

2024 Answer Booklet



**North Carolina
Department of Revenue**

Test Question #1

Facts:

Mary B. Brown (SSN 000-00-0004) is divorced and lives at 101 Maple Street, Hometown, North Carolina 29999. This is in Edgecombe County. She has one daughter, Sally Brown (SSN 333-33-3333) who is 7 years old and lived with her for the entire 2024 tax year.

Ms. Brown was granted an automatic extension to file her 2024 federal income tax return. Once she filed her 2024 federal income tax return, she claimed head of household as her filing status and claimed a federal child tax credit for Sally. Ms. Brown worked at Grocery Bag Food Mart and earned wages in the amount of \$34,425.00. She had \$703.00 withheld in North Carolina state income tax from her wages. In addition, she received interest income in the amount of \$53.00 from Wells Fargo Bank.

Ms. Brown claimed the standard deduction on her federal income tax return and claimed the North Carolina standard deduction for tax year 2024. Her federal adjusted gross income reported on Form 1040, Line 11 was \$34,478.00. In addition, Ms. Brown did not make any out-of-state purchases during the 2024 tax year.

Ms. Brown wants to contribute \$10.00 of her North Carolina state tax refund to the North Carolina Breast and Cervical Cancer Control Program.

Please complete Ms. Brown's 2024 North Carolina individual income tax return.

For the year Jan. 1–Dec. 31, 2024, or other tax year beginning _____, 2024, ending _____, 20____		See separate instructions.
Your first name and middle initial MARY B		Last name BROWN
Your social security number 000 00 0004		
If joint return, spouse's first name and middle initial		Last name
Spouse's social security number		
Home address (number and street). If you have a P.O. box, see instructions. 101 MAPLE STREET		Apt. no.
City, town, or post office. If you have a foreign address, also complete spaces below. HOMETOWN		State NC
ZIP code 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. <input type="checkbox"/> You <input type="checkbox"/> Spouse
Filing Status		
<input type="checkbox"/> Single <input checked="" type="checkbox"/> Head of household (HOH)		
<input type="checkbox"/> Married filing jointly (even if only one had income)		
<input type="checkbox"/> Married filing separately (MFS) <input type="checkbox"/> Qualifying surviving spouse (QSS)		
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent: _____		
<input type="checkbox"/> If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required): _____		
Digital Assets At any time during 2024, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Standard Deduction Someone can claim: <input type="checkbox"/> You as a dependent <input type="checkbox"/> Your spouse as a dependent <input type="checkbox"/> Spouse itemizes on a separate return or you were a dual-status alien		
Age/Blindness You: <input type="checkbox"/> Were born before January 2, 1960 <input type="checkbox"/> Are blind Spouse: <input type="checkbox"/> Was born before January 2, 1960 <input type="checkbox"/> Is blind		
Dependents (see instructions):		
(1) First name Last name (2) Social security number (3) Relationship to you (4) Check the box if qualifies for (see instructions):		
Child tax credit Credit for other dependents		
If more than four dependents, see instructions and check here <input type="checkbox"/>		
SALLY BROWN 333 33 3333 DAUGHTER <input checked="" type="checkbox"/> <input type="checkbox"/>		
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
<input type="checkbox"/> <input type="checkbox"/>		
Income		
1a Total amount from Form(s) W-2, box 1 (see instructions) 1a 34425		
b Household employee wages not reported on Form(s) W-2 1b		
c Tip income not reported on line 1a (see instructions) 1c		
d Medicaid waiver payments not reported on Form(s) W-2 (see instructions) 1d		
e Taxable dependent care benefits from Form 2441, line 26 1e		
f Employer-provided adoption benefits from Form 8839, line 29 1f		
g Wages from Form 8919, line 6 1g		
h Other earned income (see instructions) 1h		
i Nontaxable combat pay election (see instructions) 1i		
z Add lines 1a through 1h 1z 34425		
2a Tax-exempt interest 2a		
3a Qualified dividends 3a		
4a IRA distributions 4a		
5a Pensions and annuities 5a		
6a Social security benefits 6a		
b Taxable interest 2b 53		
b Ordinary dividends 3b		
b Taxable amount 4b		
b Taxable amount 5b		
b Taxable amount 6b		
c If you elect to use the lump-sum election method, check here (see instructions) <input type="checkbox"/>		
7 Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>		
8 Additional income from Schedule 1, line 10 8		
9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income 9 34478		
10 Adjustments to income from Schedule 1, line 26 10		
11 Subtract line 10 from line 9. This is your adjusted gross income 11 34478		
12 Standard deduction or itemized deductions (from Schedule A) 12 21900		
13 Qualified business income deduction from Form 8995 or Form 8995-A 13		
14 Add lines 12 and 13 14 21900		
15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income 15 12578		

Tax and Credits

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> _____	16
17	Amount from Schedule 2, line 3	17
18	Add lines 16 and 17	18
19	Child tax credit or credit for other dependents from Schedule 8812	19
20	Amount from Schedule 3, line 8	20
21	Add lines 19 and 20	21
22	Subtract line 21 from line 18. If zero or less, enter -0-	22
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23
24	Add lines 22 and 23. This is your total tax	24

Payments

25	Federal income tax withheld from:		
a	Form(s) W-2	25a	
b	Form(s) 1099	25b	
c	Other forms (see instructions)	25c	
d	Add lines 25a through 25c	25d	
26	2024 estimated tax payments and amount applied from 2023 return	26	
27	Earned income credit (EIC)	27	
28	Additional child tax credit from Schedule 8812	28	
29	American opportunity credit from Form 8863, line 8	29	
30	Reserved for future use	30	
31	Amount from Schedule 3, line 15	31	
32	Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits	32	
33	Add lines 25d, 26, and 32. These are your total payments	33	

Refund

34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34
35a	Amount of line 34 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	35a
b	Routing number	c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
d	Account number	
36	Amount of line 34 you want applied to your 2025 estimated tax	36

Amount You Owe

37	Subtract line 33 from line 24. This is the amount you owe . For details on how to pay, go to www.irs.gov/Payments or see instructions	37
38	Estimated tax penalty (see instructions)	38

Third Party Designee

Do you want to allow another person to discuss this return with the IRS? See instructions ☐ **Yes**. Complete below. ☐ **No**

Designee's name	Phone no.	Personal identification number (PIN)

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)
Phone no.	Email address		

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	PTIN	Check if: <input type="checkbox"/> Self-employed
Firm's name	Firm's address			Phone no.
				Firm's EIN

16. Tax Credits (From Form D-400TC, Part 3, Line 20)

▶ 16.

17. Subtract Line 16 from Line 15

17. 578.00

18. Consumer Use Tax (See instructions)

If you certify that no Consumer Use Tax is due, fill in circle. ▶ ●

▶ 18.

19. Add Lines 17 and 18

19. 578.00

20. North Carolina
Income Tax Withheld ▶

a. Your tax withheld

703.00

b. Spouse's tax withheld ▶

21. Other Tax Payments

a. 2024 estimated tax ▶

b. Paid with extension ▶

c. Partnership ▶

d. S Corporation ▶

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. Additional Payments (Amended Returns Only. See instructions)

22.

23. Add Lines 20a through 22

23. 703.00

24. Previous Refunds (Amended Returns Only. See instructions)

24.

25. Subtract Line 24 from Line 23. (If less than zero, see instructions.)

25. 703.00

26. a. Tax Due - If Line 25 is less than Line 19, subtract Line 25 from Line 19. Otherwise, go to Line 28. ▶

26a.

b. Penalties ▶

c. Interest ▶

(Add Lines 26b and 26c and enter the total on Line 26d.)

26d.

e. Interest on the Underpayment of Estimated Income Tax (See instructions and enter letter in box, if applicable.) →

Exception to Underpayment of Estimated Tax ▶

27. Amount Due - Add Lines 26a, 26d, and 26e Pay in U.S. Currency from a Domestic Bank - You can pay online at ncdor.gov.

27. \$

28. Overpayment - If Line 25 is more than Line 19, subtract Line 19 from Line 25.

28. 125.00

When filing an amended return, see instructions

29. Amount of Line 28 to be applied to 2025 Estimated Income Tax

▶ 29.

30. Contribution to the N.C. Nongame and Endangered Wildlife Fund

▶ 30.

31. Contribution to the N.C. Education Endowment Fund

▶ 31.

32. Contribution to the N.C. Breast and Cervical Cancer Control Program

▶ 32. 10.00

33. Add Lines 29 through 32

33. 10.00

34. Subtract Line 33 from Line 28. This is the Amount To Be Refunded For direct deposit, file electronically

▶ 34. 115.00



I declare and certify that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Your Signature _____ Date _____

Spouse's Signature (If filing joint return, both must sign.) _____ Date _____

Contact Phone Number (Include area code) ▶

☐ Check here if you authorize the North Carolina Department of Revenue to discuss this return and attachments with the paid preparer below.

PAID PREPARER USE ONLY If prepared by a person other than taxpayer, this certification is based on all information of which the preparer has any knowledge. Preparer's FEIN, SSN, or PTIN Preparer's Contact Phone Number (Include area code)

Paid Preparer's Signature Date

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

Child Deduction Worksheet

1. Filing status *(From D-400, Lines 1 through 5)* 1. HOH
2. Federal adjusted gross income *(From D-400, Line 6)* 2. \$34,478
3. Number of qualifying children for whom a federal tax credit was claimed 3. 1
- Enter the amount from Line 3 above on Form D-400, Line 10a.**
4. Deduction amount per qualifying child from the "Child Deduction Table" 4. \$2,500
5. Child deduction *(Multiply Line 3 by Line 4)* 5. \$2,500
- Enter the amount from Line 5 above on Form D-400, Line 10b.**

Child Deduction Table

Filing Status	Federal Adjusted Gross Income	Deduction Amount Per Qualifying Child
Married Filing Jointly/Qualifying Widow(er)/Surviving Spouse	Up to \$40,000	\$3,000
	Over \$40,000 - Up to \$60,000	\$2,500
	Over \$60,000 - Up to \$80,000	\$2,000
	Over \$80,000 - Up to \$100,000	\$1,500
	Over \$100,000 - Up to \$120,000	\$1,000
	Over \$120,000 - Up to \$140,000	\$500
	Over \$140,000	\$0
	Over \$140,000	\$0
Head of Household	Up to \$30,000	\$3,000
	Over \$30,000 - Up to \$45,000	\$2,500
	Over \$45,000 - Up to \$60,000	\$2,000
	Over \$60,000 - Up to \$75,000	\$1,500
	Over \$75,000 - Up to \$90,000	\$1,000
	Over \$90,000 - Up to \$105,000	\$500
	Over \$105,000	\$0
	Over \$105,000	\$0
Single/Married Filing Separately	Up to \$20,000	\$3,000
	Over \$20,000 - Up to \$30,000	\$2,500
	Over \$30,000 - Up to \$40,000	\$2,000
	Over \$40,000 - Up to \$50,000	\$1,500
	Over \$50,000 - Up to \$60,000	\$1,000
	Over \$60,000 - Up to \$70,000	\$500
	Over \$70,000	\$0
	Over \$70,000	\$0

Test Question #2

Facts:

Robert E. (001-11-2222) and Ellen J. (002-22-3333) Black live at 102 Green Road, Anywhere, North Carolina 21111. This is in Washington County. They filed their federal income tax return as married filing jointly. They were residents of North Carolina for the entire tax year of 2024.

Robert is 64 years old. He worked for the federal government from 1982 until he retired in 2013. He later retired from IBM in 2021. In 2024, he received wages from Amazon Corporation in the amount of \$38,000.00 and had \$1,945.00 withheld in North Carolina state income tax. He also received United States Civil Service annuity income in the amount of \$28,400.00 and \$12,700.00 in retirement income from IBM.

Ellen is 62 years old. She began working for the State of North Carolina in 2006 and retired in 2018. She received retirement income from the State of North Carolina of \$17,000.00.

In addition, Mr. and Mrs. Black received interest income from First Citizens Bank in the amount of \$1,500.00 and a state income tax refund reported on their federal income tax return in the amount of \$329.00. They claimed itemized deductions on their 2023 federal income tax return. For tax year 2024, they claimed the North Carolina standard deduction.

The taxpayers would like to report \$25.00 in consumer use tax for out-of-state purchases during the 2024 tax year. They paid total 2024 North Carolina estimated income tax in the amount of \$1,200.00. In addition, they would like to request that \$250.00 of their 2024 North Carolina state tax refund be applied to their 2025 North Carolina estimated income tax.

Please complete Mr. and Mrs. Black's 2024 North Carolina individual income tax return.

For the year Jan. 1–Dec. 31, 2024, or other tax year beginning _____, 2024, ending _____, 20____

See separate instructions.

Your first name and middle initial
ROBERT E

Last name
BLACK

If joint return, spouse's first name and middle initial
ELLEN J

Last name
BLACK

Home address (number and street). If you have a P.O. box, see instructions.
102 GREEN ROAD

Apt. no.

City, town, or post office. If you have a foreign address, also complete spaces below.
ANYWHERE

State
NC

ZIP code
21111

Foreign country name

Foreign province/state/county

Foreign postal code

☐ You ☐ Spouse

Filing Status

☐ Single ☐ Head of household (HOH)
☒ Married filing jointly (even if only one had income)
☐ Married filing separately (MFS) ☐ Qualifying surviving spouse (QSS)
If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent:
☐ If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required):

Digital Assets

At any time during 2024, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) ☐ Yes ☒ No

Standard Deduction

Someone can claim: ☐ You as a dependent ☐ Your spouse as a dependent
☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness

You: ☐ Were born before January 2, 1960 ☐ Are blind Spouse: ☐ Was born before January 2, 1960 ☐ Is blind

Dependents

(see instructions):

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions): Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

Income

1a Total amount from Form(s) W-2, box 1 (see instructions)

1a 38000

b Household employee wages not reported on Form(s) W-2

1b

c Tip income not reported on line 1a (see instructions)

1c

d Medicaid waiver payments not reported on Form(s) W-2 (see instructions)

1d

e Taxable dependent care benefits from Form 2441, line 26

1e

f Employer-provided adoption benefits from Form 8839, line 29

1f

g Wages from Form 8919, line 6

1g

h Other earned income (see instructions)

1h

i Nontaxable combat pay election (see instructions)

1i

z Add lines 1a through 1h

1z 38000

2a Tax-exempt interest

2a

3a Qualified dividends

3a

4a IRA distributions

4a

5a Pensions and annuities

5a 58100

6a Social security benefits

6a

c If you elect to use the lump-sum election method, check here (see instructions)

☐

7 Capital gain or (loss). Attach Schedule D if required. If not required, check here

7 ☐

8 Additional income from Schedule 1, line 10

8 329

9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your **total income**

9 97929

10 Adjustments to income from Schedule 1, line 26

10

11 Subtract line 10 from line 9. This is your **adjusted gross income**

11 97929

12 **Standard deduction or itemized deductions** (from Schedule A)

12 29200

13 Qualified business income deduction from Form 8995 or Form 8995-A

13

14 Add lines 12 and 13

14 29200

15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your **taxable income**

15 68729

2b Taxable interest

2b 1500

b Ordinary dividends

3b

b Taxable amount

4b

b Taxable amount

5b 58100

b Taxable amount

6b

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a Form W-2, see instructions.

Attach Sch. B if required.

Standard Deduction for—

- Single or Married filing separately, \$14,600
- Married filing jointly or Qualifying surviving spouse, \$29,200
- Head of household, \$21,900
- If you checked any box under Standard Deduction, see instructions.

Tax and Credits

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> _____	16
17	Amount from Schedule 2, line 3	17
18	Add lines 16 and 17	18
19	Child tax credit or credit for other dependents from Schedule 8812	19
20	Amount from Schedule 3, line 8	20
21	Add lines 19 and 20	21
22	Subtract line 21 from line 18. If zero or less, enter -0-	22
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23
24	Add lines 22 and 23. This is your total tax	24

Payments

25	Federal income tax withheld from:		
a	Form(s) W-2	25a	
b	Form(s) 1099	25b	
c	Other forms (see instructions)	25c	
d	Add lines 25a through 25c	25d	
26	2024 estimated tax payments and amount applied from 2023 return	26	
27	Earned income credit (EIC)	27	
28	Additional child tax credit from Schedule 8812	28	
29	American opportunity credit from Form 8863, line 8	29	
30	Reserved for future use	30	
31	Amount from Schedule 3, line 15	31	
32	Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits	32	
33	Add lines 25d, 26, and 32. These are your total payments	33	

Refund

34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34
35a	Amount of line 34 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	35a
b	Routing number	c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
d	Account number	
36	Amount of line 34 you want applied to your 2025 estimated tax	36

Amount You Owe

37	Subtract line 33 from line 24. This is the amount you owe . For details on how to pay, go to www.irs.gov/Payments or see instructions	37
38	Estimated tax penalty (see instructions)	38

Third Party Designee

Do you want to allow another person to discuss this return with the IRS? See instructions ☐ **Yes**. Complete below. ☐ **No**

Designee's name	Phone no.	Personal identification number (PIN)

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)
Phone no.	Email address		

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	PTIN	Check if: <input type="checkbox"/> Self-employed
Firm's name	Firm's address			Phone no.
				Firm's EIN

SCHEDULE 1
(Form 1040)

Department of the Treasury
Internal Revenue Service

Additional Income and Adjustments to Income

Attach to Form 1040, 1040-SR, or 1040-NR.
Go to www.irs.gov/Form1040 for instructions and the latest information.

OMB No. 1545-0074

2024
Attachment
Sequence No. 01

Name(s) shown on Form 1040, 1040-SR, or 1040-NR: ROBERT E & ELLEN J BLACK
Your social security number: 001-11-2222

For 2024, enter the amount reported to you on Form(s) 1099-K that was included in error or for personal items sold at a loss.

Note: The remaining amounts reported to you on Form(s) 1099-K should be reported elsewhere on your return depending on the nature of the transaction. See www.irs.gov/1099k.

Part I Additional Income
1 Taxable refunds, credits, or offsets of state and local income taxes 329
2a Alimony received
b Date of original divorce or separation agreement (see instructions):
3 Business income or (loss). Attach Schedule C
4 Other gains or (losses). Attach Form 4797
5 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E
6 Farm income or (loss). Attach Schedule F
7 Unemployment compensation
8 Other income:
a Net operating loss 8a
b Gambling 8b
c Cancellation of debt 8c
d Foreign earned income exclusion from Form 2555 8d
e Income from Form 8853 8e
f Income from Form 8889 8f
g Alaska Permanent Fund dividends 8g
h Jury duty pay 8h
i Prizes and awards 8i
j Activity not engaged in for profit income 8j
k Stock options 8k
l Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property 8l
m Olympic and Paralympic medals and USOC prize money (see instructions) 8m
n Section 951(a) inclusion (see instructions) 8n
o Section 951A(a) inclusion (see instructions) 8o
p Section 461(l) excess business loss adjustment 8p
q Taxable distributions from an ABL account (see instructions) 8q
r Scholarship and fellowship grants not reported on Form W-2 8r
s Nontaxable amount of Medicaid waiver payments included on Form 1040, line 1a or 1d 8s
t Pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan 8t
u Wages earned while incarcerated 8u
v Digital assets received as ordinary income not reported elsewhere. See instructions 8v
z Other income. List type and amount: 8z
9 Total other income. Add lines 8a through 8z 9
10 Combine lines 1 through 7 and 9. This is your additional income. Enter here and on Form 1040, 1040-SR, or 1040-NR, line 8 329

Part II Adjustments to Income

11	Educator expenses		11	
12	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106		12	
13	Health savings account deduction. Attach Form 8889		13	
14	Moving expenses for members of the Armed Forces. Attach Form 3903		14	
15	Deductible part of self-employment tax. Attach Schedule SE		15	
16	Self-employed SEP, SIMPLE, and qualified plans		16	
17	Self-employed health insurance deduction		17	
18	Penalty on early withdrawal of savings		18	
19a	Alimony paid		19a	
b	Recipient's SSN			
c	Date of original divorce or separation agreement (see instructions):			
20	IRA deduction		20	
21	Student loan interest deduction		21	
22	Reserved for future use		22	
23	Archer MSA deduction		23	
24	Other adjustments:			
a	Jury duty pay (see instructions)	24a		
b	Deductible expenses related to income reported on line 8l from the rental of personal property engaged in for profit	24b		
c	Nontaxable amount of the value of Olympic and Paralympic medals and USOC prize money reported on line 8m	24c		
d	Reforestation amortization and expenses	24d		
e	Repayment of supplemental unemployment benefits under the Trade Act of 1974	24e		
f	Contributions to section 501(c)(18)(D) pension plans	24f		
g	Contributions by certain chaplains to section 403(b) plans	24g		
h	Attorney fees and court costs for actions involving certain unlawful discrimination claims (see instructions)	24h		
i	Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations	24i		
j	Housing deduction from Form 2555	24j		
k	Excess deductions of section 67(e) expenses from Schedule K-1 (Form 1041)	24k		
z	Other adjustments. List type and amount:	24z		
25	Total other adjustments. Add lines 24a through 24z		25	
26	Add lines 11 through 23 and 25. These are your adjustments to income . Enter here and on Form 1040, 1040-SR, or 1040-NR, line 10		26	

16. Tax Credits (From Form D-400TC, Part 3, Line 20)

▶ 16.

17. Subtract Line 16 from Line 15

17. 1967.00

18. Consumer Use Tax (See instructions)

If you certify that no Consumer Use Tax is due, fill in circle. ▶ ☐

▶ 18. 25.00

19. Add Lines 17 and 18

19. 1992.00

20. North Carolina
Income Tax Withheld

a. Your tax withheld

▶ 1945.00

b. Spouse's tax withheld

▶

21. Other Tax Payments

a. 2024 estimated tax

▶ 1200.00

b. Paid with extension

▶

c. Partnership

▶

d. S Corporation

▶

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. Additional Payments (Amended Returns Only. See instructions)

22.

23. Add Lines 20a through 22

23. 3145.00

24. Previous Refunds (Amended Returns Only. See instructions)

24.

25. Subtract Line 24 from Line 23. (If less than zero, see instructions.)

25. 3145.00

26. a. Tax Due - If Line 25 is less than Line 19, subtract Line 25 from Line 19. Otherwise, go to Line 28. ▶

26a.

b. Penalties

▶

c. Interest

▶

(Add Lines 26b and 26c and enter the total on Line 26d.)

26d.

e. Interest on the Underpayment of Estimated Income Tax (See instructions and enter letter in box, if applicable.) →

Exception to Underpayment of Estimated Tax

▶

▶ 26e.

27. Amount Due - Add Lines 26a, 26d, and 26e
Pay in U.S. Currency from a Domestic Bank - You can pay online at ncdor.gov.

27. \$

28. Overpayment - If Line 25 is more than Line 19, subtract Line 19 from Line 25.

28. 1153.00

When filing an amended return, see instructions

29. Amount of Line 28 to be applied to 2025 Estimated Income Tax

▶ 29. 250.00

30. Contribution to the N.C. Nongame and Endangered Wildlife Fund

▶ 30.

31. Contribution to the N.C. Education Endowment Fund

▶ 31.

32. Contribution to the N.C. Breast and Cervical Cancer Control Program

▶ 32.

33. Add Lines 29 through 32

33. 250.00

34. Subtract Line 33 from Line 28. This is the Amount To Be Refunded
For direct deposit, file electronically

▶ 34. 903.00



I declare and certify that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Your Signature

Date

Spouse's Signature (If filing joint return, both must sign.)

Date

Contact Phone Number
(Include area code) ▶



Check here if you authorize the North Carolina Department of Revenue to discuss this return and attachments with the paid preparer below.

PAID
PREPARER
USE ONLY

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

Preparer's FEIN, SSN, or PTIN

Preparer's Contact Phone Number (Include area code)

Paid Preparer's Signature

Date

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

D-400 Schedule S

2024 N.C. Adjustments for Individuals

DOR
Use
Only

If you are required to add certain items to federal adjusted gross income on Form D-400, Line 7, or if you are entitled to take deductions from federal adjusted gross income on Form D-400, Line 9, you must complete and attach this schedule to Form D-400. Importantly, you must attach both pages of this schedule to Form D-400, even if you are only required to complete one part of the schedule. If you do not, the Department may be unable to process your return.

Last Name (First 10 Characters)

BLACK

Do not send a photocopy of this form.

Your Social Security Number

001-11-2222

Part A. Additions to Federal Adjusted Gross Income (Only add items that are not included in federal adjusted gross income)

- | | |
|---|-------|
| 1. Interest Income From Obligations of States Other Than N.C. | ▶ 1. |
| 2. Deferred Gains Reinvested Into an Opportunity Fund | ▶ 2. |
| 3. Bonus Depreciation | ▶ 3. |
| 4. IRC Section 179 Expense | ▶ 4. |
| 5. S-Corporation Shareholder Built-in Gains Tax | ▶ 5. |
| 6. Amount by Which Federal Basis Exceeds State Basis for Property Disposed of in 2024 | ▶ 6. |
| 7. Federal Net Operating Loss Deduction | ▶ 7. |
| 8. State, Local, or Foreign Income Tax Deducted by an S Corporation, Partnership, or Estate and Trust | ▶ 8. |
| 9. Withdrawal of 529 Plan Contributions Not Used for Permissible Purpose | ▶ 9. |
| 10. Discharge of Qualified Principal Residence Indebtedness | ▶ 10. |
| 11. Qualified Education Loan Payments Paid by Employer | ▶ 11. |
| 12. Expenses Allocable to Income Exempt or Excluded From Gross Income | ▶ 12. |
| 13. Discharge of Certain Student Loan Debt | ▶ 13. |
| 14. Taxed Pass-Through Entity Loss | ▶ 14. |
| 15. Reserved for Future Use | ▶ 15. |
| 16. Total Additions - Add Lines 1 through 15 (Enter the total here and on Form D-400, Line 7) | 16. |



Part B. Deductions From Federal Adjusted Gross Income (Only deduct items that are included in federal adjusted gross income)

- | | | |
|---|-------|--------|
| 17. State or Local Income Tax Refund | ▶ 17. | 329.00 |
| 18. Interest Income From Obligations of the United States or United States' Possessions | ▶ 18. | |

Part B. Deductions From Federal Adjusted Gross Income (Only deduct items that are included in federal adjusted gross income)

19. Taxable Portion of Social Security and Railroad Retirement Benefits	▶	19.	
20. Retirement Benefits Received by Vested N.C. State Government, N.C. Local Government, or Federal Government Retirees, i.e. <i>Bailey Settlement</i>	▶	20.	28400.00
21. Certain Retirement Benefits Received by a Retired Member of the United States Uniformed Services Not Deducted on Line 20	▶	21.	
22. Bonus Asset Basis	▶	22.	
23. Bonus Depreciation			
▶ 23a. 2019	▶ 23b. 2020	▶ 23c. 2021	
▶ 23d. 2022	▶ 23e. 2023	23f.	
24. IRC Section 179 Expense			
▶ 24a. 2019	▶ 24b. 2020	▶ 24c. 2021	
▶ 24d. 2022	▶ 24e. 2023	24f.	
25. Recognized IRC Section 1400Z-2 Gain	▶	25.	
26. Gain From the Disposition of Exempt N.C. Obligations Issued Before July 1, 1995	▶	26.	
27. Exempt Income Earned or Received by a Member of a Federally Recognized Indian Tribe	▶	27.	
28. Amount by Which State Basis Exceeds Federal Basis for Property Disposed of in 2024	▶	28.	
29. Ordinary and Necessary Business Expense Reduced or not Allowed Due to Claiming a Federal Tax Credit in Lieu of a Deduction	▶	29.	
30. Personal Education Student Account Deposits	▶	30.	
31. Certain State Emergency Response and Disaster Relief Reserve Fund Payments	▶	31.	
32. Certain Economic Incentive Payments	▶	32.	
33. Certain N.C. Grant Payments	▶	33.	
34. Certain Net Operating Loss Carrybacks (Limited to 20% of amount added to AGI in tax years 2013 through 2019)	▶	34.	
35. Excess Net Operating Loss Carryforward (Limited to 20% of amount added to AGI in 2019 and 2020)	▶	35.	
36. Excess Business Loss (Limited to 20% of amount added to AGI in 2018, 2019, and 2020)	▶	36.	
37. Business Interest Limitation (Limited to 20% of amount added to AGI in 2019 and 2020)	▶	37.	
38. Taxed Pass-Through Entity Income			
▶ 38a. N.C. Sourced	▶ 38b. Non-N.C. Sourced	38c.	
39. N.C. Net Operating Loss	▶	39.	
40. Reserved for Future Use	▶	40.	
41. Total Deductions - Add Lines 17 through 22, 23f, 24f, 25 through 37, 38c, 39, and 40 (Enter the total here and on Form D-400, Line 9)		41.	28729.00

Test Question #3

Facts:

Joe T. (202-00-0000) and Mary C. (303-00-0000) Army are both South Carolina residents. Their address is 101 Army Road, Fort Mill, SC 12789.

Joe received wages from Duke Energy in Fort Mill, SC in the amount of \$56,800.00 and had \$0.00 withheld in North Carolina state income tax. He retired from the U.S. Army in 2014 with 22 years of service and receives his military retirement in the amount of \$42,100.00. Mary worked for Bank of America located in Charlotte, NC. She received wages in the amount of \$35,250.00 and had \$1,330.00 withheld in North Carolina state income tax. In addition, Mary received interest income in the amount of \$212.00. They did not make any out-of-state purchases.

Mr. & Mrs. Army filed their 2024 federal income tax return as married filing jointly.

Please complete North Carolina individual income tax returns using the married filing jointly and married filing separately filing statuses to determine the most beneficial filing for Mr. & Mrs. Army. In both scenarios, it was more beneficial for the taxpayers to claim the federal standard deduction and North Carolina standard deduction. Mr. Army elects to denote that he is a veteran on the married filing jointly North Carolina income tax return.

For the year Jan. 1–Dec. 31, 2024, or other tax year beginning _____, 20_____, ending _____, 20_____. See separate instructions.

Your first name and middle initial JOE T		Last name ARMY		Your social security number 202 00 0000	
If joint return, spouse's first name and middle initial MARY C		Last name ARMY		Spouse's social security number 303 00 0000	
Home address (number and street). If you have a P.O. box, see instructions. 101 ARMY ROAD				Apt. no.	
City, town, or post office. If you have a foreign address, also complete spaces below. FORT MILL			State SC	ZIP code 12789	
Foreign country name		Foreign province/state/county		Foreign postal code	

Filing Status ☐ Single ☒ Married filing jointly (even if only one had income) ☐ Head of household (HOH) ☐ Married filing separately (MFS) ☐ Qualifying surviving spouse (QSS)
Check only one box.
If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent:
☐ If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required):

Digital Assets At any time during 2024, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) ☐ Yes ☒ No

Standard Deduction **Someone can claim:** ☐ You as a dependent ☐ Your spouse as a dependent ☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness **You:** ☐ Were born before January 2, 1960 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1960 ☐ Is blind

Dependents (see instructions):		(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions):
(1) First name	Last name			Child tax credit
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

Income **Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.** If you did not get a Form W-2, see instructions.

1a Total amount from Form(s) W-2, box 1 (see instructions)	1a	92050
b Household employee wages not reported on Form(s) W-2	1b	
c Tip income not reported on line 1a (see instructions)	1c	
d Medicaid waiver payments not reported on Form(s) W-2 (see instructions)	1d	
e Taxable dependent care benefits from Form 2441, line 26	1e	
f Employer-provided adoption benefits from Form 8839, line 29	1f	
g Wages from Form 8919, line 6	1g	
h Other earned income (see instructions)	1h	
i Nontaxable combat pay election (see instructions)	1i	
z Add lines 1a through 1h	1z	92050
2a Tax-exempt interest	2a	
3a Qualified dividends	3a	
4a IRA distributions	4a	
5a Pensions and annuities	5a	42100
6a Social security benefits	6a	
c If you elect to use the lump-sum election method, check here (see instructions)		<input type="checkbox"/>
7 Capital gain or (loss). Attach Schedule D if required. If not required, check here	7	
8 Additional income from Schedule 1, line 10	8	
9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9	134362
10 Adjustments to income from Schedule 1, line 26	10	
11 Subtract line 10 from line 9. This is your adjusted gross income	11	134362
12 Standard deduction or itemized deductions (from Schedule A)	12	29200
13 Qualified business income deduction from Form 8995 or Form 8995-A	13	
14 Add lines 12 and 13	14	29200
15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income	15	105162

Attach Sch. B if required.

Standard Deduction for—

- Single or Married filing separately, \$14,600
- Married filing jointly or Qualifying surviving spouse, \$29,200
- Head of household, \$21,900
- If you checked any box under **Standard Deduction**, see instructions.

Tax and Credits

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> _____	16	
17	Amount from Schedule 2, line 3	17	
18	Add lines 16 and 17	18	
19	Child tax credit or credit for other dependents from Schedule 8812	19	
20	Amount from Schedule 3, line 8	20	
21	Add lines 19 and 20	21	
22	Subtract line 21 from line 18. If zero or less, enter -0-	22	
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	
24	Add lines 22 and 23. This is your total tax	24	

Payments

25	Federal income tax withheld from:		
a	Form(s) W-2	25a	
b	Form(s) 1099	25b	
c	Other forms (see instructions)	25c	
d	Add lines 25a through 25c	25d	
26	2024 estimated tax payments and amount applied from 2023 return	26	
27	Earned income credit (EIC)	27	
28	Additional child tax credit from Schedule 8812	28	
29	American opportunity credit from Form 8863, line 8	29	
30	Reserved for future use	30	
31	Amount from Schedule 3, line 15	31	
32	Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits	32	
33	Add lines 25d, 26, and 32. These are your total payments	33	

Refund

34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34	
35a	Amount of line 34 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	35a	
b	Routing number	c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
d	Account number		
36	Amount of line 34 you want applied to your 2025 estimated tax	36	

Amount You Owe

37	Subtract line 33 from line 24. This is the amount you owe . For details on how to pay, go to www.irs.gov/Payments or see instructions	37	
38	Estimated tax penalty (see instructions)	38	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS? See instructions ☐ **Yes**. Complete below. ☐ **No**

Designee's name	Phone no.	Personal identification number (PIN)	
-----------------	-----------	--------------------------------------	--

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)
Phone no.	Email address		

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	PTIN	Check if: <input type="checkbox"/> Self-employed
Firm's name	Firm's address			Phone no.
				Firm's EIN

16. Tax Credits (From Form D-400TC, Part 3, Line 20)

▶ 16.

17. Subtract Line 16 from Line 15

17. 1148.00

18. Consumer Use Tax (See instructions)

If you certify that no Consumer Use Tax is due, fill in circle. ▶ ●

▶ 18.

19. Add Lines 17 and 18

19. 1148.00

20. North Carolina
Income Tax Withheld ▶

a. Your tax withheld

b. Spouse's tax withheld

▶ 1330.00

21. Other Tax Payments

a. 2024 estimated tax

b. Paid with extension

▶

▶

c. Partnership

d. S Corporation

▶

▶

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. Additional Payments (Amended Returns Only. See instructions)

22.

23. Add Lines 20a through 22

23. 1330.00

24. Previous Refunds (Amended Returns Only. See instructions)

24.

25. Subtract Line 24 from Line 23. (If less than zero, see instructions.)

25. 1330.00

26. a. Tax Due - If Line 25 is less than Line 19, subtract Line 25 from Line 19. Otherwise, go to Line 28. ▶

26a.

b. Penalties

c. Interest

(Add Lines 26b and 26c and enter the total on Line 26d.)

▶

▶

26d.

e. Interest on the Underpayment of Estimated Income Tax (See instructions and enter letter in box, if applicable.) →

Exception to Underpayment of Estimated Tax

▶

▶ 26e.

27. Amount Due - Add Lines 26a, 26d, and 26e
Pay in U.S. Currency from a Domestic Bank - You can pay online at ncdor.gov.

27. \$

28. Overpayment - If Line 25 is more than Line 19, subtract Line 19 from Line 25.

28. 182.00

When filing an amended return, see instructions

29. Amount of Line 28 to be applied to 2025 Estimated Income Tax

▶ 29.

30. Contribution to the N.C. Nongame and Endangered Wildlife Fund

▶ 30.

31. Contribution to the N.C. Education Endowment Fund

▶ 31.

32. Contribution to the N.C. Breast and Cervical Cancer Control Program

▶ 32.

33. Add Lines 29 through 32

33.

34. Subtract Line 33 from Line 28. This is the Amount To Be Refunded
For direct deposit, file electronically

▶ 34. 182.00



I declare and certify that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Your Signature _____ Date _____

Spouse's Signature (If filing joint return, both must sign.) _____ Date _____

Contact Phone Number
(Include area code) ▶



Check here if you authorize the North Carolina Department of Revenue to discuss this return and attachments with the paid preparer below.

PAID PREPARER USE ONLY
If prepared by a person other than taxpayer, this certification is based on all information of which the preparer has any knowledge.
Preparer's FEIN, SSN, or PTIN _____
Preparer's Contact Phone Number (Include area code) _____
Paid Preparer's Signature _____ Date _____

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

D-400 Schedule S

2024 N.C. Adjustments for Individuals

DOR
Use
Only

If you are required to add certain items to federal adjusted gross income on Form D-400, Line 7, or if you are entitled to take deductions from federal adjusted gross income on Form D-400, Line 9, you must complete and attach this schedule to Form D-400. Importantly, you must attach both pages of this schedule to Form D-400, even if you are only required to complete one part of the schedule. If you do not, the Department may be unable to process your return.

Last Name (First 10 Characters)

ARMY

Do not send a photocopy of this form.

Your Social Security Number

202-00-0000

Part A. Additions to Federal Adjusted Gross Income (Only add items that are not included in federal adjusted gross income)

- | | |
|---|-------|
| 1. Interest Income From Obligations of States Other Than N.C. | ▶ 1. |
| 2. Deferred Gains Reinvested Into an Opportunity Fund | ▶ 2. |
| 3. Bonus Depreciation | ▶ 3. |
| 4. IRC Section 179 Expense | ▶ 4. |
| 5. S-Corporation Shareholder Built-in Gains Tax | ▶ 5. |
| 6. Amount by Which Federal Basis Exceeds State Basis for Property Disposed of in 2024 | ▶ 6. |
| 7. Federal Net Operating Loss Deduction | ▶ 7. |
| 8. State, Local, or Foreign Income Tax Deducted by an S Corporation, Partnership, or Estate and Trust | ▶ 8. |
| 9. Withdrawal of 529 Plan Contributions Not Used for Permissible Purpose | ▶ 9. |
| 10. Discharge of Qualified Principal Residence Indebtedness | ▶ 10. |
| 11. Qualified Education Loan Payments Paid by Employer | ▶ 11. |
| 12. Expenses Allocable to Income Exempt or Excluded From Gross Income | ▶ 12. |
| 13. Discharge of Certain Student Loan Debt | ▶ 13. |
| 14. Taxed Pass-Through Entity Loss | ▶ 14. |
| 15. Reserved for Future Use | ▶ 15. |
| 16. Total Additions - Add Lines 1 through 15 (Enter the total here and on Form D-400, Line 7) | 16. |



Part B. Deductions From Federal Adjusted Gross Income (Only deduct items that are included in federal adjusted gross income)

- | | |
|---|-------|
| 17. State or Local Income Tax Refund | ▶ 17. |
| 18. Interest Income From Obligations of the United States or United States' Possessions | ▶ 18. |

Part B. Deductions From Federal Adjusted Gross Income (Only deduct items that are included in federal adjusted gross income)

19. Taxable Portion of Social Security and Railroad Retirement Benefits	▶	19.	
20. Retirement Benefits Received by Vested N.C. State Government, N.C. Local Government, or Federal Government Retirees, i.e. <i>Bailey Settlement</i>	▶	20.	
21. Certain Retirement Benefits Received by a Retired Member of the United States Uniformed Services Not Deducted on Line 20	▶	21.	42100.00
22. Bonus Asset Basis	▶	22.	
23. Bonus Depreciation			
▶ 23a. 2019	▶ 23b. 2020	▶ 23c. 2021	
▶ 23d. 2022	▶ 23e. 2023	23f.	
24. IRC Section 179 Expense			
▶ 24a. 2019	▶ 24b. 2020	▶ 24c. 2021	
▶ 24d. 2022	▶ 24e. 2023	24f.	
25. Recognized IRC Section 1400Z-2 Gain	▶	25.	
26. Gain From the Disposition of Exempt N.C. Obligations Issued Before July 1, 1995	▶	26.	
27. Exempt Income Earned or Received by a Member of a Federally Recognized Indian Tribe	▶	27.	
28. Amount by Which State Basis Exceeds Federal Basis for Property Disposed of in 2024	▶	28.	
29. Ordinary and Necessary Business Expense Reduced or not Allowed Due to Claiming a Federal Tax Credit in Lieu of a Deduction	▶	29.	
30. Personal Education Student Account Deposits	▶	30.	
31. Certain State Emergency Response and Disaster Relief Reserve Fund Payments	▶	31.	
32. Certain Economic Incentive Payments	▶	32.	
33. Certain N.C. Grant Payments	▶	33.	
34. Certain Net Operating Loss Carrybacks (Limited to 20% of amount added to AGI in tax years 2013 through 2019)	▶	34.	
35. Excess Net Operating Loss Carryforward (Limited to 20% of amount added to AGI in 2019 and 2020)	▶	35.	
36. Excess Business Loss (Limited to 20% of amount added to AGI in 2018, 2019, and 2020)	▶	36.	
37. Business Interest Limitation (Limited to 20% of amount added to AGI in 2019 and 2020)	▶	37.	
38. Taxed Pass-Through Entity Income			
▶ 38a. N.C. Sourced	▶ 38b. Non-N.C. Sourced	38c.	
39. N.C. Net Operating Loss	▶	39.	
40. Reserved for Future Use	▶	40.	
41. Total Deductions - Add Lines 17 through 22, 23f, 24f, 25 through 37, 38c, 39, and 40 (Enter the total here and on Form D-400, Line 9)		41.	42100.00

D-400 Schedule PN 2024 Part-Year Resident and Nonresident Schedule

DOR
Use
Only

If you enter a taxable percentage on Form D-400, Line 13 because you or your spouse, if married filing jointly, were not full-year residents of North Carolina during tax year 2024, you must attach this schedule to Form D-400. Importantly, you must attach both pages of this schedule to Form D-400. If you do not, the Department may be unable to process your return.

Last Name (First 10 Characters)

ARMY

Do not send a photocopy of this form.

Your Social Security Number

202-00-0000

A part-year resident or a nonresident who receives income from N.C. sources must complete this form to determine the percentage of total income from all sources that is subject to N.C. tax. You are a **"part-year resident"** if you moved to N.C. and became a resident during the tax year, or you moved out of N.C. and became a resident of another state during the tax year. You are a **"nonresident"** if you were not a resident of N.C. at any time during the tax year.

Important: Refer to the Instructions before completing this form.

Part A. Residency Status

Taxpayer is: (Fill in applicable circle)

☐ Full-Year Resident ☒ Nonresident ☐ Part-Year Resident
Date N.C. residency began Date N.C. residency ended

(MM-DD-YY)

(MM-DD-YY)

Spouse is: (Fill in applicable circle)

☐ Full-Year Resident ☒ Nonresident ☐ Part-Year Resident
Date N.C. residency began Date N.C. residency ended

(MM-DD-YY)

(MM-DD-YY)

If you and your spouse were both full-year residents of N.C., **stop here**; do not complete Parts B and C. Do not attach Schedule PN to Form D-400.

Part B. Allocation of Income for Part-Year Residents and Nonresidents

Total Income		
	COLUMN A Total Income from all Sources	COLUMN B Amount of Column A Attributable to N.C.
1. Wages, Salaries, Tips, Etc.	1. 92050.00	35250.00
2. Taxable Interest	2. 212.00	
3. Taxable Dividends	3.	
4. Taxable Refunds, Credits, or Offsets of State and Local Income Taxes	4.	
5. Alimony Received	5.	
6. Business Income or (Loss)	6.	
7. Capital Gain or (Loss)	7.	
8. Other Gains or (Losses)	8.	
9. Taxable Amount of IRA Distributions	9.	
10. Taxable Amount of Pensions and Annuities	10. 42100.00	
11. Rental Real Estate, Royalties, Partnerships, S-Corps, Estates, Trusts, Etc.	11.	
12. Farm Income or (Loss)	12.	
13. Unemployment Compensation	13.	
14. Taxable Portion of Social Security and Railroad Retirement Benefits	14.	
15. Other Income	15.	
16. Total Income (Add Lines 1 through 15)	16. 134362.00	35250.00



Part B. Allocation of Income for Part-Year Residents and Nonresidents (continued)

North Carolina Adjustments

COLUMN A

Amount from Form
D-400 Schedule S

COLUMN B

Amount of Column A
Attributable to N.C.

17. Additions:

- a. Interest Income From Obligations of States Other Than N.C. 17a.
- b. Deferred Gains Reinvested Into an Opportunity Fund 17b.
- c. Bonus Depreciation 17c.
- d. IRC Section 179 Expense 17d.
- e. Other Additions to Federal Adjusted Gross Income That Relate to Gross Income (From Form D-400 Schedule PN-1, Part A, Line 12.) 17e.

18. Total Additions (Add Lines 17a through 17e) 18.

19. Deductions:

- a. State or Local Income Tax Refund 19a.
- b. Interest Income From Obligations of the United States or United States' Possessions 19b.
- c. Taxable Portion of Social Security and Railroad Retirement Benefits 19c.
- d. Retirement Benefits Received by Vested N.C. State Government, N.C. Local Government, or Federal Government Retirees, i.e. Bailey Settlement 19d.
- e. Bonus Asset Basis 19e.
- f. Bonus Depreciation 19f.
- g. IRC Section 179 Expense 19g.

h. Other Deductions From Federal Adjusted Gross Income That Relate to Gross Income (From Form D-400 Schedule PN-1, Part B, Line 30.) 19h. 42100.00

20. Total Deductions (Add Lines 19a through 19h) 20. 42100.00

21. Total Income Modified by N.C. Adjustments (Line 16 plus Line 18 minus Line 20) 21. 92262.00 35250.00

Part C. Part-Year Residents and Nonresidents Taxable Percentage

22. Enter the Amount From Column B, Line 21 22. 35250.00

23. Enter the Amount From Column A, Line 21 23. 92262.00

24. Part-Year Residents and Nonresidents Taxable Percentage (Divide Line 22 by Line 23) 24. 0.3821
Enter the result as a decimal amount here and on Form D-400, Line 13.

D-400 Schedule PN-1
2024 Other Additions and
Other Deductions

DOR
Use
Only

If you enter an amount on Form D-400 Schedule PN, Part B, Line 17e or Line 19h, you must attach this schedule to Form D-400. Importantly, you must attach both pages of this schedule to Form D-400, even if you are only required to complete one part of the schedule. If you do not, the Department may be unable to process your return.

Last Name (First 10 Characters)

ARMY

Important:
Refer to the Instructions before
completing this worksheet.

Your Social Security Number

202-00-0000

Part A. Other Additions to Federal Adjusted Gross Income That Relate to Gross Income (From 2024 Form D-400 Schedule S, Part A)

COLUMN A

Amount from Form
D-400 Schedule S

COLUMN B

Amount of Column A
Attributable to N.C.

- | | |
|--|-----|
| 1. S Corporation Shareholder Built-in Gains Tax | 1. |
| 2. Amount by Which Federal Basis Exceeds State Basis for Property Disposed of in 2024 | 2. |
| 3. Federal Net Operating Loss Deduction | 3. |
| 4. State, Local, or Foreign Income Tax Deducted by an S Corporation, Partnership, or Estate and Trust | 4. |
| 5. Withdrawal of 529 Plan Contributions Not Used for Permissible Purpose | 5. |
| 6. Discharge of Qualified Principal Residence Indebtedness | 6. |
| 7. Qualified Education Loan Payments Paid by Employer | 7. |
| 8. Expenses Allocable to Income Exempt or Excluded From Gross Income | 8. |
| 9. Discharge of Certain Student Loan Debt | 9. |
| 10. Taxed Pass-Through Entity Loss | 10. |
| 11. Reserved for Future Use | 11. |
| 12. Total Other Additions (Add Lines 1 through 11) Enter the total here and on Form D-400 Schedule PN, Line 17e. | 12. |

Part B. Other Deductions From Federal Adjusted Gross Income That Relate to Gross Income (From 2024 Form D-400 Schedule S, Part B)

COLUMN A

Amount from Form
D-400 Schedule S

COLUMN B

Amount of Column A
Attributable to N.C.

13. Certain Retirement Benefits Received by a Retired Member of the United States Uniformed Services Not Deducted on Form D-400 Schedule PN, Part B, Line 19d	13.	42100.00
14. Recognized IRC Section 1400Z-2 Gain	14.	
15. Gain From the Disposition of Exempt N.C. Obligations Issued Before July 1, 1995	15.	
16. Exempt Income Earned or Received by a Member of a Federally Recognized Indian Tribe	16.	
17. Amount by Which State Basis Exceeds Federal Basis for Property Disposed of in 2024	17.	
18. Ordinary and Necessary Business Expense Reduced or not Allowed Due to Claiming a Federal Tax Credit in Lieu of a Deduction	18.	
19. Personal Education Student Account Deposits	19.	
20. Certain State Emergency Response and Disaster Relief Reserve Fund Payments	20.	
21. Certain Economic Incentive Payments	21.	
22. Certain N.C. Grant Payments	22.	
23. Certain Net Operating Loss Carrybacks (Limited to 20% of amount added to AGI in tax years 2013 through 2019)	23.	
24. Excess Net Operating Loss Carryforward (Limited to 20% of amount added to AGI in 2019 and 2020)	24.	
25. Excess Business Loss (Limited to 20% of amount added to AGI in 2018, 2019, and 2020)	25.	
26. Business Interest Limitation (Limited to 20% of amount added to AGI in 2019 and 2020)	26.	
27. Taxed Pass-Through Entity Income		
27a. N.C. Sourced	27a.	
27b. Non-N.C. Sourced	27b.	
28. N.C. Net Operating Loss	28.	
29. Reserved for Future Use	29.	
30. Total Other Deductions (Add Lines 13 through 29) Enter the total here and on Form D-400 Schedule PN, Line 19h	30.	42100.00

16. Tax Credits (From Form D-400TC, Part 3, Line 20)

▶ 16.

17. Subtract Line 16 from Line 15

17. 1016.00

18. Consumer Use Tax (See instructions)

If you certify that no Consumer Use Tax is due, fill in circle. ▶ ●

▶ 18.

19. Add Lines 17 and 18

19. 1016.00

20. North Carolina
Income Tax Withheld ▶

a. Your tax withheld

1330.00

b. Spouse's tax withheld ▶

21. Other Tax Payments

a. 2024 estimated tax ▶

b. Paid with extension ▶

c. Partnership ▶

d. S Corporation ▶

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. Additional Payments (Amended Returns Only. See instructions)

22.

23. Add Lines 20a through 22

23. 1330.00

24. Previous Refunds (Amended Returns Only. See instructions)

24.

25. Subtract Line 24 from Line 23. (If less than zero, see instructions.)

25. 1330.00

26. a. Tax Due - If Line 25 is less than Line 19, subtract Line 25 from Line 19. Otherwise, go to Line 28. ▶

26a.

b. Penalties ▶

c. Interest ▶

(Add Lines 26b and 26c and enter the total on Line 26d.)

26d.

e. Interest on the Underpayment of Estimated Income Tax (See instructions and enter letter in box, if applicable.) →

Exception to Underpayment of Estimated Tax ▶

27. Amount Due - Add Lines 26a, 26d, and 26e Pay in U.S. Currency from a Domestic Bank - You can pay online at ncdor.gov.

▶ 26e.

27. \$

28. Overpayment - If Line 25 is more than Line 19, subtract Line 19 from Line 25.

28. 314.00

When filing an amended return, see instructions

29. Amount of Line 28 to be applied to 2025 Estimated Income Tax

▶ 29.

30. Contribution to the N.C. Nongame and Endangered Wildlife Fund

▶ 30.

31. Contribution to the N.C. Education Endowment Fund

▶ 31.

32. Contribution to the N.C. Breast and Cervical Cancer Control Program

▶ 32.

33. Add Lines 29 through 32

33.

34. Subtract Line 33 from Line 28. This is the Amount To Be Refunded For direct deposit, file electronically

▶ 34. 314.00

I declare and certify that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Your Signature

Date

Spouse's Signature (If filing joint return, both must sign.)

Date

Contact Phone Number (Include area code) ▶



Check here if you authorize the North Carolina Department of Revenue to discuss this return and attachments with the paid preparer below.

PAID
PREPARER
USE ONLY

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

Preparer's FEIN, SSN, or PTIN

Preparer's Contact Phone Number (Include area code)

Paid Preparer's Signature

Date

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

D-400 Schedule PN 2024 Part-Year Resident and Nonresident Schedule

DOR
Use
Only

If you enter a taxable percentage on Form D-400, Line 13 because you or your spouse, if married filing jointly, were not full-year residents of North Carolina during tax year 2024, you must attach this schedule to Form D-400. Importantly, you must attach both pages of this schedule to Form D-400. If you do not, the Department may be unable to process your return.

Last Name (First 10 Characters)

Your Social Security Number

ARMY

Do not send a photocopy of this form.

303-00-0000

A part-year resident or a nonresident who receives income from N.C. sources must complete this form to determine the percentage of total income from all sources that is subject to N.C. tax. You are a **"part-year resident"** if you moved to N.C. and became a resident during the tax year, or you moved out of N.C. and became a resident of another state during the tax year. You are a **"nonresident"** if you were not a resident of N.C. at any time during the tax year.

Important: Refer to the Instructions before completing this form.

Part A. Residency Status

Taxpayer is: (Fill in applicable circle)

☐ Full-Year Resident ☒ Nonresident ☐ Part-Year Resident
Date N.C. residency began Date N.C. residency ended

(MM-DD-YY)

(MM-DD-YY)

Spouse is: (Fill in applicable circle)

☐ Full-Year Resident ☐ Nonresident ☐ Part-Year Resident
Date N.C. residency began Date N.C. residency ended

(MM-DD-YY)

(MM-DD-YY)

If you and your spouse were both full-year residents of N.C., **stop here**; do not complete Parts B and C. Do not attach Schedule PN to Form D-400.

Part B. Allocation of Income for Part-Year Residents and Nonresidents

Total Income		
	COLUMN A Total Income from all Sources	COLUMN B Amount of Column A Attributable to N.C.
1. Wages, Salaries, Tips, Etc.	1. 35250.00	35250.00
2. Taxable Interest	2. 212.00	
3. Taxable Dividends	3.	
4. Taxable Refunds, Credits, or Offsets of State and Local Income Taxes	4.	
5. Alimony Received	5.	
6. Business Income or (Loss)	6.	
7. Capital Gain or (Loss)	7.	
8. Other Gains or (Losses)	8.	
9. Taxable Amount of IRA Distributions	9.	
10. Taxable Amount of Pensions and Annuities	10.	
11. Rental Real Estate, Royalties, Partnerships, S-Corps, Estates, Trusts, Etc.	11.	
12. Farm Income or (Loss)	12.	
13. Unemployment Compensation	13.	
14. Taxable Portion of Social Security and Railroad Retirement Benefits	14.	
15. Other Income	15.	
16. Total Income (Add Lines 1 through 15)	16. 35462.00	35250.00



Part B. Allocation of Income for Part-Year Residents and Nonresidents *(continued)*

North Carolina Adjustments

COLUMN A

Amount from Form
D-400 Schedule S

COLUMN B

Amount of Column A
Attributable to N.C.

17. Additions:

- a. Interest Income From Obligations of States Other Than N.C. 17a.
- b. Deferred Gains Reinvested Into an Opportunity Fund 17b.
- c. Bonus Depreciation 17c.
- d. IRC Section 179 Expense 17d.
- e. Other Additions to Federal Adjusted Gross Income That Relate to Gross Income *(From Form D-400 Schedule PN-1, Part A, Line 12.)* 17e.

18. Total Additions *(Add Lines 17a through 17e)* 18.

19. Deductions:

- a. State or Local Income Tax Refund 19a.
- b. Interest Income From Obligations of the United States or United States' Possessions 19b.
- c. Taxable Portion of Social Security and Railroad Retirement Benefits 19c.
- d. Retirement Benefits Received by Vested N.C. State Government, N.C. Local Government, or Federal Government Retirees, i.e. *Bailey Settlement* 19d.
- e. Bonus Asset Basis 19e.
- f. Bonus Depreciation 19f.
- g. IRC Section 179 Expense 19g.
- h. Other Deductions From Federal Adjusted Gross Income That Relate to Gross Income *(From Form D-400 Schedule PN-1, Part B, Line 30.)* 19h.

20. Total Deductions *(Add Lines 19a through 19h)* 20.

21. Total Income Modified by N.C. Adjustments 21. 35462.00 35250.00
(Line 16 plus Line 18 minus Line 20)

Part C. Part-Year Residents and Nonresidents Taxable Percentage

- 22.** Enter the Amount From **Column B, Line 21** ► 22. 35250.00
- 23.** Enter the Amount From **Column A, Line 21** ► 23. 35462.00
- 24. Part-Year Residents and Nonresidents Taxable Percentage** *(Divide Line 22 by Line 23)* 24. 0.9940
Enter the result as a decimal amount here and on Form D-400, Line 13.

Test Question #4

Facts:

Lester L. (SSN 123-22-4567) and Gladys W. (SSN 234-33-6789) Scruggs were part-year residents of North Carolina for tax year 2024. They became North Carolina residents on July 1, 2024. Mr. Scruggs elects to denote on his North Carolina income tax return that he is a veteran. Mr. and Mrs. Scruggs have two children, James (SSN 444-55-6666) age 14 and Sue (SSN 777-66-3333) age 18 who is a full-time student. They live at 1313 Not Real Lane, Raleigh, North Carolina 27615. This is in Wake County.

Lester received \$25,000.00 in wages from Lockheed Martin earned in Virginia before becoming a North Carolina resident. He received \$55,000.00 in wages from Lockheed Martin earned in North Carolina after becoming a North Carolina resident on or after July 1, 2024 and had \$2,500.00 withheld in North Carolina state income tax. Mr. Scruggs received \$6,000.00 (\$500.00 per month) in his pension from the United States Navy (Bailey Vested) during 2024. Mr. Scruggs received two separate IRA distributions of \$10,000.00 each on April 2, 2024 and September 8, 2024. Mr. Scruggs received interest income each month with a yearly total of \$776.00 from Coastal Federal Credit Union. Mr. Scruggs also sold stock on December 1, 2024, for a capital gain of \$2,500.00. Gladys worked part-time at Dillard's after moving to North Carolina. She earned \$12,000.00 in wages and had \$400.00 withheld in North Carolina state income tax.

Previously, the taxpayers were North Carolina residents in tax year 2013 and claimed a deduction from federal adjusted gross income of \$5,000 for contributions made to an N.C. 529 Plan on their 2013 North Carolina income tax return. In 2024, the taxpayers withdrew \$5,000 from their N.C. 529 Plan on November 1, 2024 and the funds were not used for a purpose allowed under IRC section 529.

The Scruggs did not make any out-of-state purchases during the 2024 tax year. They claimed the standard deduction on their federal income tax return because it was greater than the amount of their eligible federal itemized deductions shown on Federal Schedule A. As a result, the Scruggs must determine if it will be more beneficial to claim the N.C. standard deduction or the allowable N.C. itemized deductions on their North Carolina income tax return. Please complete Mr. and Mrs. Scruggs 2024 North Carolina individual income tax return.

For the year Jan. 1–Dec. 31, 2024, or other tax year beginning _____, 2024, ending _____, 20____

See separate instructions.

Your first name and middle initial
LESTER L

Last name
SCRUGGS

If joint return, spouse's first name and middle initial
GLADYS W

Last name
SCRUGGS

Home address (number and street). If you have a P.O. box, see instructions.
1313 NOT REAL LANE

Apt. no.

City, town, or post office. If you have a foreign address, also complete spaces below.
RALEIGH

State
NC

ZIP code
27615

Foreign country name

Foreign province/state/county

Foreign postal code

☐ You ☐ Spouse

Filing Status

☐ Single ☐ Head of household (HOH) ☐ Qualifying surviving spouse (QSS)

☒ Married filing jointly (even if only one had income) ☐ Married filing separately (MFS)

If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent:
☐ If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required): _____

Digital Assets

At any time during 2024, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) ☐ Yes ☒ No

Standard Deduction

Someone can claim: ☐ You as a dependent ☐ Your spouse as a dependent ☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness

You: ☐ Were born before January 2, 1960 ☐ Are blind Spouse: ☐ Was born before January 2, 1960 ☐ Is blind

Dependents

(see instructions):

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions):	Child tax credit	Credit for other dependents
JAMES	SCRUGGS	444 55 6666	SON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SUE	SCRUGGS	777 66 3333	DAUGHTER	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Income

1a Total amount from Form(s) W-2, box 1 (see instructions)

1a 92000

1b Household employee wages not reported on Form(s) W-2

1b

1c Tip income not reported on line 1a (see instructions)

1c

1d Medicaid waiver payments not reported on Form(s) W-2 (see instructions)

1d

1e Taxable dependent care benefits from Form 2441, line 26

1e

1f Employer-provided adoption benefits from Form 8839, line 29

1f

1g Wages from Form 8919, line 6

1g

1h Other earned income (see instructions)

1h

1i Nontaxable combat pay election (see instructions)

1i

1z Add lines 1a through 1h

1z 92000

2a Tax-exempt interest

2a

2b Taxable interest

2b 776

3a Qualified dividends

3a

3b Ordinary dividends

3b

4a IRA distributions

4a 20000

4b Taxable amount

4b 20000

5a Pensions and annuities

5a 6000

5b Taxable amount

5b 6000

6a Social security benefits

6a

6b Taxable amount

6b

c If you elect to use the lump-sum election method, check here (see instructions)

☐

7 Capital gain or (loss). Attach Schedule D if required. If not required, check here

☐

7 2500

8 Additional income from Schedule 1, line 10

8

9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your **total income**

9 121276

10 Adjustments to income from Schedule 1, line 26

10

11 Subtract line 10 from line 9. This is your **adjusted gross income**

11 121276

12 **Standard deduction or itemized deductions** (from Schedule A)

12 29200

13 Qualified business income deduction from Form 8995 or Form 8995-A

13

14 Add lines 12 and 13

14 29200

15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your **taxable income**

15 92076

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a Form W-2, see instructions.

Attach Sch. B if required.

Standard Deduction for—

- Single or Married filing separately, \$14,600
- Married filing jointly or Qualifying surviving spouse, \$29,200
- Head of household, \$21,900
- If you checked any box under **Standard Deduction**, see instructions.

Tax and Credits

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> _____	16	
17	Amount from Schedule 2, line 3	17	
18	Add lines 16 and 17	18	
19	Child tax credit or credit for other dependents from Schedule 8812	19	
20	Amount from Schedule 3, line 8	20	
21	Add lines 19 and 20	21	
22	Subtract line 21 from line 18. If zero or less, enter -0-	22	
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	
24	Add lines 22 and 23. This is your total tax	24	

Payments

25	Federal income tax withheld from:		
a	Form(s) W-2	25a	
b	Form(s) 1099	25b	
c	Other forms (see instructions)	25c	
d	Add lines 25a through 25c	25d	
26	2024 estimated tax payments and amount applied from 2023 return	26	
27	Earned income credit (EIC)	27	
28	Additional child tax credit from Schedule 8812	28	
29	American opportunity credit from Form 8863, line 8	29	
30	Reserved for future use	30	
31	Amount from Schedule 3, line 15	31	
32	Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits	32	
33	Add lines 25d, 26, and 32. These are your total payments	33	

Refund

34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34	
35a	Amount of line 34 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	35a	
b	Routing number	c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	
d	Account number		
36	Amount of line 34 you want applied to your 2025 estimated tax	36	

Amount You Owe

37	Subtract line 33 from line 24. This is the amount you owe . For details on how to pay, go to www.irs.gov/Payments or see instructions	37	
38	Estimated tax penalty (see instructions)	38	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS? See instructions ☐ **Yes**. Complete below. ☐ **No**

Designee's name	Phone no.	Personal identification number (PIN)	
-----------------	-----------	--------------------------------------	--

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)
Phone no.	Email address		

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	PTIN	Check if: <input type="checkbox"/> Self-employed
Firm's name	Phone no.			
Firm's address	Firm's EIN			

**SCHEDULE A
(Form 1040)**

Department of the Treasury
Internal Revenue Service

Itemized Deductions

Attach to Form 1040 or 1040-SR.

Go to www.irs.gov/ScheduleA for instructions and the latest information.

Caution: If you are claiming a net qualified disaster loss on Form 4684, see the instructions for line 16.

OMB No. 1545-0074

2024

Attachment
Sequence No. **07**

Name(s) shown on Form 1040 or 1040-SR

LESTER L & GLADYS W SCRUGGS

Your social security number

123-22-4567

**Medical
and
Dental
Expenses**

Caution: Do not include expenses reimbursed or paid by others.

1 Medical and dental expenses (see instructions)

1

2 Enter amount from Form 1040 or 1040-SR, line 11 **2**

2

3 Multiply line 2 by 7.5% (0.075)

3

4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-

4

**Taxes You
Paid**

5 State and local taxes.

a State and local income taxes or general sales taxes. You may include either income taxes or general sales taxes on line 5a, but not both. If you elect to include general sales taxes instead of income taxes, check this box ☐

5a

3700

b State and local real estate taxes (see instructions)

5b

450

c State and local personal property taxes

5c

855

d Add lines 5a through 5c

5d

5005

e Enter the smaller of line 5d or \$10,000 (\$5,000 if married filing separately)

5e

5005

6 Other taxes. List type and amount:

6

7 Add lines 5e and 6

7

5005

**Interest
You Paid**

Caution: Your mortgage interest deduction may be limited. See instructions.

8 Home mortgage interest and points. If you didn't use all of your home mortgage loan(s) to buy, build, or improve your home, see instructions and check this box ☐

a Home mortgage interest and points reported to you on Form 1098. See instructions if limited

8a

4250

b Home mortgage interest not reported to you on Form 1098. See instructions if limited. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address

8b

c Points not reported to you on Form 1098. See instructions for special rules

8c

d Reserved for future use

8d

e Add lines 8a through 8c

8e

4250

9 Investment interest. Attach Form 4952 if required. See instructions

9

10 Add lines 8e and 9

10

4250

**Gifts to
Charity**

Caution: If you made a gift and got a benefit for it, see instructions.

11 Gifts by cash or check. If you made any gift of \$250 or more, see instructions

11

16900

12 Other than by cash or check. If you made any gift of \$250 or more, see instructions. You **must** attach Form 8283 if over \$500

12

13 Carryover from prior year

13

14 Add lines 11 through 13

14

16900

**Casualty and
Theft Losses**

15 Casualty and theft loss(es) from a federally declared disaster (other than net qualified disaster losses). Attach Form 4684 and enter the amount from line 18 of that form. See instructions

15

**Other
Itemized
Deductions**

16 Other—from list in instructions. List type and amount:

16

**Total
Itemized
Deductions**

17 Add the amounts in the far right column for lines 4 through 16. Also, enter this amount on Form 1040 or 1040-SR, line 12

17

26155

18 If you elect to itemize deductions even though they are less than your standard deduction, check this box ☐

16. Tax Credits (From Form D-400TC, Part 3, Line 20)

▶ 16.

17. Subtract Line 16 from Line 15

17. 2994.00

18. Consumer Use Tax (See instructions)

If you certify that no Consumer Use Tax is due, fill in circle.



▶ 18.

19. Add Lines 17 and 18

19. 2994.00

20. North Carolina
Income Tax Withheld

a. Your tax withheld

▶ 2500.00

b. Spouse's tax withheld

▶ 400.00

21. Other Tax Payments

a. 2024 estimated tax

▶

b. Paid with extension

▶

c. Partnership

▶

d. S Corporation

▶

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. Additional Payments (Amended Returns Only. See instructions)

22.

23. Add Lines 20a through 22

23. 2900.00

24. Previous Refunds (Amended Returns Only. See instructions)

24.

25. Subtract Line 24 from Line 23. (If less than zero, see instructions.)

25. 2900.00

26. a. Tax Due - If Line 25 is less than Line 19, subtract Line 25 from Line 19. Otherwise, go to Line 28.

▶ 26a. 94.00

b. Penalties

▶

c. Interest

▶

(Add Lines 26b and 26c and enter the total on Line 26d.)

26d.

e. Interest on the Underpayment of Estimated Income Tax (See instructions and enter letter in box, if applicable.)



Exception to Underpayment of Estimated Tax



▶ 26e.

27. Amount Due - Add Lines 26a, 26d, and 26e Pay in U.S. Currency from a Domestic Bank - You can pay online at ncdor.gov.

27. \$ 94.00

28. Overpayment - If Line 25 is more than Line 19, subtract Line 19 from Line 25.

28.

When filing an amended return, see instructions

29. Amount of Line 28 to be applied to 2025 Estimated Income Tax

▶ 29.

30. Contribution to the N.C. Nongame and Endangered Wildlife Fund

▶ 30.

31. Contribution to the N.C. Education Endowment Fund

▶ 31.

32. Contribution to the N.C. Breast and Cervical Cancer Control Program

▶ 32.

33. Add Lines 29 through 32

33.

34. Subtract Line 33 from Line 28. This is the Amount To Be Refunded For direct deposit, file electronically

▶ 34.



I declare and certify that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Your Signature

Date

Spouse's Signature (If filing joint return, both must sign.)

Date

Contact Phone Number
(Include area code)



Check here if you authorize the North Carolina Department of Revenue to discuss this return and attachments with the paid preparer below.

PAID
PREPARER
USE ONLY

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

Preparer's FEIN, SSN, or PTIN

Preparer's Contact Phone Number (Include area code)

Paid Preparer's Signature

Date

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

D-400 Schedule S

2024 N.C. Adjustments for Individuals

DOR
Use
Only

If you are required to add certain items to federal adjusted gross income on Form D-400, Line 7, or if you are entitled to take deductions from federal adjusted gross income on Form D-400, Line 9, you must complete and attach this schedule to Form D-400. Importantly, you must attach both pages of this schedule to Form D-400, even if you are only required to complete one part of the schedule. If you do not, the Department may be unable to process your return.

Last Name (First 10 Characters)

SCRUGGS

Do not send a photocopy of this form.

Your Social Security Number

123-22-4567

Part A. Additions to Federal Adjusted Gross Income (Only add items that are not included in federal adjusted gross income)

1. Interest Income From Obligations of States Other Than N.C.	▶	1.	
2. Deferred Gains Reinvested Into an Opportunity Fund	▶	2.	
3. Bonus Depreciation	▶	3.	
4. IRC Section 179 Expense	▶	4.	
5. S-Corporation Shareholder Built-in Gains Tax	▶	5.	
6. Amount by Which Federal Basis Exceeds State Basis for Property Disposed of in 2024	▶	6.	
7. Federal Net Operating Loss Deduction	▶	7.	
8. State, Local, or Foreign Income Tax Deducted by an S Corporation, Partnership, or Estate and Trust	▶	8.	
9. Withdrawal of 529 Plan Contributions Not Used for Permissible Purpose	▶	9.	5000.00
10. Discharge of Qualified Principal Residence Indebtedness	▶	10.	
11. Qualified Education Loan Payments Paid by Employer	▶	11.	
12. Expenses Allocable to Income Exempt or Excluded From Gross Income	▶	12.	
13. Discharge of Certain Student Loan Debt	▶	13.	
14. Taxed Pass-Through Entity Loss	▶	14.	
15. Reserved for Future Use	▶	15.	
16. Total Additions - Add Lines 1 through 15 <small>(Enter the total here and on Form D-400, Line 7)</small>		16.	5000.00



Part B. Deductions From Federal Adjusted Gross Income (Only deduct items that are included in federal adjusted gross income)

17. State or Local Income Tax Refund	▶	17.	
18. Interest Income From Obligations of the United States or United States' Possessions	▶	18.	

Part B. Deductions From Federal Adjusted Gross Income (Only deduct items that are included in federal adjusted gross income)

19. Taxable Portion of Social Security and Railroad Retirement Benefits	▶	19.	
20. Retirement Benefits Received by Vested N.C. State Government, N.C. Local Government, or Federal Government Retirees, i.e. <i>Bailey Settlement</i>	▶	20.	6000.00
21. Certain Retirement Benefits Received by a Retired Member of the United States Uniformed Services Not Deducted on Line 20	▶	21.	
22. Bonus Asset Basis	▶	22.	
23. Bonus Depreciation			
▶ 23a. 2019	▶ 23b. 2020	▶ 23c. 2021	
▶ 23d. 2022	▶ 23e. 2023	23f.	
24. IRC Section 179 Expense			
▶ 24a. 2019	▶ 24b. 2020	▶ 24c. 2021	
▶ 24d. 2022	▶ 24e. 2023	24f.	
25. Recognized IRC Section 1400Z-2 Gain	▶	25.	
26. Gain From the Disposition of Exempt N.C. Obligations Issued Before July 1, 1995	▶	26.	
27. Exempt Income Earned or Received by a Member of a Federally Recognized Indian Tribe	▶	27.	
28. Amount by Which State Basis Exceeds Federal Basis for Property Disposed of in 2024	▶	28.	
29. Ordinary and Necessary Business Expense Reduced or not Allowed Due to Claiming a Federal Tax Credit in Lieu of a Deduction	▶	29.	
30. Personal Education Student Account Deposits	▶	30.	
31. Certain State Emergency Response and Disaster Relief Reserve Fund Payments	▶	31.	
32. Certain Economic Incentive Payments	▶	32.	
33. Certain N.C. Grant Payments	▶	33.	
34. Certain Net Operating Loss Carrybacks (Limited to 20% of amount added to AGI in tax years 2013 through 2019)	▶	34.	
35. Excess Net Operating Loss Carryforward (Limited to 20% of amount added to AGI in 2019 and 2020)	▶	35.	
36. Excess Business Loss (Limited to 20% of amount added to AGI in 2018, 2019, and 2020)	▶	36.	
37. Business Interest Limitation (Limited to 20% of amount added to AGI in 2019 and 2020)	▶	37.	
38. Taxed Pass-Through Entity Income			
▶ 38a. N.C. Sourced	▶ 38b. Non-N.C. Sourced	38c.	
39. N.C. Net Operating Loss	▶	39.	
40. Reserved for Future Use	▶	40.	
41. Total Deductions - Add Lines 17 through 22, 23f, 24f, 25 through 37, 38c, 39, and 40 (Enter the total here and on Form D-400, Line 9)		41.	6000.00

D-400 Schedule A

2024 N.C. Itemized Deductions

DOR
Use
Only

If you choose to itemize North Carolina deductions on Form D-400, Line 11, you must attach this schedule to Form D-400. If you do not, the Department may be unable to process your return.

Last Name (First 10 Characters)

Your Social Security Number

SCRUGGS

Do not send a photocopy of this form.

123-22-4567

N.C. Standard Deduction or N.C. Itemized Deductions

You may deduct from federal adjusted gross income either the N.C. standard deduction or N.C. itemized deductions. You can determine the amount of your N.C. standard deduction by looking at the chart below. If you claim the N.C. standard deduction, **do not** complete Lines 1 through 10. Instead, enter the amount of your N.C. standard deduction on Form D-400, Line 11.

N.C. Standard Deduction

(In general, the N.C. standard deduction is equal to the amount listed below based on your filing status. However, if you are not eligible for a standard deduction on the federal income tax return, your N.C. standard deduction amount is zero. For more information on eligibility, see the instructions.)

If your filing status is:

- Single
- Head of household
- Married filing jointly
- Qualifying widow(er)/Surviving Spouse
- Married filing separately:
 - If your spouse does not claim itemized deductions
 - If your spouse claims itemized deductions

Your N.C. standard deduction is:

\$ 12,750
\$ 19,125
\$ 25,500
\$ 25,500
\$ 12,750
\$ 0

If you are not eligible for a standard deduction on your federal tax return \$ 0



1. Home Mortgage Interest (See instructions)	▶	1.	4250.00
2. Real Estate Property Taxes	▶	2.	450.00
3. Home Mortgage Interest and Real Estate Property Taxes Before Limitation (Add Lines 1 and 2)		3.	4700.00
4. Home Mortgage Interest and Real Estate Property Taxes Limitation		4.	20000
5. Home Mortgage Interest and Real Estate Property Taxes After Limitation (Compare Line 3 to Line 4; enter whichever is less.)	▶	5.	4700.00
6. Charitable Contributions (See instructions)	▶	6.	16900.00
7. a. Medical and Dental Expenses Before Limitation (See instructions)	▶	7a.	
b. Enter the amount from Form D-400, Line 6.		7b.	
c. Multiply Line 7b by 7.5% (0.075). If zero or less, enter a zero.		7c.	
d. Medical and Dental Expenses After Limitation (Subtract Line 7c from Line 7a. If Line 7c is more than Line 7a, enter a zero.)	▶	7d.	
8. Repayment of Claim of Right Income	▶	8.	
9. Reserved for Future Use	▶	9.	
10. Total N.C. Itemized Deductions (Add Lines 5, 6, 7d, 8, and 9. Enter the total here and on Form D-400, Line 11.)		10.	21600.00

D-400 Schedule PN 2024 Part-Year Resident and Nonresident Schedule

DOR
Use
Only

If you enter a taxable percentage on Form D-400, Line 13 because you or your spouse, if married filing jointly, were not full-year residents of North Carolina during tax year 2024, you must attach this schedule to Form D-400. Importantly, you must attach both pages of this schedule to Form D-400. If you do not, the Department may be unable to process your return.

Last Name (First 10 Characters)

Your Social Security Number

SCRUGGS

Do not send a photocopy of this form.

123-22-4567

A part-year resident or a nonresident who receives income from N.C. sources must complete this form to determine the percentage of total income from all sources that is subject to N.C. tax. You are a **"part-year resident"** if you moved to N.C. and became a resident during the tax year, or you moved out of N.C. and became a resident of another state during the tax year. You are a **"nonresident"** if you were not a resident of N.C. at any time during the tax year.

Important: Refer to the Instructions before completing this form.

Part A. Residency Status

Taxpayer is: (Fill in applicable circle)

☐ Full-Year Resident ☐ Nonresident ☒ Part-Year Resident

Date N.C. residency began

Date N.C. residency ended

07-01-24

12-31-24

(MM-DD-YY)

(MM-DD-YY)

Spouse is: (Fill in applicable circle)

☐ Full-Year Resident ☐ Nonresident ☒ Part-Year Resident

Date N.C. residency began

Date N.C. residency ended

07-01-24

12-31-24

(MM-DD-YY)

(MM-DD-YY)

If you and your spouse were both full-year residents of N.C., **stop here**; do not complete Parts B and C. Do not attach Schedule PN to Form D-400.

Part B. Allocation of Income for Part-Year Residents and Nonresidents

Total Income		
	COLUMN A Total Income from all Sources	COLUMN B Amount of Column A Attributable to N.C.
1. Wages, Salaries, Tips, Etc.	1. 92000.00	67000.00
2. Taxable Interest	2. 776.00	388.00
3. Taxable Dividends	3.	
4. Taxable Refunds, Credits, or Offsets of State and Local Income Taxes	4.	
5. Alimony Received	5.	
6. Business Income or (Loss)	6.	
7. Capital Gain or (Loss)	7. 2500.00	2500.00
8. Other Gains or (Losses)	8.	
9. Taxable Amount of IRA Distributions	9. 20000.00	10000.00
10. Taxable Amount of Pensions and Annuities	10. 6000.00	3000.00
11. Rental Real Estate, Royalties, Partnerships, S-Corps, Estates, Trusts, Etc.	11.	
12. Farm Income or (Loss)	12.	
13. Unemployment Compensation	13.	
14. Taxable Portion of Social Security and Railroad Retirement Benefits	14.	
15. Other Income	15.	
16. Total Income (Add Lines 1 through 15)	16. 121276.00	82888.00



Part B. Allocation of Income for Part-Year Residents and Nonresidents (continued)

North Carolina Adjustments

17. Additions:

- a. Interest Income From Obligations of States Other Than N.C. 17a.
- b. Deferred Gains Reinvested Into an Opportunity Fund 17b.
- c. Bonus Depreciation 17c.
- d. IRC Section 179 Expense 17d.
- e. Other Additions to Federal Adjusted Gross Income That Relate to Gross Income (From Form D-400 Schedule PN-1, Part A, Line 12.) 17e.

18. Total Additions (Add Lines 17a through 17e)

19. Deductions:

- a. State or Local Income Tax Refund 19a.
- b. Interest Income From Obligations of the United States or United States' Possessions 19b.
- c. Taxable Portion of Social Security and Railroad Retirement Benefits 19c.
- d. Retirement Benefits Received by Vested N.C. State Government, N.C. Local Government, or Federal Government Retirees, i.e. Bailey Settlement 19d.
- e. Bonus Asset Basis 19e.
- f. Bonus Depreciation 19f.
- g. IRC Section 179 Expense 19g.
- h. Other Deductions From Federal Adjusted Gross Income That Relate to Gross Income (From Form D-400 Schedule PN-1, Part B, Line 30.) 19h.

20. Total Deductions (Add Lines 19a through 19h)

21. Total Income Modified by N.C. Adjustments (Line 16 plus Line 18 minus Line 20)

COLUMN A

Amount from Form
D-400 Schedule S

COLUMN B

Amount of Column A
Attributable to N.C.

5000.00

5000.00

5000.00

5000.00

6000.00

3000.00

6000.00

3000.00

120276.00

84888.00

Part C. Part-Year Residents and Nonresidents Taxable Percentage

22. Enter the Amount From Column B, Line 21

▶ 22.

84888.00

23. Enter the Amount From Column A, Line 21

▶ 23.

120276.00

24. Part-Year Residents and Nonresidents

Taxable Percentage (Divide Line 22 by Line 23)

Enter the result as a decimal amount here and on Form D-400, Line 13.

24.

0.7058

D-400 Schedule PN-1 2024 Other Additions and Other Deductions

DOR
Use
Only

If you enter an amount on Form D-400 Schedule PN, Part B, Line 17e or Line 19h, you must attach this schedule to Form D-400. Importantly, you must attach both pages of this schedule to Form D-400, even if you are only required to complete one part of the schedule. If you do not, the Department may be unable to process your return.

Last Name (First 10 Characters)

SCRUGGS

Important:
Refer to the Instructions before
completing this worksheet.

Your Social Security Number

123-22-4567

Part A. Other Additions to Federal Adjusted Gross Income That Relate to Gross Income (From 2024 Form D-400 Schedule S, Part A)

		COLUMN A Amount from Form D-400 Schedule S	COLUMN B Amount of Column A Attributable to N.C.
1. S Corporation Shareholder Built-in Gains Tax	1.		
2. Amount by Which Federal Basis Exceeds State Basis for Property Disposed of in 2024	2.		
3. Federal Net Operating Loss Deduction	3.		
4. State, Local, or Foreign Income Tax Deducted by an S Corporation, Partnership, or Estate and Trust	4.		
5. Withdrawal of 529 Plan Contributions Not Used for Permissible Purpose	5.	5000.00	5000.00
6. Discharge of Qualified Principal Residence Indebtedness	6.		
7. Qualified Education Loan Payments Paid by Employer	7.		
8. Expenses Allocable to Income Exempt or Excluded From Gross Income	8.		
9. Discharge of Certain Student Loan Debt	9.		
10. Taxed Pass-Through Entity Loss	10.		
11. Reserved for Future Use	11.		
12. Total Other Additions (Add Lines 1 through 11) Enter the total here and on Form D-400 Schedule PN, Line 17e.	12.	5000.00	5000.00

Part B. Other Deductions From Federal Adjusted Gross Income That Relate to Gross Income (From 2024 Form D-400 Schedule S, Part B)

COLUMN A

Amount from Form
D-400 Schedule S

COLUMN B

Amount of Column A
Attributable to N.C.

- | | |
|---|------|
| 13. Certain Retirement Benefits Received by a Retired Member of the United States Uniformed Services Not Deducted on Form D-400 Schedule PN, Part B, Line 19d | 13. |
| 14. Recognized IRC Section 1400Z-2 Gain | 14. |
| 15. Gain From the Disposition of Exempt N.C. Obligations Issued Before July 1, 1995 | 15. |
| 16. Exempt Income Earned or Received by a Member of a Federally Recognized Indian Tribe | 16. |
| 17. Amount by Which State Basis Exceeds Federal Basis for Property Disposed of in 2024 | 17. |
| 18. Ordinary and Necessary Business Expense Reduced or not Allowed Due to Claiming a Federal Tax Credit in Lieu of a Deduction | 18. |
| 19. Personal Education Student Account Deposits | 19. |
| 20. Certain State Emergency Response and Disaster Relief Reserve Fund Payments | 20. |
| 21. Certain Economic Incentive Payments | 21. |
| 22. Certain N.C. Grant Payments | 22. |
| 23. Certain Net Operating Loss Carrybacks (Limited to 20% of amount added to AGI in tax years 2013 through 2019) | 23. |
| 24. Excess Net Operating Loss Carryforward (Limited to 20% of amount added to AGI in 2019 and 2020) | 24. |
| 25. Excess Business Loss (Limited to 20% of amount added to AGI in 2018, 2019, and 2020) | 25. |
| 26. Business Interest Limitation (Limited to 20% of amount added to AGI in 2019 and 2020) | 26. |
| 27. Taxed Pass-Through Entity Income | |
| 27a. N.C. Sourced | 27a. |
| 27b. Non-N.C. Sourced | 27b. |
| 28. N.C. Net Operating Loss | 28. |
| 29. Reserved for Future Use | 29. |
| 30. Total Other Deductions (Add Lines 13 through 29) Enter the total here and on Form D-400 Schedule PN, Line 19h | 30. |

Child Deduction Worksheet

1. Filing status (From D-400, Lines 1 through 5) 1. MFJ
2. Federal adjusted gross income (From D-400, Line 6) 2. \$121,276
3. Number of qualifying children for whom a federal tax credit was claimed 3. 1

Enter the amount from Line 3 above on Form D-400, Line 10a.

4. Deduction amount per qualifying child from the "Child Deduction Table" 4. \$500
5. Child deduction (Multiply Line 3 by Line 4) 5. \$500

Enter the amount from Line 5 above on Form D-400, Line 10b.

Child Deduction Table

Filing Status	Federal Adjusted Gross Income	Deduction Amount Per Qualifying Child
Married Filing Jointly/Qualifying Widow(er)/Surviving Spouse	Up to \$40,000	\$3,000
	Over \$40,000 - Up to \$60,000	\$2,500
	Over \$60,000 - Up to \$80,000	\$2,000
	Over \$80,000 - Up to \$100,000	\$1,500
	Over \$100,000 - Up to \$120,000	\$1,000
	Over \$120,000 - Up to \$140,000	\$500
	Over \$140,000	\$0
	Up to \$30,000	\$3,000
Head of Household	Over \$30,000 - Up to \$45,000	\$2,500
	Over \$45,000 - Up to \$60,000	\$2,000
	Over \$60,000 - Up to \$75,000	\$1,500
	Over \$75,000 - Up to \$90,000	\$1,000
	Over \$90,000 - Up to \$105,000	\$500
	Over \$105,000	\$0
	Up to \$20,000	\$3,000
Single/Married Filing Separately	Over \$20,000 - Up to \$30,000	\$2,500
	Over \$30,000 - Up to \$40,000	\$2,000
	Over \$40,000 - Up to \$50,000	\$1,500
	Over \$50,000 - Up to \$60,000	\$1,000
	Over \$60,000 - Up to \$70,000	\$500
	Over \$70,000	\$0

Test Question #5

Facts:

John R. (SSN 101-55-0001) and Jane S. (SSN 202-66-0002) Smith were full year residents of North Carolina for tax year 2024. They have two children, Tim (SSN 111-11-1111) age 3 and Mike (SSN 222-22-2222) age 8. They live at 201 Somewhere Drive, Raleigh, North Carolina 02020. This is in Wake County.

In 2024, John's employer, Cisco Systems, temporarily assigned him to work out of state. He received wages of \$10,000.00 for Virginia source income and had \$0.00 state income tax withheld. He paid \$340.00 to the State of Virginia on the income he earned there. He received wages of \$15,000.00 for Maryland source income and had \$500.00 Maryland state income tax withheld. A Maryland state income tax return was filed and a refund of \$50.00 was received from the State of Maryland. John received total wages from Cisco Systems in the amount of \$105,000. He had \$5,250.00 withheld in North Carolina state income tax.

Jane is a sales associate for a Belk department store and received \$20,000.00 in wages during 2024. She had \$1,400.00 withheld in North Carolina state income tax.

In addition, they received \$300.00 in interest income from Truist Bank and \$150.00 from Virginia municipal bond interest.

Mr. and Mrs. Smith claimed federal itemized deductions of \$37,077 on their 2024 federal return. Please complete Mr. and Mrs. Smith's 2024 North Carolina individual income tax return.

For the year Jan. 1–Dec. 31, 2024, or other tax year beginning _____, 2024, ending _____, 20____		See separate instructions.
Your first name and middle initial JOHN R		Last name SMITH
Your social security number 101 55 0001		
If joint return, spouse's first name and middle initial JANE S		Last name SMITH
Spouse's social security number 202 66 0002		
Home address (number and street). If you have a P.O. box, see instructions. 201 SOMEWHERE DRIVE		Apt. no.
City, town, or post office. If you have a foreign address, also complete spaces below. RALEIGH		State NC
ZIP code 02020		
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. <input type="checkbox"/> You <input type="checkbox"/> Spouse
Filing Status		
<input type="checkbox"/> Single <input type="checkbox"/> Head of household (HOH)		
<input checked="" type="checkbox"/> Married filing jointly (even if only one had income)		
<input type="checkbox"/> Married filing separately (MFS) <input type="checkbox"/> Qualifying surviving spouse (QSS)		
If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent: _____		
<input type="checkbox"/> If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required): _____		
Digital Assets		
At any time during 2024, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Standard Deduction		
Someone can claim: <input type="checkbox"/> You as a dependent <input type="checkbox"/> Your spouse as a dependent		
<input type="checkbox"/> Spouse itemizes on a separate return or you were a dual-status alien		
Age/Blindness		
You: <input type="checkbox"/> Were born before January 2, 1960 <input type="checkbox"/> Are blind Spouse: <input type="checkbox"/> Was born before January 2, 1960 <input type="checkbox"/> Is blind		
Dependents (see instructions):		
(1) First name Last name (2) Social security number (3) Relationship to you (4) Check the box if qualifies for (see instructions):		
Child tax credit Credit for other dependents		
If more than four dependents, see instructions and check here <input type="checkbox"/>		
TIM SMITH 111 11 1111 SON <input checked="" type="checkbox"/> <input type="checkbox"/>		
MIKE SMITH 222 22 2222 SON <input checked="" type="checkbox"/> <input type="checkbox"/>		
Income		
1a Total amount from Form(s) W-2, box 1 (see instructions) 1a 125000		
b Household employee wages not reported on Form(s) W-2 1b		
c Tip income not reported on line 1a (see instructions) 1c		
d Medicaid waiver payments not reported on Form(s) W-2 (see instructions) 1d		
e Taxable dependent care benefits from Form 2441, line 26 1e		
f Employer-provided adoption benefits from Form 8839, line 29 1f		
g Wages from Form 8919, line 6 1g		
h Other earned income (see instructions) 1h		
i Nontaxable combat pay election (see instructions) 1i		
z Add lines 1a through 1h 1z 125000		
2a Tax-exempt interest 2a 150		
3a Qualified dividends 3a		
4a IRA distributions 4a		
5a Pensions and annuities 5a		
6a Social security benefits 6a		
b Taxable interest 2b 300		
b Ordinary dividends 3b		
b Taxable amount 4b		
b Taxable amount 5b		
b Taxable amount 6b		
c If you elect to use the lump-sum election method, check here (see instructions) <input type="checkbox"/>		
7 Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>		
8 Additional income from Schedule 1, line 10 8		
9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income 9 125300		
10 Adjustments to income from Schedule 1, line 26 10		
11 Subtract line 10 from line 9. This is your adjusted gross income 11 125300		
12 Standard deduction or itemized deductions (from Schedule A) 12 37077		
13 Qualified business income deduction from Form 8995 or Form 8995-A 13		
14 Add lines 12 and 13 14 37077		
15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income 15 88223		

Tax and Credits

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> _____	16
17	Amount from Schedule 2, line 3	17
18	Add lines 16 and 17	18
19	Child tax credit or credit for other dependents from Schedule 8812	19
20	Amount from Schedule 3, line 8	20
21	Add lines 19 and 20	21
22	Subtract line 21 from line 18. If zero or less, enter -0-	22
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23
24	Add lines 22 and 23. This is your total tax	24

Payments

25	Federal income tax withheld from:		
a	Form(s) W-2	25a	
b	Form(s) 1099	25b	
c	Other forms (see instructions)	25c	
d	Add lines 25a through 25c	25d	
26	2024 estimated tax payments and amount applied from 2023 return	26	
27	Earned income credit (EIC)	27	
28	Additional child tax credit from Schedule 8812	28	
29	American opportunity credit from Form 8863, line 8	29	
30	Reserved for future use	30	
31	Amount from Schedule 3, line 15	31	
32	Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits	32	
33	Add lines 25d, 26, and 32. These are your total payments	33	

Refund

34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34
35a	Amount of line 34 you want refunded to you . If Form 8888 is attached, check here <input type="checkbox"/>	35a
b	Routing number	c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
d	Account number	
36	Amount of line 34 you want applied to your 2025 estimated tax	36

Amount You Owe

37	Subtract line 33 from line 24. This is the amount you owe . For details on how to pay, go to www.irs.gov/Payments or see instructions	37
38	Estimated tax penalty (see instructions)	38

Third Party Designee

Do you want to allow another person to discuss this return with the IRS? See instructions ☐ **Yes**. Complete below. ☐ **No**

Designee's name	Phone no.	Personal identification number (PIN)

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.)
Phone no.	Email address		

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	PTIN	Check if: <input type="checkbox"/> Self-employed
Firm's name	Firm's address			Phone no.
				Firm's EIN

**SCHEDULE A
(Form 1040)**Department of the Treasury
Internal Revenue Service**Itemized Deductions**

Attach to Form 1040 or 1040-SR.

Go to www.irs.gov/ScheduleA for instructions and the latest information.**Caution:** If you are claiming a net qualified disaster loss on Form 4684, see the instructions for line 16.

OMB No. 1545-0074

2024Attachment
Sequence No. **07**

Name(s) shown on Form 1040 or 1040-SR

JOHN R & JANE S SMITH

Your social security number

101-55-0001**Medical
and
Dental
Expenses****Caution:** Do not include expenses reimbursed or paid by others.

- | | | | |
|----------|---|----------|--------|
| 1 | Medical and dental expenses (see instructions) | 1 | 17500 |
| 2 | Enter amount from Form 1040 or 1040-SR, line 11 | 2 | 125300 |
| 3 | Multiply line 2 by 7.5% (0.075) | 3 | 9398 |
| 4 | Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- | 4 | 8102 |

**Taxes You
Paid**

- | | | | |
|----------|--|---|---|
| 5 | State and local taxes.
a State and local income taxes or general sales taxes. You may include either income taxes or general sales taxes on line 5a, but not both. If you elect to include general sales taxes instead of income taxes, check this box <input type="checkbox"/>
b State and local real estate taxes (see instructions)
c State and local personal property taxes
d Add lines 5a through 5c
e Enter the smaller of line 5d or \$10,000 (\$5,000 if married filing separately)
6 Other taxes. List type and amount:
7 Add lines 5e and 6 | 5a
5b
5c
5d
5e
6
7 | 6650
1650
450
8750
8750

8750 |
|----------|--|---|---|

**Interest
You Paid****Caution:** Your mortgage interest deduction may be limited. See instructions.

- | | | | |
|----------|--|--|---|
| 8 | Home mortgage interest and points. If you didn't use all of your home mortgage loan(s) to buy, build, or improve your home, see instructions and check this box <input type="checkbox"/>
a Home mortgage interest and points reported to you on Form 1098. See instructions if limited
b Home mortgage interest not reported to you on Form 1098. See instructions if limited. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying no., and address
c Points not reported to you on Form 1098. See instructions for special rules
d Reserved for future use
e Add lines 8a through 8c
9 Investment interest. Attach Form 4952 if required. See instructions
10 Add lines 8e and 9 | 8a
8b
8c
8d
8e
9
10 | 14500

14500

14500 |
|----------|--|--|---|

**Gifts to
Charity****Caution:** If you made a gift and got a benefit for it, see instructions.

- | | | | |
|-----------|--|-----------|------|
| 11 | Gifts by cash or check. If you made any gift of \$250 or more, see instructions | 11 | 5725 |
| 12 | Other than by cash or check. If you made any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500 | 12 | |
| 13 | Carryover from prior year | 13 | |
| 14 | Add lines 11 through 13 | 14 | 5725 |

**Casualty and
Theft Losses**

- | | | | |
|-----------|--|-----------|--|
| 15 | Casualty and theft loss(es) from a federally declared disaster (other than net qualified disaster losses). Attach Form 4684 and enter the amount from line 18 of that form. See instructions | 15 | |
|-----------|--|-----------|--|

**Other
Itemized
Deductions**

- | | | | |
|-----------|--|-----------|--|
| 16 | Other—from list in instructions. List type and amount: | 16 | |
|-----------|--|-----------|--|

**Total
Itemized
Deductions**

- | | | | |
|-----------|--|-----------|-------|
| 17 | Add the amounts in the far right column for lines 4 through 16. Also, enter this amount on Form 1040 or 1040-SR, line 12 | 17 | 37077 |
| 18 | If you elect to itemize deductions even though they are less than your standard deduction, check this box <input type="checkbox"/> | | |

16. Tax Credits (From Form D-400TC, Part 3, Line 20)	▶	16.	789.00
17. Subtract Line 16 from Line 15		17.	3462.00
18. Consumer Use Tax (See instructions)	<div>If you certify that no Consumer Use Tax is due, fill in circle. ▶ ●</div>	▶	18.
19. Add Lines 17 and 18		19.	3462.00
20. North Carolina Income Tax Withheld	a. Your tax withheld ▶ 5250.00	b. Spouse's tax withheld ▶ 1400.00	
21. Other Tax Payments	a. 2024 estimated tax ▶	b. Paid with extension ▶	
	c. Partnership ▶	d. S Corporation ▶	
<div>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.</div>			
22. Additional Payments (Amended Returns Only. See instructions)		22.	
23. Add Lines 20a through 22		23.	6650.00
24. Previous Refunds (Amended Returns Only. See instructions)		24.	
25. Subtract Line 24 from Line 23. (If less than zero, see instructions.)		25.	6650.00
26. a. Tax Due - If Line 25 is less than Line 19, subtract Line 25 from Line 19. Otherwise, go to Line 28.	▶	26a.	
b. Penalties ▶	c. Interest ▶	(Add Lines 26b and 26c and enter the total on Line 26d.)	26d.
e. Interest on the Underpayment of Estimated Income Tax (See instructions and enter letter in box, if applicable.) →		▶	26e.
27. Amount Due - Add Lines 26a, 26d, and 26e		27.	\$
Pay in U.S. Currency from a Domestic Bank - You can pay online at ncdor.gov .			
28. Overpayment - If Line 25 is more than Line 19, subtract Line 19 from Line 25.		28.	3188.00
<div>When filing an amended return, see instructions</div>			
29. Amount of Line 28 to be applied to 2025 Estimated Income Tax		▶	29.
30. Contribution to the N.C. Nongame and Endangered Wildlife Fund		▶	30.
31. Contribution to the N.C. Education Endowment Fund		▶	31.
32. Contribution to the N.C. Breast and Cervical Cancer Control Program		▶	32.
33. Add Lines 29 through 32		33.	
34. Subtract Line 33 from Line 28. This is the Amount To Be Refunded For direct deposit, file electronically	▶	34.	3188.00

I declare and certify that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Your Signature _____ Date _____

Contact Phone Number (Include area code) ▶

Spouse's Signature (If filing joint return, both must sign.) _____ Date _____

☐ Check here if you authorize the North Carolina Department of Revenue to discuss this return and attachments with the paid preparer below.

PAID PREPARER USE ONLY	If prepared by a person other than taxpayer, this certification is based on all information of which the preparer has any knowledge.	Preparer's FEIN, SSN, or PTIN	Preparer's Contact Phone Number (Include area code)
	Paid Preparer's Signature _____ Date _____		

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

D-400 Schedule S

2024 N.C. Adjustments for Individuals

DOR
Use
Only

If you are required to add certain items to federal adjusted gross income on Form D-400, Line 7, or if you are entitled to take deductions from federal adjusted gross income on Form D-400, Line 9, you must complete and attach this schedule to Form D-400. Importantly, you must attach both pages of this schedule to Form D-400, even if you are only required to complete one part of the schedule. If you do not, the Department may be unable to process your return.

Last Name (First 10 Characters)

SMITH

Do not send a photocopy of this form.

Your Social Security Number

101-55-0001

Part A. Additions to Federal Adjusted Gross Income (Only add items that are not included in federal adjusted gross income)

1. Interest Income From Obligations of States Other Than N.C.	▶ 1.	150.00
2. Deferred Gains Reinvested Into an Opportunity Fund	▶ 2.	
3. Bonus Depreciation	▶ 3.	
4. IRC Section 179 Expense	▶ 4.	
5. S-Corporation Shareholder Built-in Gains Tax	▶ 5.	
6. Amount by Which Federal Basis Exceeds State Basis for Property Disposed of in 2024	▶ 6.	
7. Federal Net Operating Loss Deduction	▶ 7.	
8. State, Local, or Foreign Income Tax Deducted by an S Corporation, Partnership, or Estate and Trust	▶ 8.	
9. Withdrawal of 529 Plan Contributions Not Used for Permissible Purpose	▶ 9.	
10. Discharge of Qualified Principal Residence Indebtedness	▶ 10.	
11. Qualified Education Loan Payments Paid by Employer	▶ 11.	
12. Expenses Allocable to Income Exempt or Excluded From Gross Income	▶ 12.	
13. Discharge of Certain Student Loan Debt	▶ 13.	
14. Taxed Pass-Through Entity Loss	▶ 14.	
15. Reserved for Future Use	▶ 15.	
16. Total Additions - Add Lines 1 through 15 (Enter the total here and on Form D-400, Line 7)	16.	150.00



Part B. Deductions From Federal Adjusted Gross Income (Only deduct items that are included in federal adjusted gross income)

17. State or Local Income Tax Refund	▶ 17.	
18. Interest Income From Obligations of the United States or United States' Possessions	▶ 18.	

Part B. Deductions From Federal Adjusted Gross Income (Only deduct items that are included in federal adjusted gross income)

19. Taxable Portion of Social Security and Railroad Retirement Benefits ► 19.
20. Retirement Benefits Received by **Vested** N.C. State Government, N.C. Local Government, or Federal Government Retirees, i.e. *Bailey Settlement* ► 20.
21. Certain Retirement Benefits Received by a Retired Member of the United States Uniformed Services Not Deducted on Line 20 ► 21.
22. Bonus Asset Basis ► 22.
23. Bonus Depreciation
- 23a. 2019 ► 23b. 2020 ► 23c. 2021
- 23d. 2022 ► 23e. 2023 23f.
24. IRC Section 179 Expense
- 24a. 2019 ► 24b. 2020 ► 24c. 2021
- 24d. 2022 ► 24e. 2023 24f.
25. Recognized IRC Section 1400Z-2 Gain ► 25.
26. Gain From the Disposition of Exempt N.C. Obligations Issued Before July 1, 1995 ► 26.
27. Exempt Income Earned or Received by a Member of a Federally Recognized Indian Tribe ► 27.
28. Amount by Which State Basis Exceeds Federal Basis for Property Disposed of in 2024 ► 28.
29. Ordinary and Necessary Business Expense Reduced or not Allowed Due to Claiming a Federal Tax Credit in Lieu of a Deduction ► 29.
30. Personal Education Student Account Deposits ► 30.
31. Certain State Emergency Response and Disaster Relief Reserve Fund Payments ► 31.
32. Certain Economic Incentive Payments ► 32.
33. Certain N.C. Grant Payments ► 33.
34. Certain Net Operating Loss Carrybacks (Limited to 20% of amount added to AGI in tax years 2013 through 2019) ► 34.
35. Excess Net Operating Loss Carryforward (Limited to 20% of amount added to AGI in 2019 and 2020) ► 35.
36. Excess Business Loss (Limited to 20% of amount added to AGI in 2018, 2019, and 2020) ► 36.
37. Business Interest Limitation (Limited to 20% of amount added to AGI in 2019 and 2020) ► 37.
38. Taxed Pass-Through Entity Income
- 38a. N.C. Sourced ► 38b. Non-N.C. Sourced 38c.
39. N.C. Net Operating Loss ► 39.
40. Reserved for Future Use ► 40.
41. **Total Deductions** - Add Lines 17 through 22, 23f, 24f, 25 through 37, 38c, 39, and 40 (Enter the total here and on Form D-400, Line 9) 41.



D-400 Schedule A

2024 N.C. Itemized Deductions

DOR
Use
Only

If you choose to itemize North Carolina deductions on Form D-400, Line 11, you must attach this schedule to Form D-400. If you do not, the Department may be unable to process your return.

Last Name (First 10 Characters)

Your Social Security Number

SMITH

Do not send a photocopy of this form.

101-55-0001

N.C. Standard Deduction or N.C. Itemized Deductions

You may deduct from federal adjusted gross income either the N.C. standard deduction or N.C. itemized deductions. You can determine the amount of your N.C. standard deduction by looking at the chart below. If you claim the N.C. standard deduction, **do not** complete Lines 1 through 10. Instead, enter the amount of your N.C. standard deduction on Form D-400, Line 11.

N.C. Standard Deduction

(In general, the N.C. standard deduction is equal to the amount listed below based on your filing status. However, if you are not eligible for a standard deduction on the federal income tax return, your N.C. standard deduction amount is zero. For more information on eligibility, see the instructions.)

If your filing status is:

- Single
- Head of household
- Married filing jointly
- Qualifying widow(er)/Surviving Spouse
- Married filing separately:

If your spouse does not claim itemized deductions

If your spouse claims itemized deductions

Your N.C. standard deduction is:

\$ 12,750
\$ 19,125
\$ 25,500
\$ 25,500

\$ 12,750
\$ 0

If you are not eligible for a standard deduction on your federal tax return

\$ 0



1. Home Mortgage Interest (See instructions)	▶	1.	14500.00
2. Real Estate Property Taxes	▶	2.	1650.00
3. Home Mortgage Interest and Real Estate Property Taxes Before Limitation (Add Lines 1 and 2)		3.	16150.00
4. Home Mortgage Interest and Real Estate Property Taxes Limitation		4.	20000
5. Home Mortgage Interest and Real Estate Property Taxes After Limitation (Compare Line 3 to Line 4; enter whichever is less.)	▶	5.	16150.00
6. Charitable Contributions (See instructions)	▶	6.	5725.00
7. a. Medical and Dental Expenses Before Limitation (See instructions)	▶	7a.	17500.00
b. Enter the amount from Form D-400, Line 6.		7b.	125300.00
c. Multiply Line 7b by 7.5% (0.075). If zero or less, enter a zero.		7c.	9398.00
d. Medical and Dental Expenses After Limitation (Subtract Line 7c from Line 7a. If Line 7c is more than Line 7a, enter a zero.)	▶	7d.	8102.00
8. Repayment of Claim of Right Income	▶	8.	
9. Reserved for Future Use	▶	9.	
10. Total N.C. Itemized Deductions (Add Lines 5, 6, 7d, 8, and 9. Enter the total here and on Form D-400, Line 11.)		10.	29977.00

D-400TC

2024 Individual Income Tax Credits

DOR
Use
Only

If you claim a tax credit on Form D-400, Line 16, you must attach this form to the return. Otherwise, the tax credit may be disallowed.

Last Name (First 10 Characters)

Your Social Security Number

SMITH

Do not send a photocopy of this form.

101-55-0001

Important: Refer to the Instructions before completing this form.

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

If you claim a tax credit for taxes paid to more than one state or country, do not complete Lines 1-6. Instead, complete the "Out-of-State Tax Credit Worksheet" in the instructions to determine the amount to enter on Line 7a.



Enter Whole U.S. Dollars Only

1. Total income from all sources while a resident of N.C. modified by N.C. adjustments to federal gross income 1.
2. Portion of Line 1 that was taxed by another state or country 2.
3. Divide Line 2 by Line 1 and enter the result as a decimal amount (Round to four decimal places) 3.
4. Total North Carolina income tax (From Form D-400, Line 15) 4.
5. Multiply Line 4 by Line 3 5.
6. Amount of net tax paid to the other state or country on the income shown on Line 2 6.
- 7a. Credit for Income Tax Paid to Another State or Country 7a. 789.00
Enter the lesser of Line 5 or Line 6
- 7b. Enter the number of states or countries for which a credit is claimed 7b. 2

Part 2. Credits for Rehabilitating Historic Structures

On Lines 10a and 11a, enter the amount of expenditures or expenses only if tax year 2024 is the first year the credit is taken. On Lines 8, 9, 10b, 11b, 12, and 13, enter the amount of the tax credit taken.

8. An **income-producing** historic structure (Article 3D) 8.
9. A **nonincome-producing** historic structure (Article 3D) 9.
10. An **income-producing** historic mill facility (Article 3H) 10a. 10b.
11. A **nonincome-producing** historic mill facility (Article 3H) 11a. 11b.
12. An **income-producing** historic structure (Article 3L) 12.
(From Form NC-Rehab, Part 4, Line 23)
13. A **nonincome-producing** historic structure (Article 3L) 13.
(From Form NC-Rehab, Part 4, Line 26)

If you take a credit on Lines 12 or 13, attach Form NC-Rehab to the front of Form D-400.

Part 3. Computation of Total Tax Credits to be Taken for Tax Year 2024

14. Tax credits carried over from previous years (Do not include any carryover of income tax credits taken on Form NC-478 or Form NC-Rehab.) 14.
15. Reserved for Future Use 15.
16. Add Lines 7a, 8, 9, 10b, 11b, 12, 13, 14, and 15 16. 789.00
17. North Carolina income tax (From Form D-400, Line 15) 17. 4251.00
18. Enter the lesser of Line 16 or Line 17 18. 789.00
19. Business incentive and energy tax credits (Attach Form NC-478 and any required supporting schedules to the front of Form D-400) 19.
20. Total Tax Credits to be Taken for Tax Year 2024 (Add Lines 18 and 19. Enter the result here and on Form D-400, Line 16.) The amount on Line 20 cannot exceed the tax shown on Form D-400, Line 15. 20. 789.00

Maryland Out-of-State Tax Credit Worksheet

(Use a separate worksheet to determine the separate credit for each state or country.)

- | | | |
|---|----|------------------|
| 1. Total income (loss) from all sources while a resident of N.C. modified by N.C. adjustments to federal gross income | 1. | <u>\$125,450</u> |
| 2. The portion of Line 1 that was taxed by the other state or country | 2. | <u>\$15,000</u> |
| 3. Divide Line 2 by Line 1 and enter the result as a decimal amount (<i>Round to four decimal places</i>) | 3. | <u>0.1196</u> |
| 4. Enter total North Carolina income tax (<i>From Form D-400, Line 15</i>) | 4. | <u>\$4,251</u> |
| 5. Multiply Line 4 by Line 3 | 5. | <u>\$508</u> |
| 6. Amount of net tax paid to the other state or country on the income shown on Line 2 (<i>See above for definition of net tax paid.</i>) | 6. | <u>\$450</u> |
| 7. Enter the lesser of Line 5 or Line 6. To determine the total amount of credit for income tax paid to another state or country, add the amount of Line 7 on each worksheet and enter the total on Form D-400TC, Line 7a. On Line 7b, be sure to enter the number of states or countries for which a credit is claimed. | 7. | <u>\$450</u> |

Virginia Out-of-State Tax Credit Worksheet

(Use a separate worksheet to determine the separate credit for each state or country.)

- | | | |
|---|----|------------------|
| 1. Total income (loss) from all sources while a resident of N.C. modified by N.C. adjustments to federal gross income | 1. | <u>\$125,450</u> |
| 2. The portion of Line 1 that was taxed by the other state or country | 2. | <u>\$10,000</u> |
| 3. Divide Line 2 by Line 1 and enter the result as a decimal amount (<i>Round to four decimal places</i>) | 3. | <u>0.0797</u> |
| 4. Enter total North Carolina income tax (<i>From Form D-400, Line 15</i>) | 4. | <u>\$4,251</u> |
| 5. Multiply Line 4 by Line 3 | 5. | <u>\$339</u> |
| 6. Amount of net tax paid to the other state or country on the income shown on Line 2 (<i>See above for definition of net tax paid.</i>) | 6. | <u>\$340</u> |
| 7. Enter the lesser of Line 5 or Line 6. To determine the total amount of credit for income tax paid to another state or country, add the amount of Line 7 on each worksheet and enter the total on Form D-400TC, Line 7a. On Line 7b, be sure to enter the number of states or countries for which a credit is claimed. | 7. | <u>\$339</u> |

Child Deduction Worksheet

1. Filing status (From D-400, Lines 1 through 5) 1. MFJ
2. Federal adjusted gross income (From D-400, Line 6) 2. \$125,300
3. Number of qualifying children for whom a federal tax credit was claimed 3. 2

Enter the amount from Line 3 above on Form D-400, Line 10a.

4. Deduction amount per qualifying child from the "Child Deduction Table" 4. \$500
5. Child deduction (Multiply Line 3 by Line 4) 5. \$1,000

Enter the amount from Line 5 above on Form D-400, Line 10b.

Child Deduction Table

Filing Status	Federal Adjusted Gross Income	Deduction Amount Per Qualifying Child
Married Filing Jointly/Qualifying Widow(er)/Surviving Spouse	Up to \$40,000	\$3,000
	Over \$40,000 - Up to \$60,000	\$2,500
	Over \$60,000 - Up to \$80,000	\$2,000
	Over \$80,000 - Up to \$100,000	\$1,500
	Over \$100,000 - Up to \$120,000	\$1,000
	Over \$120,000 - Up to \$140,000	\$500
	Over \$140,000	\$0
	Up to \$30,000	\$3,000
Head of Household	Over \$30,000 - Up to \$45,000	\$2,500
	Over \$45,000 - Up to \$60,000	\$2,000
	Over \$60,000 - Up to \$75,000	\$1,500
	Over \$75,000 - Up to \$90,000	\$1,000
	Over \$90,000 - Up to \$105,000	\$500
	Over \$105,000	\$0
	Up to \$20,000	\$3,000
Single/Married Filing Separately	Over \$20,000 - Up to \$30,000	\$2,500
	Over \$30,000 - Up to \$40,000	\$2,000
	Over \$40,000 - Up to \$50,000	\$1,500
	Over \$50,000 - Up to \$60,000	\$1,000
	Over \$60,000 - Up to \$70,000	\$500
	Over \$70,000	\$0