

Federal Form 1040 EZ

payment.

| | | | |
|---|---|---|---|
| 4 | Add lines 1, 2, and 3. This is your **adjusted gross income.** | 4 | 35075 |
| 5 | If someone can claim you (or your spouse if a joint return) as a dependent, check the applicable box(es) below and enter the amount from the worksheet on back. | | |

Federal Form 1040A

| | | | |
|---|---|---|---|
| 20 | Add lines 16 through 19. These are your **total adjustments.** | 20 | |
| 21 | Subtract line 20 from line 15. This is your **adjusted gross income.** ▶ | 21 | 35075 |

**For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.** Cat. No. 11327A Form **1040A** (2014)

Federal Form 1040

| | | | |
|---|---|---|---|
| 35 | Domestic production activities deduction. Attach Form 8903 | 35 | |
| 36 | Add lines 23 through 35 | 36 | |
| 37 | Subtract line 36 from line 22. This is your **adjusted gross income** ▶ | 37 | 35075 |

**For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.** Cat. No. 11320B Form **1040** (2014)

2014 NC D-400

5. Qualifying Widow(er) with Dependent Child (Year spouse died: )

Enter Whole U.S. Dollars Only

6. **Federal adjusted gross income** *(Form 1040, Line 37; Form 1040A, Line 21; or Form 1040EZ, Line 4) (If negative, see the Line instructions)* ▶ 6. 35075

# Lines 7-10 of NC D-400



- Line 7 - Additions to federal adjusted gross income

  (Please refer to Individual Income Instruction Booklet and Schedule S to complete)
- Line 8 - Add Lines 6 and 7
- Line 9 – Deductions from federal adjusted gross income (Please refer to Individual Income Instruction Booklet and Schedule S to complete)
- Line 10 – Subtract Line 9 from Line 8

| | | |
|---|---|---|
| 7. **Additions to federal adjusted gross income** *(From Part A of Form D-400 Schedule S, Line 4; attach Schedule S if additions are reported.)* | ▶ 7. | |
| 8. **Add** Lines 6 and 7 | 8. | |
| 9. **Deductions from federal adjusted gross income** *(From Part B of Form D-400 Schedule S, Line 12; attach Schedule S if deductions are reported.)* | ▶ 9. | |
| 10. **Subtract** Line 9 from Line 8 | 10. | |

# Lines 7-10 Example



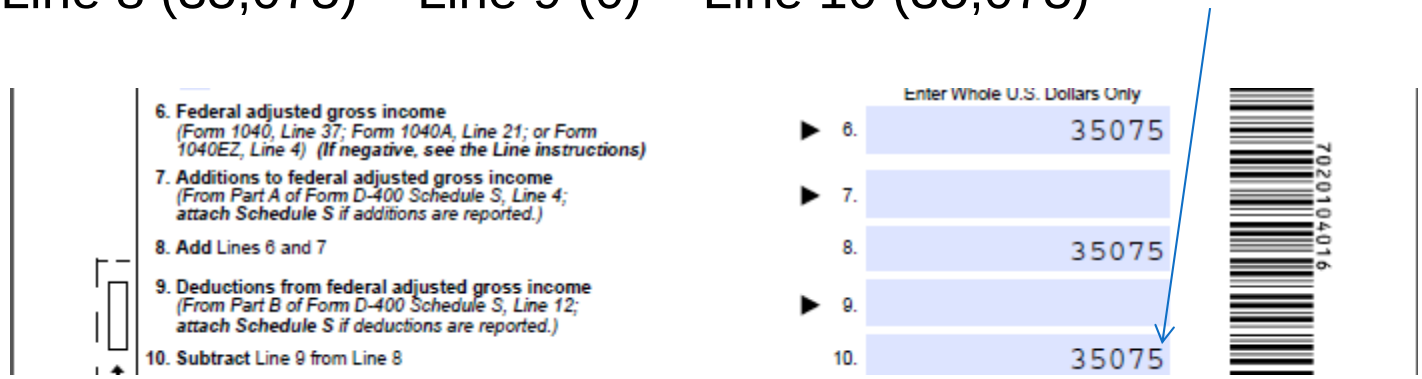
- Line 7 - Additions to federal adjusted gross income

  No Additions (0), leave blank
- Line 8 - Add Lines 6 and 7

  Line 6 (35,075) + Line 7 (0) = Line 8 (35,075)
- Line 9 – Deductions from federal adjusted gross income

  No Deductions (0), leave blank
- Line 10 – Subtract Line 9 from Line 8

  Line 8 (35,075) – Line 9 (0) = Line 10 (35,075)



# Line 11 of NC D-400



- NC Standard Deduction or Itemized Deductions

  You may deduct from federal adjusted gross income either the N.C. standard deduction or N.C. itemized deductions. (See Form D-400 Schedule S, Part C for further details regarding itemized deductions).

  However, there is no longer an additional standard deduction available for taxpayers age 65 or older, or blind.

  If you are:

  (1) married filing a separate return for North Carolina income tax purposes and your spouse itemizes deductions,

  (2) a nonresident alien, or

  (3) filing a short-year return because of a change in your accounting period,

  you are not entitled to the standard deduction.

  Note: A short-year return does not relate to a taxpayer who files a return as a part-year resident.

- Do not enter your federal standard deduction or federal itemized deduction on Line 11, Form D-400.

# Line 11 of NC D-400



- Use the following chart to determine the amount of your N. C. standard deduction to enter on line 11.

**N.C. Standard Deduction Chart**

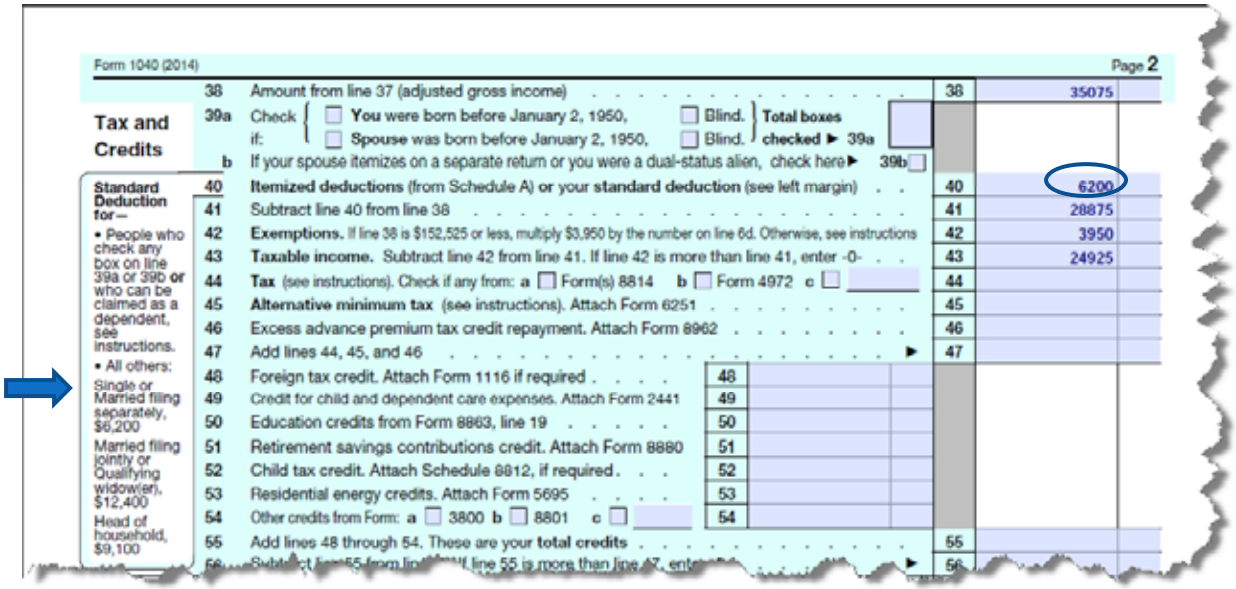
| If your filing status is: | Your standard deduction is: |
|---|---|
| Single | $ 7,500 |
| Married filing jointly/Qualifying widow(er) | $ 15,000 |
| Married filing separately | |
| If spouse does not claim itemized deductions | $ 7,500 |
| If spouse claims itemized deductions | 0 |
| Head of household | $ 12,000 |

# Line 11 Example



- **Line 11: NC Standard Deduction or Itemized Deductions**

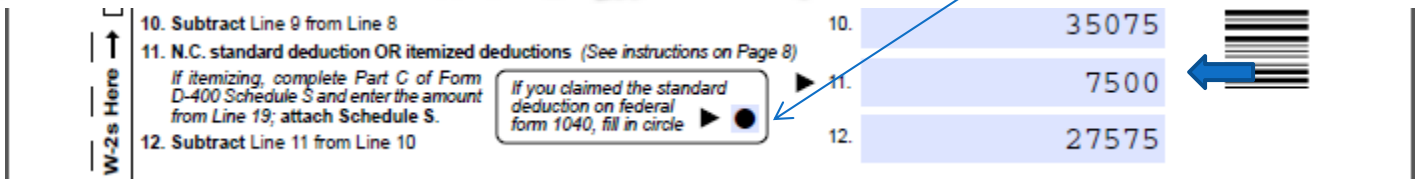
  **Taxpayer claimed the standard deduction on federal return and is claiming the North Carolina standard deduction on the NC D-400 based on his single filing status.**



Form 1040 (2014) Page 2

| | | | |
|---|---|---|---|
| Tax and Credits | 38 | Amount from line 37 (adjusted gross income) | 38 35075 |
| | 39a | Check if: ☐ You were born before January 2, 1950, ☐ Blind. ☐ Spouse was born before January 2, 1950, ☐ Blind. Total boxes checked ▶ 39a | |
| | b | If your spouse itemizes on a separate return or you were a dual-status alien, check here ▶ 39b ☐ | |
| Standard Deduction for— • People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions. • All others: Single or Married filing separately, $6,200 Married filing jointly or Qualifying widow(er), $12,400 Head of household, $9,100 | 40 | Itemized deductions (from Schedule A) or your standard deduction (see left margin) | 40 6200 |
| | 41 | Subtract line 40 from line 38 | 41 28875 |
| | 42 | Exemptions. If line 38 is $152,525 or less, multiply $3,950 by the number on line 6d. Otherwise, see instructions | 42 3950 |
| | 43 | Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- | 43 24925 |
| | 44 | Tax (see instructions). Check if any from: a ☐ Form(s) 8814 b ☐ Form 4972 c ☐ | 44 |
| | 45 | Alternative minimum tax (see instructions). Attach Form 6251 | 45 |
| | 46 | Excess advance premium tax credit repayment. Attach Form 8962 | 46 |
| | 47 | Add lines 44, 45, and 46 ▶ | 47 |
| | 48 | Foreign tax credit. Attach Form 1116 if required 48 | |
| | 49 | Credit for child and dependent care expenses. Attach Form 2441 49 | |
| | 50 | Education credits from Form 8863, line 19 50 | |
| | 51 | Retirement savings contributions credit. Attach Form 8880 51 | |
| | 52 | Child tax credit. Attach Schedule 8812, if required 52 | |
| | 53 | Residential energy credits. Attach Form 5695 53 | |
| | 54 | Other credits from Form: a ☐ 3800 b ☐ 8801 c ☐ 54 | |
| | 55 | Add lines 48 through 54. These are your total credits | 55 |
| | 56 | Subtract line 55 from line 47. If line 55 is more than line 47, enter ▶ | 56 |

Note: If you claim the standard deduction on the federal, remember to fill in the circle on the NC D-400.



| | | |
|---|---|---|
| W-2s Here | 10. Subtract Line 9 from Line 8 | 10. 35075 |
| | 11. N.C. standard deduction OR itemized deductions (See instructions on Page 8) | |
| | If itemizing, complete Part C of Form D-400 Schedule S and enter the amount from Line 19; attach Schedule S. | ▶ 11. 7500 |
| | If you claimed the standard deduction on federal form 1040, fill in circle ▶ ● | |
| | 12. Subtract Line 11 from Line 10 | 12. 27575 |

# Lines 12-15 of NC D-400



- **Line 12 – Subtract Line 11 from Line 10**
- **Line 13 – Part-year residents and nonresidents**

  (Refer to Individual Income Instruction Booklet and Schedule S to complete)
- **Line 14 – North Carolina Taxable Income**

  Full-year residents enter the amount from Line 12

  Part-year residents multiply the amount on Line 12 by the decimal amount on line 13 and enter the result on Line 14. Remember to round to the nearest whole dollar)
- **Line 15 – North Carolina Income Tax**

  Multiply the amount on Line 14 by 5.8% or 0.058 and enter the amount on Line 15. (Remember to round to the nearest whole dollar)

| | | |
|---|---|---|
| **12. Subtract** Line 11 from Line 10 | 12. | |
| **13. Part-year residents and nonresidents** *(From Part D of Form D-400 Schedule S, Line 22; **attach Schedule S** if a part-year resident or nonresident)* | ▶ 13. | |
| **14. North Carolina Taxable Income** **Full-year residents** enter the amount from Line 12 **Part-year residents and nonresidents** multiply amount on Line 12 by the decimal amount on Line 13 | ▶ 14. | |
| **15. North Carolina Income Tax** To calculate your tax, multiply your North Carolina Taxable Income Line 14 by 5.8% (0.058) | ▶ 15. | |

# Lines 12-15 Example



- Line 12 – Subtract Line 11 from Line 10

  Line 10 (35,075) – Line 11 (7,500) = Line 12 (27,575)

- Line 13 – Part-year residents and nonresidents

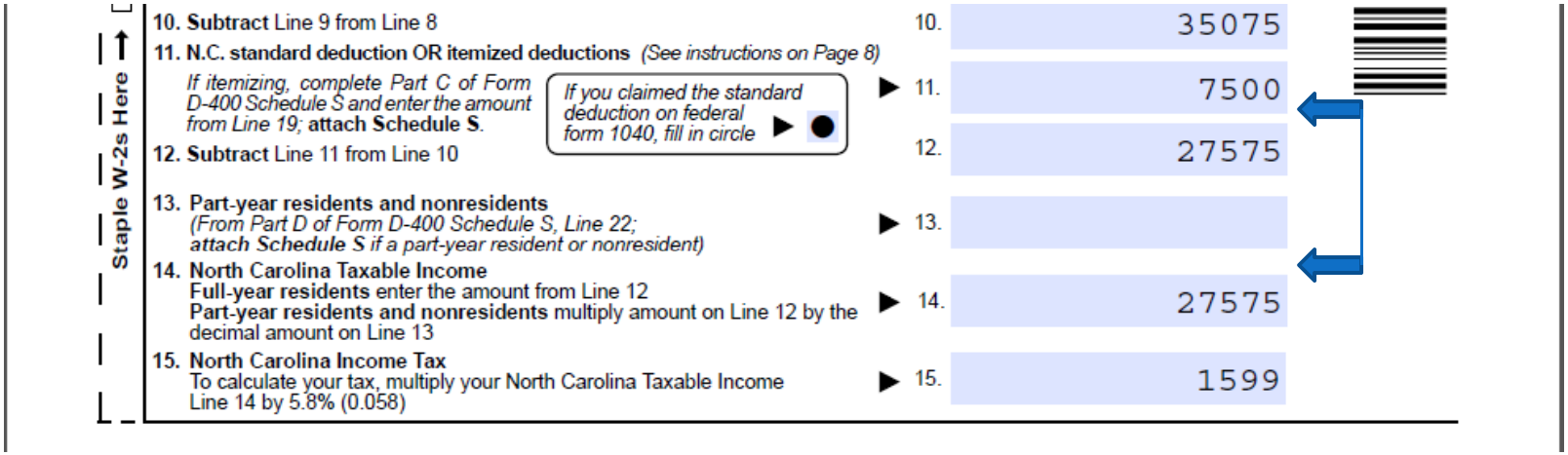
  Taxpayer is a resident of North Carolina. Line 13 does not apply, leave blank.

- Line 14 – North Carolina Taxable Income

  Since **taxpayer is a resident**, enter the amount from **Line 12** on **Line 14**

- Line 15 – Multiply Line 14 by 5.8% (0.58) and round to nearest whole dollar

  Line 14 (27,575) * 5.8% = 1,599



| | | |
|---|---|---|
| **10. Subtract** Line 9 from Line 8 | 10. | 35075 |
| **11. N.C. standard deduction OR itemized deductions** *(See instructions on Page 8)* *If itemizing, complete Part C of Form D-400 Schedule S and enter the amount from Line 19;* **attach Schedule S.** *If you claimed the standard deduction on federal form 1040, fill in circle* ▶ ● | ▶ 11. | 7500 |
| **12. Subtract** Line 11 from Line 10 | 12. | 27575 |
| **13. Part-year residents and nonresidents** *(From Part D of Form D-400 Schedule S, Line 22;* ***attach Schedule S*** *if a part-year resident or nonresident)* | ▶ 13. | |
| **14. North Carolina Taxable Income** **Full-year residents** enter the amount from Line 12 **Part-year residents and nonresidents** multiply amount on Line 12 by the decimal amount on Line 13 | ▶ 14. | 27575 |
| **15. North Carolina Income Tax** To calculate your tax, multiply your North Carolina Taxable Income Line 14 by 5.8% (0.058) | ▶ 15. | 1599 |

Staple W-2s Here

# Lines 16-19 of NC D-400



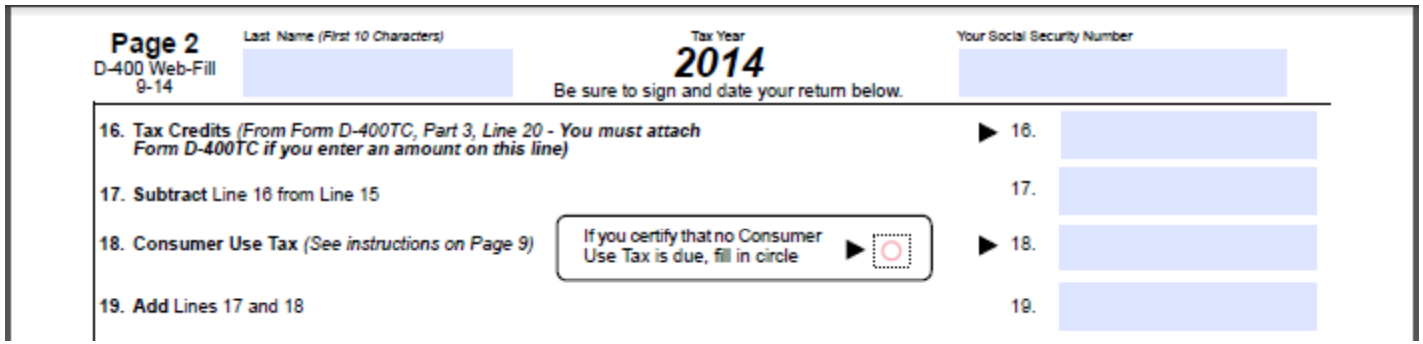
- On line 16, enter the amount of tax credits from NC Form D-400TC

  (Please refer to the Individual Income Instruction Booklet and NC Form D-400TC to complete)

- On line 17, subtract amount on line 16 from amount on Line 15 on Page 1 of Form NC D-400.
- On Line 18, Calculate amount of use tax due, if any.

  Please refer to the Individual Income Instruction Booklet to calculate if amount is due. Otherwise fill in circle to certify no consumer use tax is due.

- On line 19, add lines 17 and 18.



**Page 2**
D-400 Web-Fill
9-14

Last Name *(First 10 Characters)*

Tax Year
**2014**
Be sure to sign and date your return below.

Your Social Security Number

| | | |
|---|---|---|
| 16. **Tax Credits** *(From Form D-400TC, Part 3, Line 20 - You must attach Form D-400TC if you enter an amount on this line)* | ▶ 16. | |
| 17. **Subtract** Line 16 from Line 15 | 17. | |
| 18. **Consumer Use Tax** *(See instructions on Page 9)* — If you certify that no Consumer Use Tax is due, fill in circle ▶ ○ | ▶ 18. | |
| 19. **Add** Lines 17 and 18 | 19. | |

# Lines 16-19 of NC D-400



## Consumer Use Tax

Like all states that have a sales tax, North Carolina has a use tax on out-of-state purchases. North Carolina use tax is due by individuals and businesses on purchases, leases, and rentals of tangible personal property and certain digital property purchased, leased or rented inside or outside North Carolina for storage, use, or consumption in North Carolina. Use tax is also due on taxable services sourced to North Carolina. *Individuals and businesses must pay use tax when out-of-state retailers do not collect tax on taxable transactions.*

Examples of items that are subject to the consumer use tax include:

- Computers and other electronic equipment,
- Prewritten software including electronic downloads of software,
- Books, books on tape, and digital books delivered or accessed electronically,
- Audio compact discs, tapes, and records,
- Digital music delivered or accessed electronically,
- Magazines and newspapers including those delivered or accessed electronically,
- Clothing, appliances, furniture, home furnishings, sporting goods, and jewelry,
- Ringtones,
- Movies delivered or accessed electronically,
- Sales or recharges of prepaid telephone calling cards and phones.

# Lines 16-19 Example



- Line 16 tax credits from NC Form D-400TC

  No tax credits (0), leave blank.

- Line 17 - subtract amount on line 16 from amount on Line 15

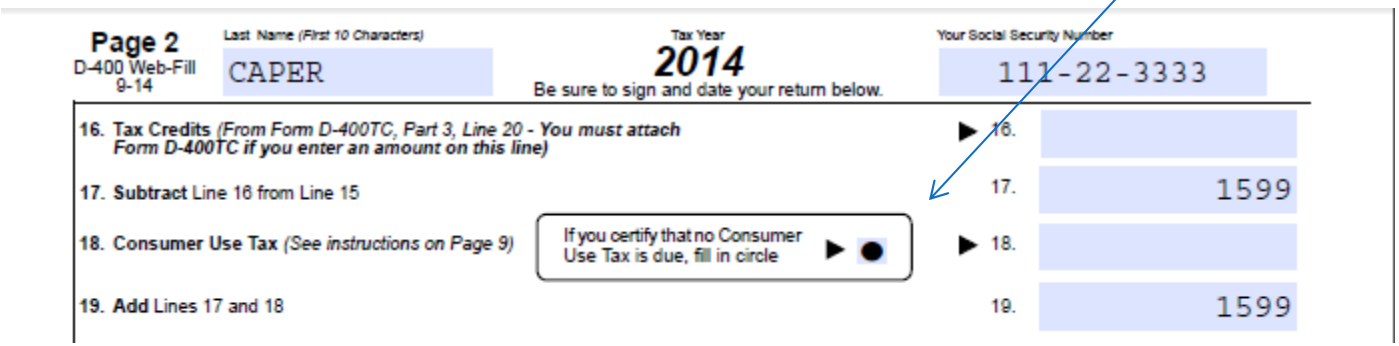
  Line 15 (1,599) – Line 16 (0) = Line 17 (1,599)

- Line 18, Calculate amount of use tax due

  No use tax due (0), leave blank. Fill in circle to certify no consumer use tax is due.

- On line 19, add lines 17 and 18.

  Line 17 (1,599) +Line 18 (0) = Line 19 (1,599)



| Page 2 D-400 Web-Fill 9-14 | Last Name (First 10 Characters) CAPER | Tax Year 2014 Be sure to sign and date your return below. | Your Social Security Number 111-22-3333 |
|---|---|---|---|
| 16. Tax Credits (From Form D-400TC, Part 3, Line 20 - You must attach Form D-400TC if you enter an amount on this line) | | ▶ 16. | |
| 17. Subtract Line 16 from Line 15 | | 17. | 1599 |
| 18. Consumer Use Tax (See instructions on Page 9) | If you certify that no Consumer Use Tax is due, fill in circle ▶ ● | ▶ 18. | |
| 19. Add Lines 17 and 18 | | 19. | 1599 |

# Lines 20-22 of NC D-400



- On line 20a enter the amount of North Carolina withholding from all W-2s, 1099-Rs, and 1099-Gs that belong to the taxpayer.
- On line 20b enter the amount of North Carolina withholding from all W-2s, 1099-Rs, and 1099-Gs that belong to the taxpayer's spouse if the North Carolina Form D-400 filing status is married filing jointly.
- On line 21a enter the total amount of estimated tax payments made during the 2014 tax year.
- On line 21b enter the total amount paid with an extension filed for the 2014 tax year.
- On line 21c enter the amount paid by a partnership (attach a copy of NC K-1)
- On line 21d enter the amount paid by an S corporation (attach a copy of NC K-1)
- On line 22, add lines 20a, 20b, 21a, 21b, 21c, and 21d.

**20. North Carolina Income Tax Withheld**
*(Staple original or copy of the original State wage and tax statement(s) in lower left-hand corner of the return)*

a. Your tax withheld ▶ 20a.

b. Spouse's tax withheld ▶ 20b.

**21. Other Tax Payments**

a. 2014 Estimated Tax ▶ 21a.

b. Paid with Extension ▶ 21b.

c. Partnership ▶ 21c.

d. S Corporation ▶ 21d.

*If you claim a partnership payment on Line 21c or S corporation payment on Line 21d, you must attach a copy of the NC K-1.*

**22. Add** Lines 20a through 21d and enter the total on Line 22 22.

# Lines 20-22 Example



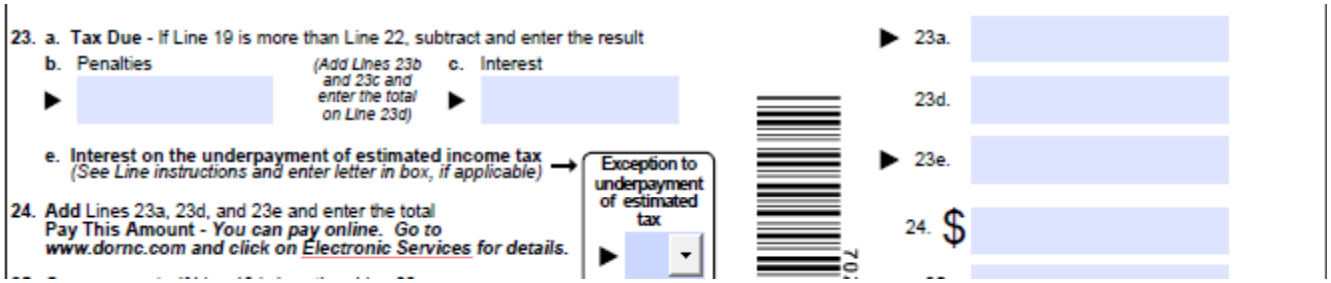
- On line 20, the taxpayer has $2,200 in North Carolina withholding from his W-2 provided by the employer.
- On Line 21, taxpayer does not have any other payments made during the 2014 tax year.
- On line 22, add lines 20a, 20b, 21a, 21b, 21c, and 21d.

| | | | |
|---|---|---|---|
| **20. North Carolina Income Tax Withheld** *(Staple original or copy of the original State wage and tax statement(s) in lower left-hand corner of the return)* | a. Your tax withheld | ▶ 20a. | 2200 |
| | b. Spouse's tax withheld | ▶ 20b. | |
| **21. Other Tax Payments** | | | |
| a. 2014 Estimated Tax | | ▶ 21a. | |
| b. Paid with Extension | | ▶ 21b. | |
| c. Partnership | *If you claim a partnership payment on Line 21c or S corporation payment on Line 21d, you must attach a copy of the NC K-1.* | ▶ 21c. | |
| d. S Corporation | | ▶ 21d. | |
| **22. Add** Lines 20a through 21d and enter the total on Line 22 | | 22. | 2200 |

# Lines 23-24 of NC D-400



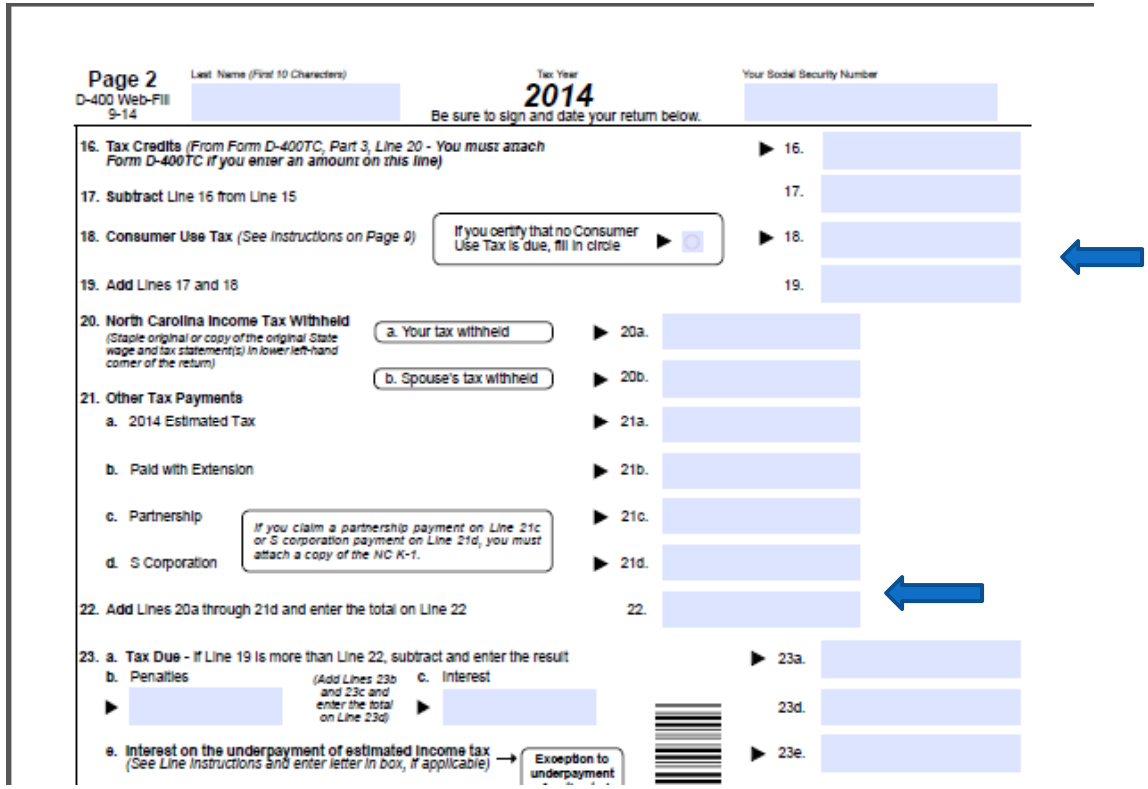
- If line 19 is more than line 22, there is a balance owed on the return. Subtract Line 22 from Line 19 and enter the difference on Line 23a.
- If the return is filed late or if the payment due is late, calculate the amount of penalties and interest due on the return and input the amount of penalties on Line 23b and the amount of interest on line 23c.
- On Line 23e, if the amount owed is more than $1,000 then calculate the interest on the underpayment of estimated income tax and enter the total due.
- On line 24, add lines 23a, 23d and 23e together and put total on line 24.


23. a. Tax Due - If Line 19 is more than Line 22, subtract and enter the result ▶ 23a.
b. Penalties ▶
(Add Lines 23b and 23c and enter the total on Line 23d)
c. Interest ▶
23d.
e. Interest on the underpayment of estimated income tax (See Line instructions and enter letter in box, if applicable) →
Exception to underpayment of estimated tax ▶
▶ 23e.
24. Add Lines 23a, 23d, and 23e and enter the total
Pay This Amount - You can pay online. Go to www.dornc.com and click on Electronic Services for details.
24. $

# Line 25 of NC D-400



- If line 22 is more than Line 19, you have overpaid your tax. Subtract Line 19 (and any amount shown on line 23e) from Line 22 and enter the amount of the overpayment on Line 25.



Page 2
D-400 Web-Fill
9-14

Last Name (First 10 Characters)

Tax Year
**2014**
Be sure to sign and date your return below.

Your Social Security Number

16. **Tax Credits** *(From Form D-400TC, Part 3, Line 20 - You must attach Form D-400TC if you enter an amount on this line)* ▶ 16.

17. **Subtract** Line 16 from Line 15 17.

18. **Consumer Use Tax** *(See Instructions on Page 9)* — If you certify that no Consumer Use Tax is due, fill in circle ▶ ▶ 18.

19. **Add** Lines 17 and 18 19.

20. **North Carolina Income Tax Withheld** *(Staple original or copy of the original State wage and tax statement(s) in lower left-hand corner of the return)*
    a. Your tax withheld ▶ 20a.
    b. Spouse's tax withheld ▶ 20b.

21. **Other Tax Payments**
    a. 2014 Estimated Tax ▶ 21a.
    b. Paid with Extension ▶ 21b.
    c. Partnership ▶ 21c.
    d. S Corporation ▶ 21d.
    *If you claim a partnership payment on Line 21c or S corporation payment on Line 21d, you must attach a copy of the NC K-1.*

22. **Add** Lines 20a through 21d and enter the total on Line 22 22.

23. a. **Tax Due** - If Line 19 is more than Line 22, subtract and enter the result ▶ 23a.
    b. Penalties ▶
    *(Add Lines 23b and 23c and enter the total on Line 23d)*
    c. Interest ▶ 23d.
    e. **Interest on the underpayment of estimated income tax** *(See Line Instructions and enter letter in box, if applicable)* → Exception to underpayment ▶ 23e.

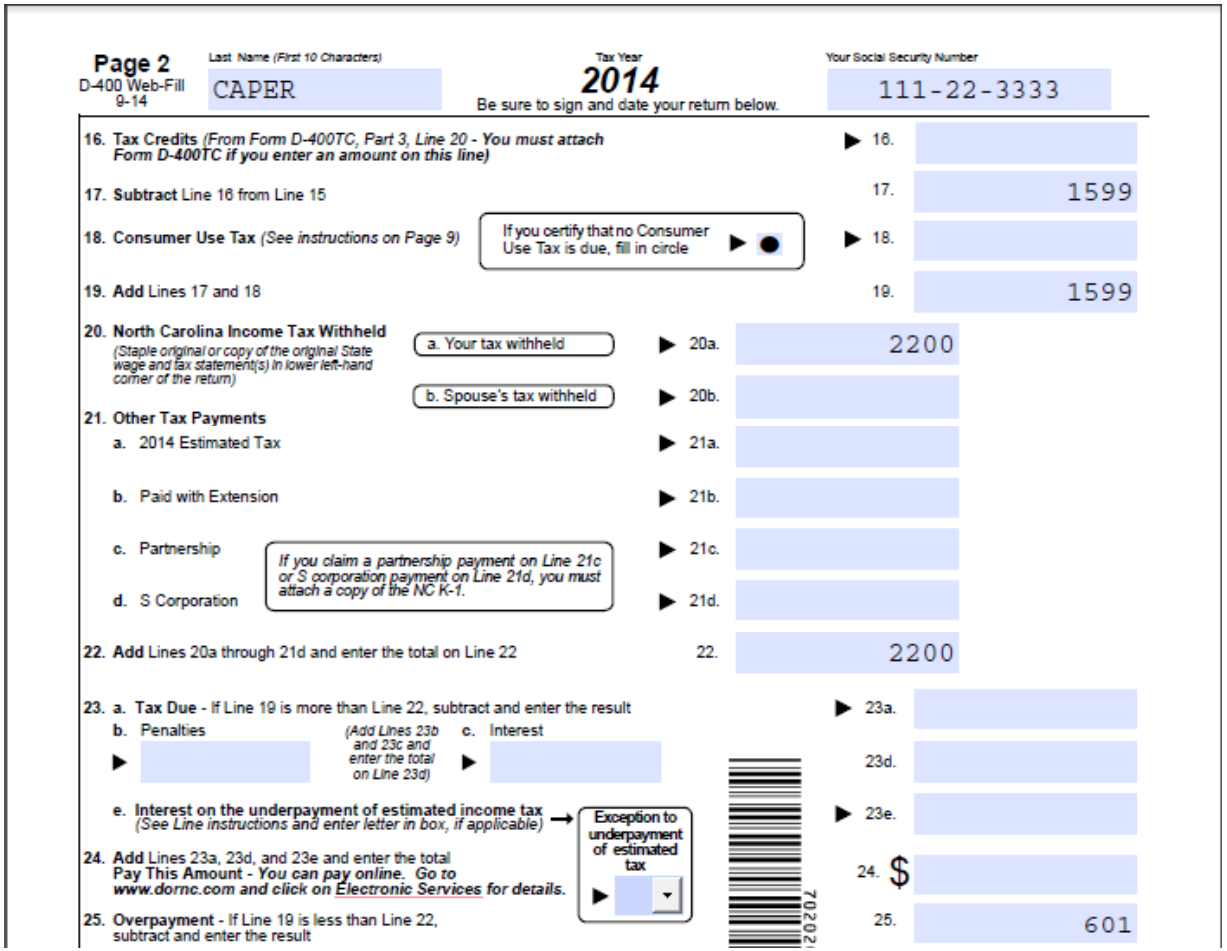
# Line 25 Example



Line 22 is more than Line 19 so the taxpayer is due a refund.

Subtract Line 19 from Line 22 to calculate the amount to be refunded.

| | |
|---|---|
| Line 22 | 2,200 |
| -Line 19 | 1,599 |
| Line 25 | 601 |



**Page 2** D-400 Web-Fill 9-14

Last Name (First 10 Characters): CAPER

Tax Year **2014** Be sure to sign and date your return below.

Your Social Security Number: 111-22-3333

16. **Tax Credits** *(From Form D-400TC, Part 3, Line 20 - You must attach Form D-400TC if you enter an amount on this line)* ▶ 16.

17. **Subtract** Line 16 from Line 15 — 17. 1599

18. **Consumer Use Tax** *(See instructions on Page 9)* — If you certify that no Consumer Use Tax is due, fill in circle ▶ ● — ▶ 18.

19. **Add** Lines 17 and 18 — 19. 1599

20. **North Carolina Income Tax Withheld** *(Staple original or copy of the original State wage and tax statement(s) in lower left-hand corner of the return)*
    - a. Your tax withheld ▶ 20a. 2200
    - b. Spouse's tax withheld ▶ 20b.

21. **Other Tax Payments**
    - a. 2014 Estimated Tax ▶ 21a.
    - b. Paid with Extension ▶ 21b.
    - c. Partnership ▶ 21c.
    - d. S Corporation ▶ 21d.

    *If you claim a partnership payment on Line 21c or S corporation payment on Line 21d, you must attach a copy of the NC K-1.*

22. **Add** Lines 20a through 21d and enter the total on Line 22 — 22. 2200

23. a. **Tax Due** - If Line 19 is more than Line 22, subtract and enter the result ▶ 23a.
    - b. Penalties ▶ — *(Add Lines 23b and 23c and enter the total on Line 23d)* — c. Interest ▶ — 23d.
    - e. **Interest on the underpayment of estimated income tax** *(See Line instructions and enter letter in box, if applicable)* → Exception to underpayment of estimated tax ▶ — ▶ 23e.

24. **Add** Lines 23a, 23d, and 23e and enter the total **Pay This Amount** - *You can pay online. Go to www.dornc.com and click on Electronic Services for details.* — 24. $

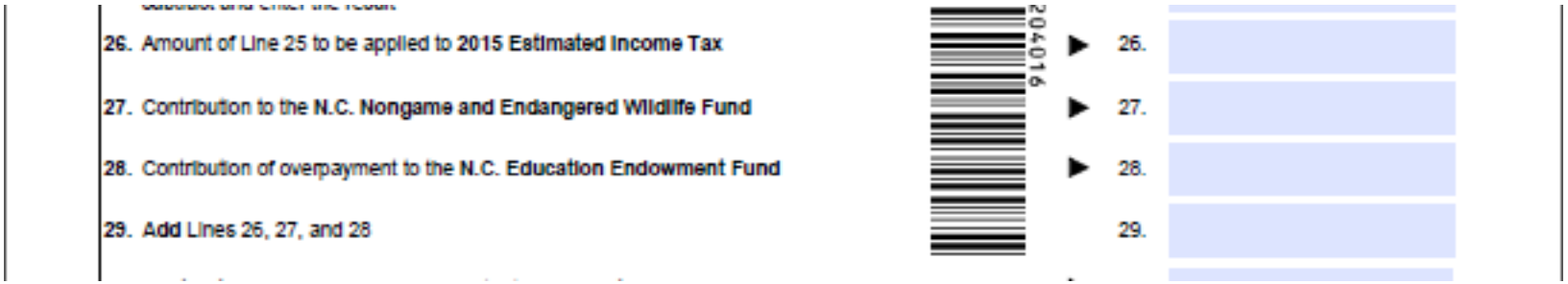
25. **Overpayment** - If Line 19 is less than Line 22, subtract and enter the result — 25. 601

7020211

# Lines 26-29 of NC D-400



- Applies only to individuals who wish to apply part of their refund as:
  - an estimated tax payment to the 2015 tax year,
  - a contribution to the N.C. Nongame and Endangered Wildlife Fund, and/or
  - a contribution to the N.C. Endowment Fund.
- Add lines 26, 27 and 28 and input total on line 29.



| | | |
|---|---|---|
| 26. Amount of Line 25 to be applied to 2015 Estimated Income Tax | ▶ 26. | |
| 27. Contribution to the N.C. Nongame and Endangered Wildlife Fund | ▶ 27. | |
| 28. Contribution of overpayment to the N.C. Education Endowment Fund | ▶ 28. | |
| 29. Add Lines 26, 27, and 28 | 29. | |

# Line 30 of NC D-400

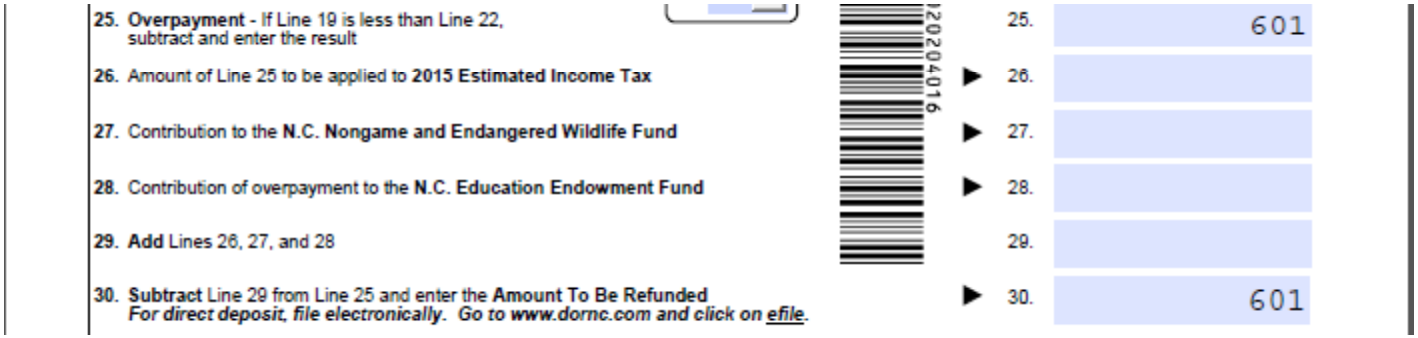


- Applies only to individuals who have a refund.
- If you did not apply part of your refund to lines 26-28, then carry the figure from line 25 to line 30.
- If you did apply part of your refund to lines 26-28, then subtract the amount on line 29 from the amount on line 25: this is the amount that you are requesting as a refund based on your calculations.

# Line 30 Example



- Taxpayer did not request entire refund or part of refund to be applied as
  - Estimated tax payment for 2015 (line 26),
  - Contribution to N.C. Nongame and Endangered Wildlife Fund (line 27), and/or
  - Contribution to N.C. Education Endowment Fund (line 28).
- No amount is entered on Line 29
- Refund is carried down from Line 25 to Line 30



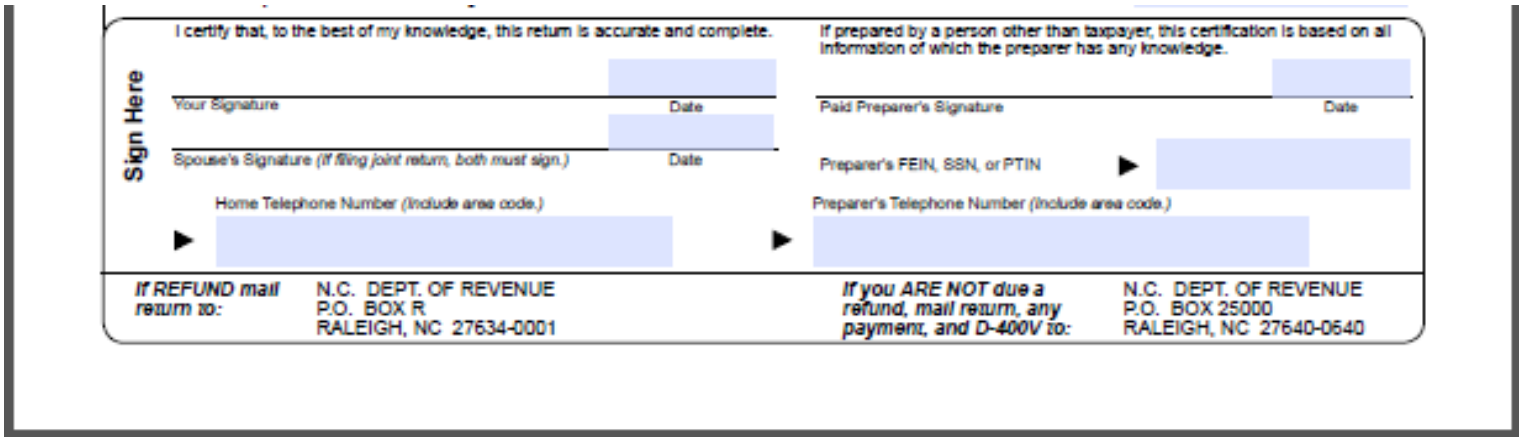
| | | | |
|---|---|---|---|
| 25. **Overpayment** - If Line 19 is less than Line 22, subtract and enter the result | | 25. | 601 |
| 26. Amount of Line 25 to be applied to **2015 Estimated Income Tax** | ▶ | 26. | |
| 27. Contribution to the **N.C. Nongame and Endangered Wildlife Fund** | ▶ | 27. | |
| 28. Contribution of overpayment to the **N.C. Education Endowment Fund** | ▶ | 28. | |
| 29. **Add** Lines 26, 27, and 28 | | 29. | |
| 30. **Subtract** Line 29 from Line 25 and enter the **Amount To Be Refunded** *For direct deposit, file electronically. Go to www.dornc.com and click on efile.* | ▶ | 30. | 601 |

12020401 6

# Sign and Date



- Please sign and date the NC D-400 form.



Sign Here

I certify that, to the best of my knowledge, this return is accurate and complete.

Your Signature — Date

Spouse's Signature *(if filing joint return, both must sign.)* — Date

Home Telephone Number *(Include area code.)* ▶

If prepared by a person other than taxpayer, this certification is based on all information of which the preparer has any knowledge.

Paid Preparer's Signature — Date

Preparer's FEIN, SSN, or PTIN ▶

Preparer's Telephone Number *(Include area code.)* ▶

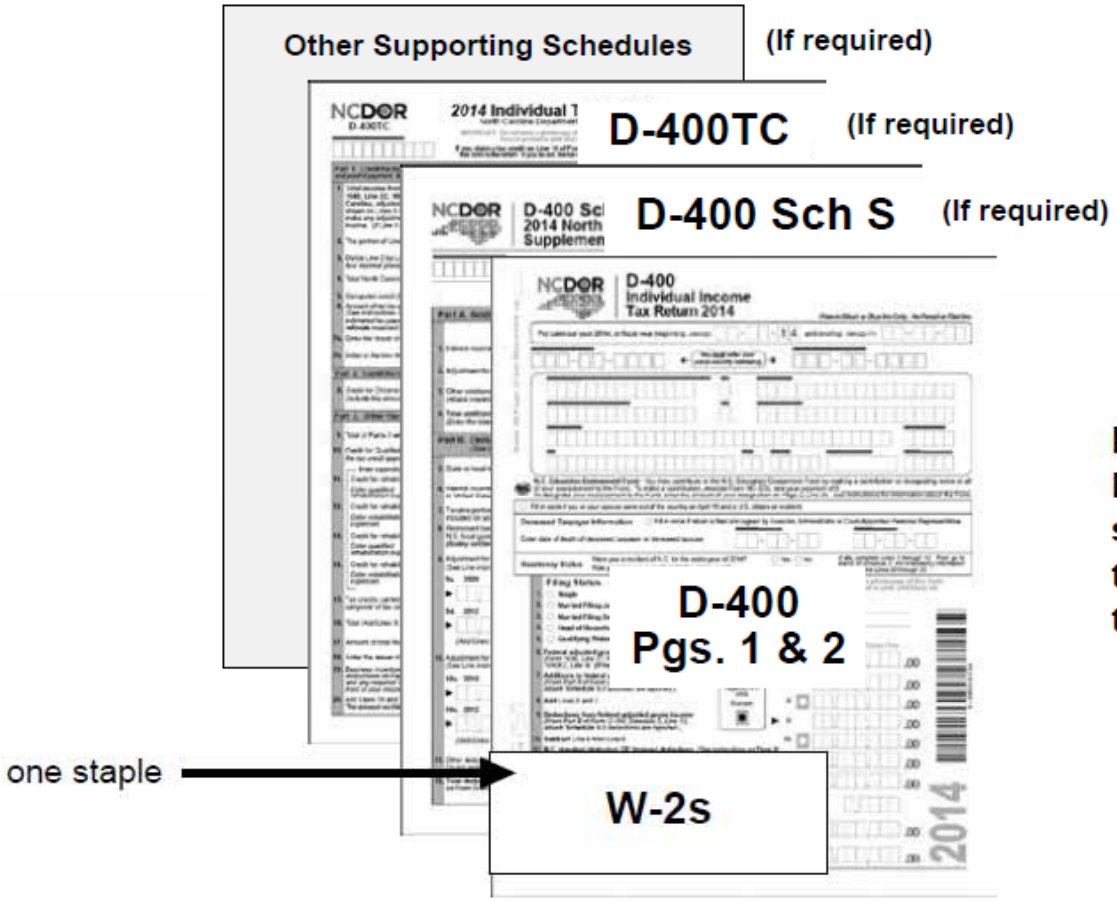
***If REFUND mail return to:*** N.C. DEPT. OF REVENUE
P.O. BOX R
RALEIGH, NC 27634-0001

***If you ARE NOT due a refund, mail return, any payment, and D-400V to:*** N.C. DEPT. OF REVENUE
P.O. BOX 25000
RALEIGH, NC 27640-0640

- **<u>Mail the return to the appropriate address for either a refund or balance due.</u>**

# Assembly of NC Return for Mailing



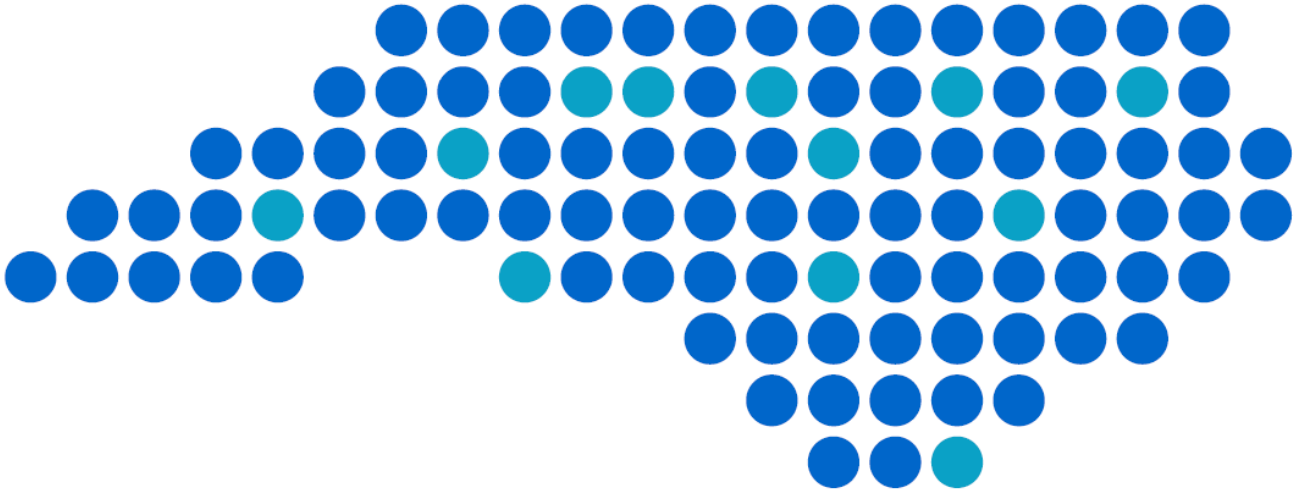



Note: If you are filing Form NC-478 series, be sure to attach the form to the front of your income tax return.

Important: If you owe tax, do not staple, tape, or otherwise attach your check or voucher to your return or to each other. Instead, just put them loose in the envelope.

NCDOR | NORTH CAROLINA DEPARTMENT OF REVENUE

# Important Reminders



Revised 12/11/2014

# Important Reminders



- Do not submit photocopies of the return. Submit original forms only. Do not use any prior year forms to file a current year return.
- Double check the figures, including the social security number. Accuracy speeds processing of the tax return.
- Claim the same filing status that was claimed on the federal return.
- Sign and date your return on Page 2.
- You must include a copy of your federal return with your North Carolina return unless your federal return reflects a North Carolina address or you file electronically.
- If additional tax is due, it can now be paid by bank draft using an approved e-file software product. You may also pay tax online by bank draft, credit or debit card through the NCDOR website at www.dornc.com. Click on E-Services for details .

# COMMON MISTAKES TO AVOID

Avoid these common mistakes when filing your return:

- **Wrong or missing Social Security numbers.**

  Be sure you enter all SSNs on your tax return exactly as they are on the Social Security cards.

- **Wrong names.**

  Be sure you spell the names of everyone on your tax return exactly as they are on their Social Security cards.

- **Math mistakes.**

  Double-check your math. For example, be careful when you add or subtract or calculate items on a form or worksheet. Tax preparation software does all the math for e-filers.

- **Errors in figuring credits or deductions.**

  Many filers make mistakes calculating their credits or deductions. If you're not e-filing, follow the instructions carefully when calculating credits and deductions.

- **Wrong bank account numbers.**

  The fastest and safest way to get a tax refund is to combine e-file with direct deposit. Direct deposit is only available if you e-file your return. Be sure to use the right bank and account numbers on your return.

# REASONS PAPER RETURNS ARE REJECTED



Top 5 reasons paper returns are rejected and mailed back to taxpayer:

- **Poor scan quality.**

  Return is ripped, soiled, water marked with "do not file" or "draft", has ink smudges, or the ink too light.

- **Missing required pages.**

  Return is missing  required schedules or tax credit information.

- **Wrong version.**

  As forms are updated with legislative changes, the form version changes.

- **Missing required information.**

  Identifying information such as the SSN, FID, or account ID #, name, address and telephone number are incorrect or not filled in on the return.

- **Mixed forms are filed.**

  Return pages 1 and 2 are computer version, tax credit form is web fill-in and attached schedules are filled in by hand.

# INFORMATION FOR MAILING

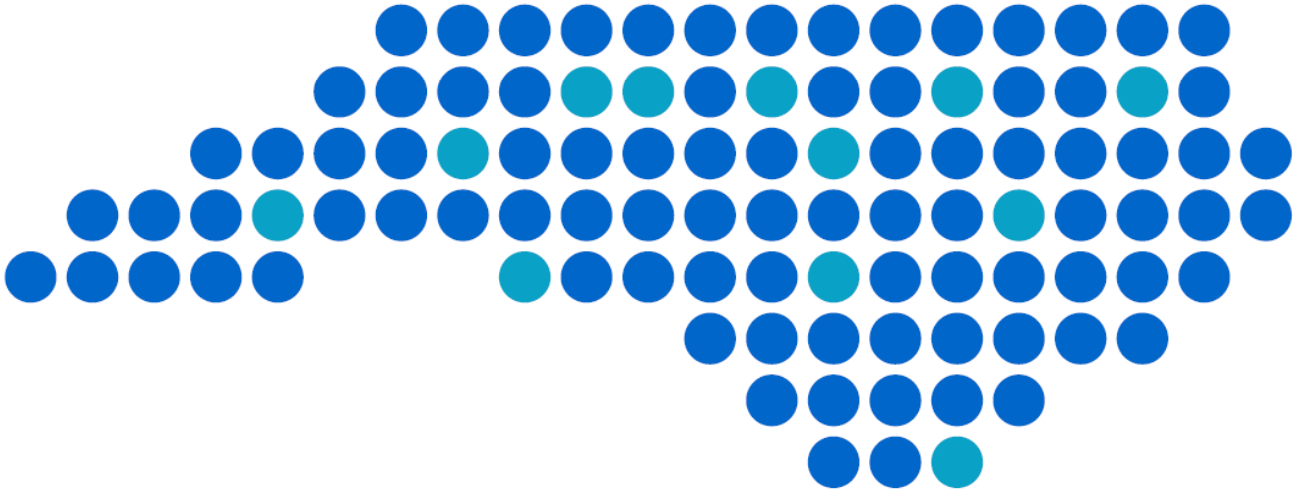


Information that should be mailed in:

- Your North Carolina income tax return (Form D-400)
- Form D-400 Schedule S if claiming additions to income on Line 7, deductions from income on Line 9, N.C. itemized deductions on Line 11 or computation of North Carolina taxable income for part-year residents and nonresidents on Line 13.
- Form D-400TC if you claimed a tax credit
- W-2s and 1099s showing North Carolina tax withheld and a 1099-R if you claimed a Bailey retirement deduction
- A check or money order payable to “N.C. Department of Revenue” if you have a balance due. (Note: The Department will not accept a check, money order, or cashier’s check unless it is drawn on a U.S. (domestic) bank and the funds are payable in U.S. dollars.)
- Other North Carolina forms or supporting schedules that are required according to the instructions. (Please do not send copies of completed worksheets from the instruction booklet or other unnecessary attachments.)
- A copy of the tax return you filed in the other state if you are claiming a tax credit for tax paid to another state.

NCDOR | NORTH CAROLINA DEPARTMENT OF REVENUE

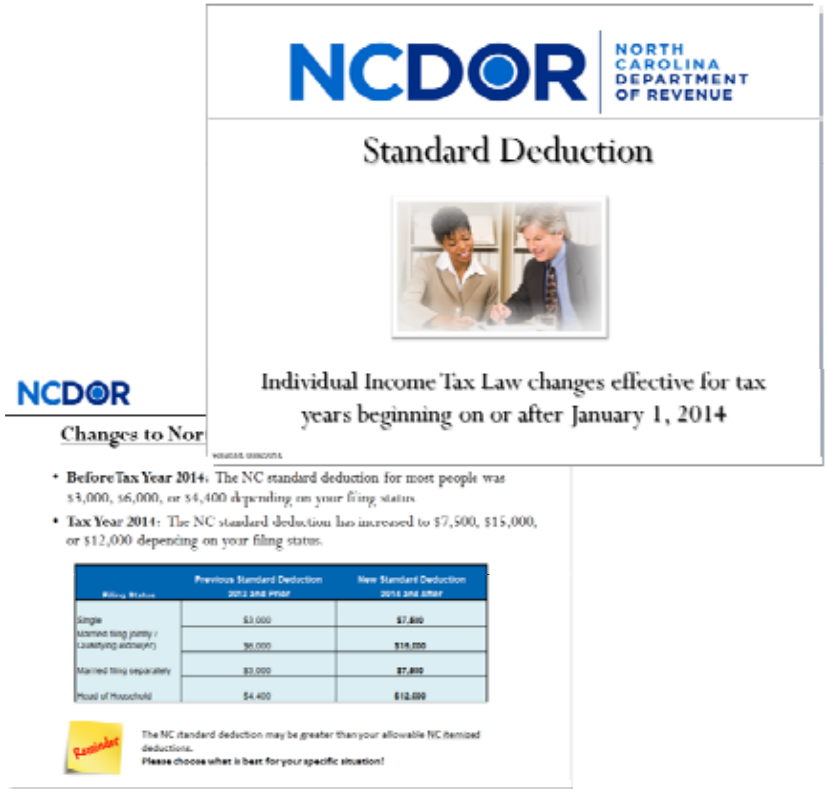
# Resources



Revised 12/11/2014

# Online Presentations

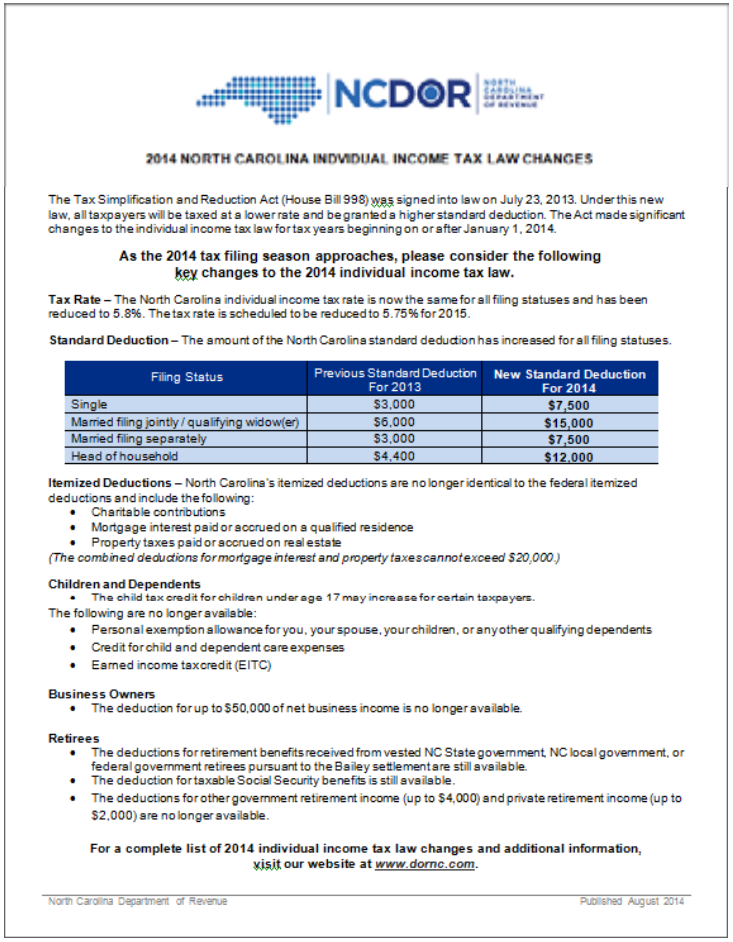
- **Seven short presentations available highlighting the major changes:**
  - Tax rates
  - Standard deduction
  - Itemized deductions
  - Children and Dependents
  - Business Owners
  - Retirees
  - Deductions from AGI




http://www.dornc.com/incometaxupdates

# Individual Income Education

- **An easy to understand one page document that quickly highlights the major changes for taxpayers in 2014**



**2014 NORTH CAROLINA INDIVIDUAL INCOME TAX LAW CHANGES**

The Tax Simplification and Reduction Act (House Bill 998) was signed into law on July 23, 2013. Under this new law, all taxpayers will be taxed at a lower rate and be granted a higher standard deduction. The Act made significant changes to the individual income tax law for tax years beginning on or after January 1, 2014.

**As the 2014 tax filing season approaches, please consider the following key changes to the 2014 individual income tax law.**

**Tax Rate** – The North Carolina individual income tax rate is now the same for all filing statuses and has been reduced to 5.8%. The tax rate is scheduled to be reduced to 5.75% for 2015.

**Standard Deduction** – The amount of the North Carolina standard deduction has increased for all filing statuses.

| Filing Status | Previous Standard Deduction For 2013 | New Standard Deduction For 2014 |
|---|---|---|
| Single | $3,000 | $7,500 |
| Married filing jointly / qualifying widow(er) | $6,000 | $15,000 |
| Married filing separately | $3,000 | $7,500 |
| Head of household | $4,400 | $12,000 |

**Itemized Deductions** – North Carolina's itemized deductions are no longer identical to the federal itemized deductions and include the following:

- Charitable contributions
- Mortgage interest paid or accrued on a qualified residence
- Property taxes paid or accrued on real estate

*(The combined deductions for mortgage interest and property taxes cannot exceed $20,000.)*

**Children and Dependents**

- The child tax credit for children under age 17 may increase for certain taxpayers.

The following are no longer available:

- Personal exemption allowance for you, your spouse, your children, or any other qualifying dependents
- Credit for child and dependent care expenses
- Earned income tax credit (EITC)

**Business Owners**

- The deduction for up to $50,000 of net business income is no longer available.

**Retirees**

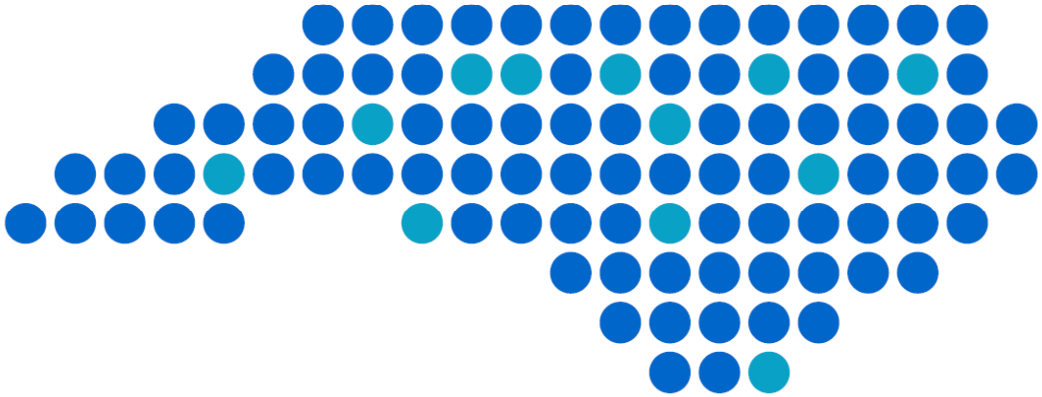
- The deductions for retirement benefits received from vested NC State government, NC local government, or federal government retirees pursuant to the Bailey settlement are still available.
- The deduction for taxable Social Security benefits is still available.
- The deductions for other government retirement income (up to $4,000) and private retirement income (up to $2,000) are no longer available.

**For a complete list of 2014 individual income tax law changes and additional information, visit our website at *www.dornc.com*.**

North Carolina Department of Revenue — Published August 2014

# Taxpayer Assistance



- **Website : www.dornc.com**
- **For phone assistance call:**

  **1-877-252-3052**
- **Service Centers across the state**
  - Asheville
  - Charlotte
  - Durham
  - Elizabeth City
  - Fayetteville
  - Greensboro
  - Greenville
  - Hickory
  - Raleigh
  - Wilmington
  - Winston-Salem