

2025 VITA 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 2025 tax year.

Ms. Brown was granted an automatic extension to file her 2025 federal income tax return. Once she filed her 2025 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 2025 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 2025 North Carolina individual income tax return.

TREASURY/IRS AND OMB USE ONLY DRAFT

Form 1040

Department of the Treasury—Internal Revenue Service U.S. Individual Income Tax Return

2025

OMB No. 1545-0074

IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2025, or other tax year beginning , 2025, ending , 20 See separate instructions.

Filed pursuant to section 301.9100-2 Combat zone Deceased MM / DD / YYYY Spouse MM / DD / YYYY Other

Your first name and middle initial MARY B Last name BROWN Your social security number 0 0 0 0 0 0 0 0 4

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. Check here if your main home, and your spouse's if filing a joint return, was in the U.S. for more than half of 2025. [X]

City, town, or post office. If you have a foreign address, also complete spaces below. HOMETOWN State NC ZIP code 29999 Presidential Election Campaign

Foreign country name Foreign province/state/county Foreign postal code Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. [] You [] Spouse

Filing Status [] Single [X] Head of household (HOH) [] Married filing jointly (even if only one had income) [] Qualifying surviving spouse (QSS) [] Married filing separately (MFS). Enter spouse's SSN above and full name here: 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 2025, 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 [X] No

Table with 5 columns: Dependents (see instructions), Dependent 1, Dependent 2, Dependent 3, Dependent 4. Rows include (1) First name, (2) Last name, (3) SSN, (4) Relationship, (5) Check if lived with you more than half of 2025, (6) Check if, (7) Credits.

[] Check if your filing status is MFS or HOH and you lived apart from your spouse for the last 6 months of 2025, or you are legally separated according to your state law under a written separation agreement or a decree of separate maintenance and you did not live in the same household as your spouse at the end of 2025.

Income section table with columns for line numbers and amounts. Rows include 1a Total amount from Form(s) W-2, 1b Household employee wages, 1c Tip income, 1d Medicaid waiver payments, 1e Taxable dependent care benefits, 1f Employer-provided adoption benefits, 1g Wages from Form 8919, 1h Other earned income, 1i Nontaxable combat pay election, 1z Add lines 1a through 1h, 2a Tax-exempt interest, 2b Taxable interest, 3a Qualified dividends, 3b Ordinary dividends, 4a IRA distributions, 4b Taxable amount, 5a Pensions and annuities, 5b Taxable amount, 6a Social security benefits, 6b Taxable amount, 7a Capital gain or (loss), 7b Check if, 8 Additional income from Schedule 1, line 10, 9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7a, and 8. This is your total income, 10 Adjustments to income from Schedule 1, line 26, 11a Subtract line 10 from line 9. This is your adjusted gross income.

Attach Sch. B if required.

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TREASURY/IRS AND OMB USE ONLY DRAFT

Tax and Credits section including lines 11b through 24. Includes sub-sections for Standard deduction and Payments and Refundable Credits.

Payments and Refundable Credits section including lines 25 through 33. Includes sub-sections for Federal income tax withheld and various credits.

Refund section including lines 34 through 36. Includes sub-sections for overpaid amount and direct deposit information.

Amount You Owe section including lines 37 through 38. Includes sub-sections for amount owed and estimated tax penalty.

Third Party Designee section including fields for name, phone number, and personal identification number.

Sign Here section including signature lines for taxpayer and spouse, with fields for date and occupation.

Paid Preparer Use Only section including fields for preparer's name, signature, date, PTIN, and firm information.

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IMPORTANT: Do not send a photocopy of this form.

AMENDED RETURN Fill in circle (See instructions)

For calendar year 2025, or fiscal year beginning (MM-DD) - 25 and ending (MM-DD-YY)

Your Social Security Number

000-00-0004

Spouse's Social Security Number

You must enter your social security number(s)

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

MARY

M.I.

B

Your Last Name

BROWN

If a Joint Return, Spouse's First Name

M.I.

Spouse's Last Name

Mailing Address

101 MAPLE STREET

Apartment Number

City

HOMETOWN

State

NC

Zip Code

29999

Country (If not U.S.)

County (Enter first five letters)

EDGE C

N.C. Education Endowment Fund: You may contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all of your overpayment to the Fund. To make a contribution, enclose Form NC-EDU and your payment of \$... To designate your overpayment to the Fund, enter the amount of your designation on Page 2, Line 31.

Out of Country Fill in circle if you, or if married filing jointly, your spouse were out of the country on April 15, 2026, and a U.S. citizen or resident.

Deceased Taxpayer Information Enter date of death of deceased taxpayer or deceased spouse.

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

Taxpayer (MM-DD-YY)

Spouse (MM-DD-YY)

Residency Status Were you a resident of N.C. for the entire year? Yes No Was your spouse a resident for the entire year? Yes No

Veteran Information Are you a veteran? Yes No Is your spouse a veteran? Yes No

Federal Extension Were you granted an automatic extension to file your 2025 federal income tax return, e.g., Form 1040? Yes No

Filing Status (Fill in one circle only)

- 1. Single
2. Married Filing Jointly
3. Married Filing Separately
4. Head of Household
5. Qualifying Widow(er) (Year spouse died:)

6. Federal Adjusted Gross Income 6. 34478.00

7. Additions to Federal Adjusted Gross Income (From Form D-400 Schedule S, Part A, Line 16) 7. 34478.00

8. Add Lines 6 and 7 8. 34478.00

9. Deductions From Federal Adjusted Gross Income (From Form D-400 Schedule S, Part B, Line 41) 9.

10. Child Deduction (On Line 10a, enter the number of qualifying children for whom you were allowed a federal child tax credit. On Line 10b, enter the amount of the child deduction. See instructions.) 10a. 1 10b. 2500.00

11. N.C. Standard Deduction OR N.C. Itemized Deductions (Fill in one circle only. See Form D-400 Schedule A.) 11. 19125.00

12. a. Add Lines 9, 10b, and 11. 21625.00 12b. Subtract Line 12a from Line 8 12853.00

13. Part-year Residents and Nonresidents Taxable Percentage (From Form D-400 Schedule PN, Line 24. Enter amount as decimal.) 13.

14. North Carolina Taxable Income Full-year residents enter the amount from Line 12b. Part-year residents and nonresidents multiply amount on Line 12b by the decimal amount on Line 13. 14. 12853.00

15. North Carolina Income Tax Multiply Line 14 by 4.25% (0.0425). If zero or less, enter a zero. 15. 546.00



Staple All Pages of Your Return Here

Staple W-2s Here

16. Tax Credits (From Form D-400TC, Part 3, Line 20)	▶			16.
17. Subtract Line 16 from Line 15				17. 546.00
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. 546.00
20. North Carolina Income Tax Withheld	▶	703.00	▶	
a. Your tax withheld			b. Spouse's tax withheld	
21. Other Tax Payments	▶		▶	
a. 2025 estimated tax			b. Paid with extension	
c. Partnership	▶		d. S Corporation	
▶			▶	
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	
▶			▶	
e. Interest on the Underpayment of Estimated Income Tax (See instructions and enter letter in box, if applicable.)	▶		(Add Lines 26b and 26c and enter the total on Line 26d.)	26d.
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. 157.00
When filing an amended return, see instructions				
29. Amount of Line 28 to be applied to 2026 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. 147.00

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.

Exception to Underpayment of Estimated Tax



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) ▶		<input type="checkbox"/> 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. _____ Paid Preparer's Signature	Date	Preparer's FEIN, SSN, or PTIN	Preparer's Contact Phone Number (Include area code)
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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
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
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

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 2025.

Robert is 68 years old. He worked for the federal government from 1982 until he retired in 2013. He later retired from IBM in 2024. In 2025, 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 \$48,400.00 and \$12,700.00 in retirement income from IBM.

Ellen is 65 years old. She began working for the State of North Carolina in 2006 and retired in 2021. 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 2024 federal income tax return. Mr. and Mrs. Black also collected \$35,000.00 in Social Security Benefits collectively during the 2025 tax year. \$29,750.00 of those benefits were considered taxable on their federal income tax return. For tax year 2025, they claimed the standard deduction on their federal and North Carolina tax returns.

The taxpayers would like to report \$25.00 in consumer use tax for out-of-state purchases during the 2025 tax year. They paid total 2025 North Carolina estimated income tax in the amount of \$1,200.00 through quarterly payments. In addition, they would like to request that \$250.00 of their 2025 North Carolina state tax refund be applied to their 2026 North Carolina estimated income tax.

Please complete Mr. and Mrs. Black's 2025 North Carolina individual income tax return.

TREASURY/IRS AND OMB USE ONLY DRAFT

Form 1040

Department of the Treasury—Internal Revenue Service U.S. Individual Income Tax Return

2025

OMB No. 1545-0074

IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2025, or other tax year beginning , 2025, ending , 20 See separate instructions.

Filed pursuant to section 301.9100-2 Combat zone Deceased MM / DD / YYYY Spouse MM / DD / YYYY Other

Your first name and middle initial Last name Your social security number ROBERT E BLACK 0 0 1 1 1 2 2 2 2

If joint return, spouse's first name and middle initial Last name Spouse's social security number ELLEN J BLACK 0 0 2 2 2 3 3 3 3

Home address (number and street). If you have a P.O. box, see instructions. Apt. no. Check here if your main home, and your spouse's if filing a joint return, was in the U.S. for more than half of 2025. 102 GREEN ROAD

City, town, or post office. If you have a foreign address, also complete spaces below. State ZIP code Presidential Election Campaign ANYWHERE NC 21111 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.

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

Filing Status Single Married filing jointly (even if only one had income) Married filing separately (MFS) Head of household (HOH) Qualifying surviving spouse (QSS) 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 2025, 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)? Yes No

Table with 5 columns: Dependents (1-5), (1) First name, (2) Last name, (3) SSN, (4) Relationship, (5) Check if lived with you more than half of 2025, (6) Check if (Full-time student, Permanently and totally disabled), (7) Credits (Child tax credit, Credit for other dependents)

Check if your filing status is MFS or HOH and you lived apart from your spouse for the last 6 months of 2025, or you are legally separated according to your state law under a written separation agreement or a decree of separate maintenance and you did not live in the same household as your spouse at the end of 2025.

Income section table with rows 1a through 1z. 1a Total amount from Form(s) W-2, box 1 (see instructions) 38000. 1z Add lines 1a through 1h 38000.

Table with rows 2a through 11a. 2a Tax-exempt interest, 2b Taxable interest 1500. 3a Qualified dividends, 3b Ordinary dividends. 5a Pensions and annuities 78100, 5b Taxable amount 78100. 6a Social security benefits 35000, 6b Taxable amount 29750. 8 Additional income from Schedule 1, line 10 329. 9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7a, and 8. This is your total income 147679. 11a Subtract line 10 from line 9. This is your adjusted gross income 147679.

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TREASURY/IRS AND OMB USE ONLY DRAFT

Tax and Credits section including lines 11b through 24. Includes sub-section for Standard deduction for Single or Married filing separately, etc.

Payments and Refundable Credits section including lines 25 through 33. Includes sub-section for Earned income credit (EIC) and other credits.

Refund section including lines 34 through 36. Includes sub-section for Direct deposit? See instructions.

Amount You Owe section including lines 37 through 38.

Third Party Designee section including fields for Designee's name, Phone no., and Personal identification number (PIN).

Sign Here section including signature lines for taxpayer and spouse, with fields for Date and Occupation.

Paid Preparer Use Only section including fields for Preparer's name, signature, date, PTIN, and firm information.

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SCHEDULE 1 (Form 1040)

Additional Income and Adjustments to Income

OMB No. 1545-0074

Department of the Treasury Internal Revenue Service

Attach to Form 1040, 1040-SR, or 1040-NR.

Go to www.irs.gov/Form1040 for instructions and the latest information.

2025 Attachment Sequence No. 01

Name(s) shown on Form 1040, 1040-SR, or 1040-NR ROBERT E BLACK ELLEN J BLACK

Your social security number 001112222

For 2025, 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.

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Table with columns for line numbers (1-10), descriptions of income items (1-10), sub-items (8a-8z), and amounts. Total additional income is 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. If claiming only storage fees (see instructions), check here <input type="checkbox"/>		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. If you are married filing separately and lived apart from your spouse for the entire year (see instructions), check here <input type="checkbox"/>		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	

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**SCHEDULE 1-A
(Form 1040)**

Department of the Treasury
Internal Revenue Service

Additional Deductions

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

2025
Attachment
Sequence No. **1A**

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

ROBERT E BLACK ELLEN J BLACK

Your social security number

001112222

Part I Modified Adjusted Gross Income (MAGI) Amount

1	Enter the amount from Form 1040, 1040-SR, or 1040-NR, line 11b		1	147679
2a	Enter any income from Puerto Rico that you excluded	2a		
b	Enter the amount from Form 2555, line 45	2b		
c	Enter the amount from Form 2555, line 50	2c		
d	Enter the amount from Form 4563, line 15	2d		
e	Add lines 2a, 2b, 2c, and 2d		2e	
3	Add lines 1 and 2e		3	147679

Part II No Tax on Tips

Caution: Fill out Part II only if you received qualified tips. These tips must have been received in an occupation listed at IRS.gov/TippedOccupations. You and/or your spouse who received qualified tips must have a valid social security number to claim the deduction. If married, you must file jointly to claim this deduction. See instructions.

4	Qualified tips received as an employee. If you received tips as an employee with respect to employment with more than one employer, enter -0- on lines 4a and 4b and see the instructions to determine the amount to enter on line 4c. If you received tips as an employee in more than one occupation, see the instructions.			
a	Enter qualified tips included on Form W-2, box 7, but see the instructions if Form W-2, box 5 is more than \$176,100 or you received tips that are not subject to social security and Medicare taxes	4a		
b	Qualified tips included on Form 4137, line 1, row A, column (c). If Form 4137 is not filed, enter -0-	4b		
c	If you only received qualified tips as an employee with respect to employment with one employer, enter the larger of line 4a or line 4b. Otherwise, see the instructions to determine the amount to enter on line 4c. If you received tips as an employee in more than one occupation, see the instructions		4c	
5	Qualified tips received in the course of a trade or business. Qualified tip amount included in Form 1099-NEC, box 1; Form 1099-MISC, box 3; or Form 1099-K, box 1a. Do not enter more than the net profit from the trade or business. If you received qualified tips in the course of more than one trade or business or in more than one occupation, see instructions		5	
6	Add lines 4c and 5		6	
7	Enter the smaller of the amount on line 6 or \$25,000		7	
8	Enter the amount from line 3		8	
9	Enter \$150,000 (\$300,000 if married filing jointly)		9	
10	Subtract line 9 from line 8. If zero or less, enter the amount from line 7 on line 13		10	
11	Divide line 10 by \$1,000. If the resulting number isn't a whole number, decrease the result to the next lower whole number. (For example, decrease 1.5 to 1, and decrease 0.05 to 0.)		11	
12	Multiply line 11 by \$100		12	
13	Qualified tips deduction. Subtract line 12 from line 7. If zero or less, enter -0-		13	

Part III No Tax on Overtime

Caution: Fill out Part III only if you received qualified overtime compensation. You and/or your spouse who received the qualified overtime compensation must have a valid social security number to claim this deduction. If married, you must file jointly to claim this deduction. See instructions.

14a	Qualified overtime compensation included in Form W-2, box 1. If you received qualified overtime compensation not reported on Form W-2, box 1, see instructions	14a		
b	Qualified overtime compensation included in Form 1099-NEC, box 1, or Form 1099-MISC, box 3 (see instructions)	14b		
c	Add lines 14a and 14b		14c	
15	Enter the smaller of the amount on line 14c or \$12,500 (\$25,000 if married filing jointly)		15	
16	Enter the amount from line 3		16	
17	Enter \$150,000 (\$300,000 if married filing jointly)		17	
18	Subtract line 17 from line 16. If zero or less, enter the amount from line 15 on line 21		18	
19	Divide line 18 by \$1,000. If the resulting number isn't a whole number, decrease the result to the next lower whole number. (For example, decrease 1.5 to 1, and decrease 0.05 to 0.)		19	
20	Multiply line 19 by \$100		20	
21	Qualified overtime compensation deduction. Subtract line 20 from line 15. If zero or less, enter -0-		21	

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Part IV No Tax on Car Loan Interest

Caution: Fill out Part IV only if you, or your spouse if married filing jointly, paid or accrued qualified passenger vehicle loan interest (QPVLI). Column (iii) is the total QPVLI paid in 2025 less the amounts reported in column (ii). See instructions.

22 Applicable passenger vehicle (see instructions). If more than two VINs, see instructions.

		Interest for this loan:	
(i) Vehicle identification number (VIN)		(ii) Deducted on Schedule C, Schedule E, or Schedule F	(iii) Schedule 1-A
a	<input type="text"/>		
b	<input type="text"/>		

23	Add lines 22a and 22b, column (iii)	23	
24	Enter the smaller of the amount on line 23 or \$10,000	24	
25	Enter the amount from line 3	25	
26	Enter \$100,000 (\$200,000 if married filing jointly)	26	
27	Subtract line 26 from line 25. If zero or less, enter the amount from line 24 on line 30	27	
28	Divide line 27 by \$1,000. If the resulting number isn't a whole number, increase the result to the next higher whole number. (For example, increase 1.5 to 2, and increase 0.05 to 1.)	28	
29	Multiply line 28 by \$200	29	
30	Qualified passenger vehicle loan interest deduction. Subtract line 29 from line 24. If zero or less, enter -0-	30	

Part V Enhanced Deduction for Seniors

Caution: You and/or your spouse must have a valid social security number. If married, you must file jointly to claim this deduction. See instructions.

31	Enter the amount from line 3	31	147679
32	Enter \$75,000 (\$150,000 if married filing jointly)	32	150000
33	Subtract line 32 from line 31. If zero or less, enter \$6,000 on line 35	33	-2321
34	Multiply line 33 by 6% (0.06)	34	
35	Subtract line 34 from \$6,000. If zero or less, enter -0-	35	6000
36a	If you have a valid social security number (see instructions) and were born before January 2, 1961, enter the amount from line 35	36a	6000
b	If you are married filing jointly, your spouse has a valid social security number (see instructions), and your spouse was born before January 2, 1961, enter the amount from line 35	36b	6000
37	Enhanced deduction for seniors. Add lines 36a and 36b	37	12000

Part VI Total Additional Deductions

38	Add lines 13, 21, 30, and 37. Enter here and on Form 1040 or 1040-SR, line 13b, or on Form 1040-NR, line 13c	38	12000
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DRAFT — DO NOT FILE

DRAFT — DO NOT FILE

IMPORTANT: Do not send a photocopy of this form.

AMENDED RETURN Fill in circle (See instructions)

For calendar year 2025, or fiscal year beginning (MM-DD) - 25 and ending (MM-DD-YY)

Your Social Security Number

001-11-2222

Spouse's Social Security Number

002-22-3333

You must enter your social security number(s)

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

ROBERT

M.I. Your Last Name

E BLACK

If a Joint Return, Spouse's First Name

ELLEN

M.I. Spouse's Last Name

J BLACK

Mailing Address

102 GREEN ROAD

Apartment Number

City

ANYWHERE

State

NC

Zip Code

21111

Country (If not U.S.)

County (Enter first five letters)

WASHI

N.C. Education Endowment Fund: You may contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all of your overpayment to the Fund. To make a contribution, enclose Form NC-EDU and your payment of \$... To designate your overpayment to the Fund, enter the amount of your designation on Page 2, Line 31.

Out of Country Fill in circle if you, or if married filing jointly, your spouse were out of the country on April 15, 2026, and a U.S. citizen or resident.

Deceased Taxpayer Information Enter date of death of deceased taxpayer or deceased spouse.

Fill in circle if return is filed and signed by Executor, Administrator, or Court-Appointed Personal Representative. Taxpayer (MM-DD-YY) Spouse (MM-DD-YY)

Residency Status Were you a resident of N.C. for the entire year? Was your spouse a resident for the entire year? Yes No Yes No

Veteran Information Are you a veteran? Is your spouse a veteran? Yes No Yes No

Federal Extension Were you granted an automatic extension to file your 2025 federal income tax return, e.g., Form 1040? Yes No

Filing Status (Fill in one circle only) 1. Single 2. Married Filing Jointly 3. Married Filing Separately 4. Head of Household 5. Qualifying Widow(er) (Year spouse died:) Enter Whole U.S. Dollars Only

6. Federal Adjusted Gross Income 6. 147679.00

7. Additions to Federal Adjusted Gross Income (From Form D-400 Schedule S, Part A, Line 16) 7. 147679.00

8. Add Lines 6 and 7 8. 147679.00

9. Deductions From Federal Adjusted Gross Income (From Form D-400 Schedule S, Part B, Line 41) 9. 78479.00

10. Child Deduction (On Line 10a, enter the number of qualifying children for whom you were allowed a federal child tax credit. On Line 10b, enter the amount of the child deduction. See instructions.) 10a. 10b.

11. N.C. Standard Deduction OR N.C. Itemized Deductions (Fill in one circle only. See Form D-400 Schedule A.) 11. 25500.00

12. a. Add Lines 9, 10b, and 11. 103979.00 12b. Subtract Line 12a from Line 8 43700.00

13. Part-year Residents and Nonresidents Taxable Percentage (From Form D-400 Schedule PN, Line 24. Enter amount as decimal.) 13.

14. North Carolina Taxable Income Full-year residents enter the amount from Line 12b. Part-year residents and nonresidents multiply amount on Line 12b by the decimal amount on Line 13. 14. 43700.00

15. North Carolina Income Tax Multiply Line 14 by 4.25% (0.0425). If zero or less, enter a zero. 15. 1857.00



Staple All Pages of Your Return Here

Staple W-2s Here

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

17. Subtract Line 16 from Line 15 ▶ 17. 1857.00

18. Consumer Use Tax (See instructions) ▶ 18. 25.00

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

19. Add Lines 17 and 18 ▶ 19. 1882.00

20. North Carolina Income Tax Withheld ▶ a. Your tax withheld 1945.00 ▶ b. Spouse's tax withheld 0.00

21. Other Tax Payments ▶ a. 2025 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.) → ▶ 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. \$

Exception to Underpayment of Estimated Tax ▶

28. Overpayment - If Line 25 is more than Line 19, subtract Line 19 from Line 25. ▶ 28. 1263.00

29. Amount of Line 28 to be applied to 2026 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. 1013.00



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

2025 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 2025 | ▶ | 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 <i>(Enter the total here and on Form D-400, Line 7)</i> | | 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.	29750.00
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.	48400.00
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. 2020	▶ 23b. 2021	▶ 23c. 2022
▶ 23d. 2023	▶ 23e. 2024	23f.
24. IRC Section 179 Expense		
▶ 24a. 2020	▶ 24b. 2021	▶ 24c. 2022
▶ 24d. 2023	▶ 24e. 2024	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 2025	▶ 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.	78479.00



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 2021 with 22 years of service and receives his military retirement in the amount of \$62,100.00. 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 2025 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.

TREASURY/IRS AND OMB USE ONLY DRAFT

Form 1040

Department of the Treasury—Internal Revenue Service U.S. Individual Income Tax Return

2025

OMB No. 1545-0074

IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2025, or other tax year beginning , 2025, ending , 20 See separate instructions.

Filed pursuant to section 301.9100-2 Combat zone Deceased MM / DD / YYYY Spouse MM / DD / YYYY Other

Your first name and middle initial Last name Your social security number JOE T ARMY 2 0 2 0 0 0 0 0 0

If joint return, spouse's first name and middle initial Last name Spouse's social security number MARY C ARMY 3 0 3 0 0 0 0 0 0

Home address (number and street). If you have a P.O. box, see instructions. Apt. no. Check here if your main home, and your spouse's if filing a joint return, was in the U.S. for more than half of 2025. 101 ARMY ROAD

City, town, or post office. If you have a foreign address, also complete spaces below. State ZIP 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. FORT MILL SC 12789

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

Filing Status Single Married filing jointly (even if only one had income) Married filing separately (MFS) Head of household (HOH) Qualifying surviving spouse (QSS) 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 2025, 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)? Yes No

Table with 5 columns: Dependents (1-5), (6) Check if, (7) Credits. Includes sub-headers for (1) First name, (2) Last name, (3) SSN, (4) Relationship, (5) Check if lived with you more than half of 2025, (6) Full-time student, Permanently and totally disabled, (7) Child tax credit, Credit for other dependents.

Check if your filing status is MFS or HOH and you lived apart from your spouse for the last 6 months of 2025, or you are legally separated according to your state law under a written separation agreement or a decree of separate maintenance and you did not live in the same household as your spouse at the end of 2025.

Income section table with rows 1a through 1z. 1a Total amount from Form(s) W-2, box 1 (see instructions) 1a 92050. 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 31 1f. 1g Wages from Form 8919, line 6 1g. 1h Other earned income (see instructions). Enter type and amount: 1h. 1i Nontaxable combat pay election (see instructions) 1i. 1z Add lines 1a through 1h 1z 92050.

Income section table with rows 2a through 11a. 2a Tax-exempt interest 2a. 2b Taxable interest 2b 212. 3a Qualified dividends 3a. 3b Ordinary dividends 3b. 4a IRA distributions 4a. 4b Taxable amount 4b. 5a Pensions and annuities 5a 62100. 5b Taxable amount 5b 62100. 6a Social security benefits 6a. 6b Taxable amount 6b. 7a Capital gain or (loss). Attach Schedule D if required 7a. 7b Check if: Schedule D not required Includes child's capital gain or (loss). 8 Additional income from Schedule 1, line 10 8. 9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7a, and 8. This is your total income 9 154362. 10 Adjustments to income from Schedule 1, line 26 10. 11a Subtract line 10 from line 9. This is your adjusted gross income 11a 154362.

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TREASURY/IRS AND OMB USE ONLY DRAFT

Tax and Credits	11b	Amount from line 11a (adjusted gross income)	11b	154362
	12a	Someone can claim <input type="checkbox"/> You as a dependent <input type="checkbox"/> Your spouse as a dependent		
	b	<input type="checkbox"/> Spouse itemizes on a separate return	c	<input type="checkbox"/> You were a dual-status alien
	d	You: <input type="checkbox"/> Were born before January 2, 1961 <input type="checkbox"/> Are blind		
		Spouse: <input type="checkbox"/> Was born before January 2, 1961 <input type="checkbox"/> Is blind		
	e	Standard deduction or itemized deductions (from Schedule A)	12e	31500
	13a	Qualified business income deduction from Form 8995 or Form 8995-A	13a	
	b	Additional deductions from Schedule 1-A, line 38	13b	
	14	Add lines 12e, 13a, and 13b	14	31500
	15	Subtract line 14 from line 11b. If zero or less, enter -0-. This is your taxable income	15	122862
	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	

Standard deduction for—

- Single or Married filing separately, \$15,750
- Married filing jointly or Qualifying surviving spouse, \$31,500
- Head of household, \$23,625
- If you checked a box on line 12a, 12b, 12c, or 12d, see inst.

Payments and Refundable Credits	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	2025 estimated tax payments and amount applied from 2024 return	26	
		If you made estimated tax payments with your former spouse in 2025, enter their SSN (see instructions):		
	27a	Earned income credit (EIC)	27a	
	b	Clergy filing Schedule SE (see instructions)		<input type="checkbox"/>
	c	If you do not want to claim the EIC, check here		<input type="checkbox"/>
	28	Additional child tax credit (ACTC) from Schedule 8812. If you do not want to claim the ACTC, check here	28	<input type="checkbox"/>
	29	American opportunity credit from Form 8863, line 8	29	
	30	Refundable adoption credit from Form 8839, line 13	30	
	31	Amount from Schedule 3, line 15	31	
	32	Add lines 27a, 28, 29, 30, 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	35a	<input type="checkbox"/>
	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 2026 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

DRAFT — DO NOT FILE

DRAFT — DO NOT FILE

IMPORTANT: Do not send a photocopy of this form.

AMENDED RETURN Fill in circle (See instructions)

For calendar year 2025, or fiscal year beginning (MM-DD) - 2 5 and ending (MM-DD-YY)

Your Social Security Number

202-00-0000

Spouse's Social Security Number

303-00-0000

You must enter your social security number(s)

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

JOE

M.I.

T

Your Last Name

ARMY

If a Joint Return, Spouse's First Name

MARY

M.I.

C

Spouse's Last Name

ARMY

Mailing Address

101 ARMY ROAD

Apartment Number

City

FORT MILL

State

SC

Zip Code

12789

Country (If not U.S.)

County (Enter first five letters)

N.C. Education Endowment Fund: You may contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all of your overpayment to the Fund. To make a contribution, enclose Form NC-EDU and your payment of \$... To designate your overpayment to the Fund, enter the amount of your designation on Page 2, Line 31.

Out of Country Fill in circle if you, or if married filing jointly, your spouse were out of the country on April 15, 2026, and a U.S. citizen or resident.

Deceased Taxpayer Information

Enter date of death of deceased taxpayer or deceased spouse.

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

Taxpayer (MM-DD-YY)

Spouse (MM-DD-YY)

Residency Status

Were you a resident of N.C. for the entire year?

Yes No

Was your spouse a resident for the entire year?

Yes No

If No, complete and attach Form D-400 Schedule PN.

Veteran Information

Are you a veteran? Yes No

Is your spouse a veteran? Yes No

Federal Extension

Were you granted an automatic extension to file your 2025 federal income tax return, e.g., Form 1040? Yes No

Filing Status (Fill in one circle only)

1. Single

2. Married Filing Jointly

3. Married Filing Separately (Enter your spouse's full name and Social Security Number)

Name

4. Head of Household

SSN

5. Qualifying Widow(er) (Year spouse died:)

Enter Whole U.S. Dollars Only

6. Federal Adjusted Gross Income

6. 154362.00

7. Additions to Federal Adjusted Gross Income (From Form D-400 Schedule S, Part A, Line 16)

7.

8. Add Lines 6 and 7

8. 154362.00

9. Deductions From Federal Adjusted Gross Income (From Form D-400 Schedule S, Part B, Line 41)

9. 62100.00

10. Child Deduction (On Line 10a, enter the number of qualifying children for whom you were allowed a federal child tax credit. On Line 10b, enter the amount of the child deduction. See instructions.)

10a. 10b.

11. N.C. Standard Deduction OR N.C. Itemized Deductions (Fill in one circle only. See Form D-400 Schedule A.)

11. 25500.00

12. a. Add Lines 9, 10b, and 11. 87600.00

12b. Subtract Line 12a from Line 8

66762.00

13. Part-year Residents and Nonresidents Taxable Percentage (From Form D-400 Schedule PN, Line 24. Enter amount as decimal.)

13. 0.3821

14. North Carolina Taxable Income Full-year residents enter the amount from Line 12b. Part-year residents and nonresidents multiply amount on Line 12b by the decimal amount on Line 13.

14. 25510.00

15. North Carolina Income Tax Multiply Line 14 by 4.25% (0.0425). If zero or less, enter a zero.

15. 1084.00



7020104027

Staple All Pages of Your Return Here

Staple W-2s Here

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

17. Subtract Line 16 from Line 15 ▶ 17. 1084.00

18. Consumer Use Tax (See instructions) ▶ 18.

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

19. Add Lines 17 and 18 ▶ 19. 1084.00

20. North Carolina Income Tax Withheld ▶

a. Your tax withheld ▶

b. Spouse's tax withheld ▶ 1330.00

21. Other Tax Payments ▶

a. 2025 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. ▶ 27. \$

28. Overpayment - If Line 25 is more than Line 19, subtract Line 19 from Line 25. ▶ 28. 246.00

When filing an amended return, see instructions

29. Amount of Line 28 to be applied to 2026 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. 246.00



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

D-400 Schedule S

2025 N.C. Adjustments for Individuals

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 2025 | ▶ | 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 <i>(Enter the total here and on Form D-400, Line 7)</i> | | 16. |

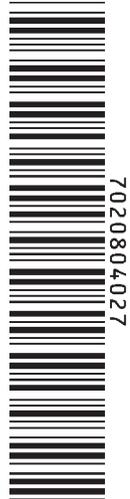


Part B. Deductions From Federal Adjusted Gross Income *(Only deduct items that are included in federal adjusted gross income)*

- | | | |
|---|---|-----|
| 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.	62100.00
22. Bonus Asset Basis	▶	22.	
23. Bonus Depreciation			
▶ 23a. 2020	▶ 23b. 2021	▶ 23c. 2022	
▶ 23d. 2023	▶ 23e. 2024	23f.	
24. IRC Section 179 Expense			
▶ 24a. 2020	▶ 24b. 2021	▶ 24c. 2022	
▶ 24d. 2023	▶ 24e. 2024	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 2025	▶	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.	62100.00



D-400 Schedule PN 2025 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 2025, 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

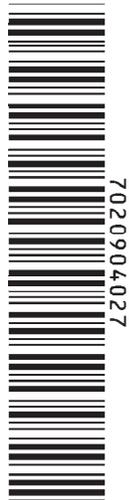
(MM-DD-YY)

(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		COLUMN B	
		Total Income from all Sources		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.	62100.00			
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.	154362.00		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 <i>(From Form D-400 Schedule PN-1, Part A, Line 12.)</i>	17e.		
18. Total Additions <i>(Add Lines 17a through 17e)</i>	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. <i>Bailey Settlement</i>	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 <i>(From Form D-400 Schedule PN-1, Part B, Line 30.)</i>	19h.	62100.00	
20. Total Deductions <i>(Add Lines 19a through 19h)</i>	20.	62100.00	
21. Total Income Modified by N.C. Adjustments <i>(Line 16 plus Line 18 minus Line 20)</i>	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 <i>(Divide Line 22 by Line 23)</i> Enter the result as a decimal amount here and on Form D-400, Line 13.	24.	0.3821



D-400 Schedule PN-1 2025 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 2025 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 2025	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 2025 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. 62100.00	
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 2025	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. 62100.00	

IMPORTANT: Do not send a photocopy of this form.

AMENDED RETURN Fill in circle (See instructions)

For calendar year 2025, or fiscal year beginning (MM-DD) - 2 5 and ending (MM-DD-YY)

Your Social Security Number

303-00-0000

Spouse's Social Security Number

You must enter your social security number(s)

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

MARY

M.I.

C

Your Last Name

ARMY

If a Joint Return, Spouse's First Name

M.I.

Spouse's Last Name

Mailing Address

101 ARMY ROAD

Apartment Number

City

FORT MILL

State

SC

Zip Code

12789

Country (If not U.S.)

County (Enter first five letters)

N.C. Education Endowment Fund: You may contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all of your overpayment to the Fund. To make a contribution, enclose Form NC-EDU and your payment of \$... To designate your overpayment to the Fund, enter the amount of your designation on Page 2, Line 31.

Out of Country Fill in circle if you, or if married filing jointly, your spouse were out of the country on April 15, 2026, and a U.S. citizen or resident.

Deceased Taxpayer Information

Enter date of death of deceased taxpayer or deceased spouse.

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

Taxpayer (MM-DD-YY)

Spouse (MM-DD-YY)

Residency Status

Were you a resident of N.C. for the entire year?

Yes No

Was your spouse a resident for the entire year?

Yes No

If No, complete and attach Form D-400 Schedule PN.

Veteran Information

Are you a veteran?

Yes No

Is your spouse a veteran?

Yes No

Federal Extension

Were you granted an automatic extension to file your 2025 federal income tax return, e.g., Form 1040?

Yes No

Filing Status (Fill in one circle only)

1. Single

2. Married Filing Jointly

3. Married Filing Separately

(Enter your spouse's full name and Social Security Number)

Name JOE T ARMY

4. Head of Household

SSN 202-00-0000

5. Qualifying Widow(er) (Year spouse died:)

Enter Whole U.S. Dollars Only

6. Federal Adjusted Gross Income

6. 35462.00

7. Additions to Federal Adjusted Gross Income (From Form D-400 Schedule S, Part A, Line 16)

7.

8. Add Lines 6 and 7

8. 35462.00

9. Deductions From Federal Adjusted Gross Income (From Form D-400 Schedule S, Part B, Line 41)

9.

10. Child Deduction (On Line 10a, enter the number of qualifying children for whom you were allowed a federal child tax credit. On Line 10b, enter the amount of the child deduction. See instructions.)

10a. 10b.

11. N.C. Standard Deduction OR N.C. Itemized Deductions (Fill in one circle only. See Form D-400 Schedule A.)

11. 12750.00

12. a. Add Lines 9, 10b, and 11. 12750.00

12b. Subtract Line 12a from Line 8

22712.00

13. Part-year Residents and Nonresidents Taxable Percentage (From Form D-400 Schedule PN, Line 24. Enter amount as decimal.)

13. 0.9940

14. North Carolina Taxable Income

Full-year residents enter the amount from Line 12b. Part-year residents and nonresidents multiply amount on Line 12b by the decimal amount on Line 13.

14. 22576.00

15. North Carolina Income Tax Multiply Line 14 by 4.25% (0.0425). If zero or less, enter a zero.

15. 959.00



7020104027

Staple All Pages of Your Return Here

Staple W-2s Here

16. Tax Credits (From Form D-400TC, Part 3, Line 20)	▶			16.
17. Subtract Line 16 from Line 15				17. 959.00
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. 959.00
20. North Carolina Income Tax Withheld	▶	a. Your tax withheld 1330.00	▶	b. Spouse's tax withheld
21. Other Tax Payments	▶	a. 2025 estimated tax	▶	b. Paid with extension
	▶	c. Partnership	▶	d. S Corporation
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	▶			26b.
c. Interest	▶		(Add Lines 26b and 26c and enter the total on Line 26d.)	26c.
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 <i>Pay in U.S. Currency from a Domestic Bank - You can pay online at ncdor.gov.</i>				27. \$
28. Overpayment - If Line 25 is more than Line 19, subtract Line 19 from Line 25. <i>When filing an amended return, see instructions</i>				28. 314.00
29. Amount of Line 28 to be applied to 2026 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 <i>For direct deposit, file electronically</i>				34. 314.00

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.



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) ▶		<input type="checkbox"/> 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.
Paid Preparer's Signature _____	Date _____
	Preparer's FEIN, SSN, or PTIN _____
	Preparer's Contact Phone Number (Include area code) _____

D-400 Schedule PN 2025 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 2025, 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

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		COLUMN B	
		Total Income from all Sources		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

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)



COLUMN A
Amount from Form D-400 Schedule S

COLUMN B
Amount of Column A Attributable to N.C.

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 2025. They became North Carolina residents on July 1, 2025. 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, 2025 and had \$2,400.00 withheld in North Carolina state income tax. Mr. Scruggs received \$24,000.00 (\$2,000.00 per month) in his pension from the United States Navy (Bailey Vested) during 2025. Mr. Scruggs received two separate IRA distributions of \$10,000.00 each on April 2, 2025 and September 8, 2025. 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, 2025, 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 2025, the taxpayers withdrew \$5,000 from their N.C. 529 Plan on November 1, 2025 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 2025 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 2025 North Carolina individual income tax return.

TREASURY/IRS AND OMB USE ONLY DRAFT

Form 1040

Department of the Treasury—Internal Revenue Service U.S. Individual Income Tax Return

2025

OMB No. 1545-0074

IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2025, or other tax year beginning , 2025, ending , 20 See separate instructions.

Filed pursuant to section 301.9100-2 Combat zone Deceased MM / DD / YYYY Spouse MM / DD / YYYY Other

Your first name and middle initial LESTER L Last name SCRUGGS Your social security number 1 2 3 2 2 4 5 6 7

If joint return, spouse's first name and middle initial GLADYS W Last name SCRUGGS Spouse's social security number 2 3 4 3 3 6 7 8 9

Home address (number and street). If you have a P.O. box, see instructions. 1313 NOT REAL LANE Apt. no. Check here if your main home, and your spouse's if filing a joint return, was in the U.S. for more than half of 2025. [X]

City, town, or post office. If you have a foreign address, also complete spaces below. RALEIGH State NC ZIP code 27615 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.

Foreign country name Foreign province/state/county Foreign postal code [] You [] Spouse

Filing Status [] Single [] Head of household (HOH) [] Qualifying surviving spouse (QSS) [X] Married filing jointly (even if only one had income) [] Married filing separately (MFS) Enter spouse's SSN above and full name here: [] 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 2025, 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 [X] No

Table with 5 columns: Dependents (1-5) and 4 rows: (1) First name, (2) Last name, (3) SSN, (4) Relationship, (5) Check if lived with you more than half of 2025, (6) Check if, (7) Credits.

[] Check if your filing status is MFS or HOH and you lived apart from your spouse for the last 6 months of 2025, or you are legally separated according to your state law under a written separation agreement or a decree of separate maintenance and you did not live in the same household as your spouse at the end of 2025.

Income section table with rows 1a through 11a. Includes sub-rows for interest, dividends, pensions, and social security benefits.

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TREASURY/IRS AND OMB USE ONLY DRAFT

Tax and Credits	11b	Amount from line 11a (adjusted gross income)	11b	139276
	12a	Someone can claim <input type="checkbox"/> You as a dependent <input type="checkbox"/> Your spouse as a dependent		
	b	<input type="checkbox"/> Spouse itemizes on a separate return	c	<input type="checkbox"/> You were a dual-status alien
	d	You: <input type="checkbox"/> Were born before January 2, 1961 <input type="checkbox"/> Are blind		
		Spouse: <input type="checkbox"/> Was born before January 2, 1961 <input type="checkbox"/> Is blind		
	e	Standard deduction or itemized deductions (from Schedule A)	12e	31500
	13a	Qualified business income deduction from Form 8995 or Form 8995-A	13a	
	b	Additional deductions from Schedule 1-A, line 38	13b	
	14	Add lines 12e, 13a, and 13b	14	31500
	15	Subtract line 14 from line 11b. If zero or less, enter -0-. This is your taxable income	15	107776
	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	

Standard deduction for—

- Single or Married filing separately, \$15,750
- Married filing jointly or Qualifying surviving spouse, \$31,500
- Head of household, \$23,625
- If you checked a box on line 12a, 12b, 12c, or 12d, see inst.

Payments and Refundable Credits	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	2025 estimated tax payments and amount applied from 2024 return	26	
		If you made estimated tax payments with your former spouse in 2025, enter their SSN (see instructions):		
	27a	Earned income credit (EIC)	27a	
	b	Clergy filing Schedule SE (see instructions)		<input type="checkbox"/>
	c	If you do not want to claim the EIC, check here		<input type="checkbox"/>
	28	Additional child tax credit (ACTC) from Schedule 8812. If you do not want to claim the ACTC, check here <input type="checkbox"/>	28	
	29	American opportunity credit from Form 8863, line 8	29	
	30	Refundable adoption credit from Form 8839, line 13	30	
	31	Amount from Schedule 3, line 15	31	
	32	Add lines 27a, 28, 29, 30, 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	
Direct deposit? See instructions.	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 2026 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

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**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

2025

Attachment
Sequence No. **07**

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

LESTER L SCRUGGS 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 11b	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 (SALT).			
	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"/>	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 \$40,000 (\$20,000 if married filing separately). If Form 1040 or 1040-SR, line 11b is more than \$500,000 (\$250,000 if married filing separately), or if you completed Form 2555, Form 4563, or excluded income from Puerto Rico, see instructions	5e	5005	
	6 Other taxes. List type and amount: ----- -----	6		
	7 Add lines 5e and 6			7 5005
Interest You Paid	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"/>			
Caution: Your mortgage interest deduction may be limited. See instructions.	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		
	9 Investment interest. Attach Form 4952 if required. See instructions	9		
	10 Add lines 8e and 9			10 4250
Gifts to Charity	11 Gifts by cash or check. If you made any gift of \$250 or more, see instructions	11	16900	
Caution: If you made a gift and got a benefit for it, see instructions.	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 12e			17 26155
	18 If you elect to itemize deductions even though they are less than your standard deduction, check this box <input type="checkbox"/>			

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D-400 Individual Income Tax Return

2025

DOR Use Only

IMPORTANT: Do not send a photocopy of this form.

AMENDED RETURN Fill in circle (See instructions)

For calendar year 2025, or fiscal year beginning (MM-DD) - 2 5 and ending (MM-DD-YY)

Your Social Security Number

123-22-4567

Spouse's Social Security Number

234-33-6789

You must enter your social security number(s)

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

LESTER

M.I.

L

Your Last Name

SCRUGGS

If a Joint Return, Spouse's First Name

GLADYS

M.I.

W

Spouse's Last Name

SCRUGGS

Mailing Address

1313 NOT REAL LANE

Apartment Number

City

RALEIGH

State

NC

Zip Code

27615

Country (If not U.S.)

County (Enter first five letters)

WAKE

N.C. Education Endowment Fund: You may contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all of your overpayment to the Fund. To make a contribution, enclose Form NC-EDU and your payment of \$... To designate your overpayment to the Fund, enter the amount of your designation on Page 2, Line 31.

Out of Country Fill in circle if you, or if married filing jointly, your spouse were out of the country on April 15, 2026, and a U.S. citizen or resident.

Deceased Taxpayer Information Enter date of death of deceased taxpayer or deceased spouse.

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

Taxpayer (MM-DD-YY)

Spouse (MM-DD-YY)

Residency Status Were you a resident of N.C. for the entire year? Was your spouse a resident for the entire year?

Yes No Yes No

If No, complete and attach Form D-400 Schedule PN.

Veteran Information Are you a veteran? Is your spouse a veteran?

Yes No

Yes No

Federal Extension Were you granted an automatic extension to file your 2025 federal income tax return, e.g., Form 1040?

Yes No

Filing Status (Fill in one circle only)

1. Single

2. Married Filing Jointly

3. Married Filing Separately (Enter your spouse's full name and Social Security Number)

Name

SSN

4. Head of Household

5. Qualifying Widow(er) (Year spouse died:)

Enter Whole U.S. Dollars Only

6. Federal Adjusted Gross Income 6. 139276.00

7. Additions to Federal Adjusted Gross Income (From Form D-400 Schedule S, Part A, Line 16) 7. 5000.00

8. Add Lines 6 and 7 8. 144276.00

9. Deductions From Federal Adjusted Gross Income (From Form D-400 Schedule S, Part B, Line 41) 9. 24000.00

10. Child Deduction (On Line 10a, enter the number of qualifying children for whom you were allowed a federal child tax credit. On Line 10b, enter the amount of the child deduction. See instructions.) 10a. 1 10b. 500.00

11. N.C. Standard Deduction OR N.C. Itemized Deductions (Fill in one circle only. See Form D-400 Schedule A.) 11. 25500.00

12. a. Add Lines 9, 10b, and 11. 50000.00 12b. Subtract Line 12a from Line 8 94276.00

13. Part-year Residents and Nonresidents Taxable Percentage (From Form D-400 Schedule PN, Line 24. Enter amount as decimal.) 13. 0.7058

14. North Carolina Taxable Income Full-year residents enter the amount from Line 12b. Part-year residents and nonresidents multiply amount on Line 12b by the decimal amount on Line 13. 14. 66540.00

15. North Carolina Income Tax Multiply Line 14 by 4.25% (0.0425). If zero or less, enter a zero. 15. 2828.00



7020104027

Staple All Pages of Your Return Here

Staple W-2s Here

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

17. Subtract Line 16 from Line 15 ▶ 17. 2828.00

18. Consumer Use Tax (See instructions) ▶ 18.

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

19. Add Lines 17 and 18 ▶ 19. 2828.00

20. North Carolina Income Tax Withheld ▶ a. Your tax withheld 2400.00 ▶ b. Spouse's tax withheld 400.00

21. Other Tax Payments ▶ a. 2025 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. 2800.00

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

25. Subtract Line 24 from Line 23. (If less than zero, see instructions.) ▶ 25. 2800.00

26. a. Tax Due - If Line 25 is less than Line 19, subtract Line 25 from Line 19. Otherwise, go to Line 28. ▶ 26a. 28.00

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.) → ▶ 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. \$ 28.00

Exception to Underpayment of Estimated Tax ▶

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

29. Amount of Line 28 to be applied to 2026 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. ▶
Paid Preparer's Signature _____ Date _____

Preparer's FEIN, SSN, or PTIN _____ Preparer's Contact Phone Number (Include area code) _____

D-400 Schedule S

2025 N.C. Adjustments for Individuals

DOR
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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 2025	▶	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 <i>(Enter the total here and on Form D-400, Line 7)</i>		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.	24000.00
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. 2020	▶	23b. 2021	▶ 23c. 2022
▶ 23d. 2023	▶	23e. 2024	23f.
24. IRC Section 179 Expense			
▶ 24a. 2020	▶	24b. 2021	▶ 24c. 2022
▶ 24d. 2023	▶	24e. 2024	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 2025	▶	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.	24000.00



D-400 Schedule A

2025 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:

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

\$ 12,750
\$ 19,125
\$ 25,500
\$ 25,500
\$ 12,750
\$ 0
\$ 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 2025 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 2025, 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

07-01-25

12-31-25

(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

07-01-25

12-31-25

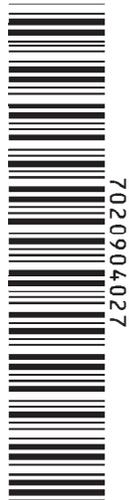
(MM-DD-YY)

(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		COLUMN B	
		Total Income from all Sources		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.	24000.00		12000.00	
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.	139276.00		91888.00	



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 <i>(From Form D-400 Schedule PN-1, Part A, Line 12.)</i> 17e.	5000.00	5000.00
18. Total Additions <i>(Add Lines 17a through 17e)</i> 18.	5000.00	5000.00
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. <i>Bailey Settlement</i> 19d.	24000.00	12000.00
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 <i>(From Form D-400 Schedule PN-1, Part B, Line 30.)</i> 19h.		
20. Total Deductions <i>(Add Lines 19a through 19h)</i> 20.	24000.00	12000.00
21. Total Income Modified by N.C. Adjustments <i>(Line 16 plus Line 18 minus Line 20)</i> 21.	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 <i>(Divide Line 22 by Line 23)</i> Enter the result as a decimal amount here and on Form D-400, Line 13. 24.	0.7058



D-400 Schedule PN-1 2025 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 2025 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 2025	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 2025 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 2025 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. \$139,276
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
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
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

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 2025. 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 2025, 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 2025. 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 2025 federal return. Please complete Mr. and Mrs. Smith's 2025 North Carolina individual income tax return.

TREASURY/IRS AND OMB USE ONLY DRAFT

Form 1040

Department of the Treasury—Internal Revenue Service U.S. Individual Income Tax Return

2025

OMB No. 1545-0074

IRS Use Only—Do not write or staple in this space.

For the year Jan. 1–Dec. 31, 2025, or other tax year beginning , 2025, ending , 20 See separate instructions.

Filed pursuant to section 301.9100-2 Combat zone Deceased MM / DD / YYYY Spouse MM / DD / YYYY Other

Your first name and middle initial JOHN R Last name SMITH Your social security number 1 0 1 5 5 0 0 0 1

If joint return, spouse's first name and middle initial JANE S Last name SMITH Spouse's social security number 2 0 2 6 6 0 0 0 2

Home address (number and street). If you have a P.O. box, see instructions. 201 SOMEWHERE DRIVE Apt. no. Check here if your main home, and your spouse's if filing a joint return, was in the U.S. for more than half of 2025. [X]

City, town, or post office. If you have a foreign address, also complete spaces below. RALEIGH State NC ZIP code 02020 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.

Foreign country name Foreign province/state/county Foreign postal code [X] You [] Spouse

Filing Status [] Single [] Head of household (HOH) [X] Married filing jointly (even if only one had income) [] Qualifying surviving spouse (QSS) [] Married filing separately (MFS). Enter spouse's SSN above and full name here: [] 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 2025, 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 [X] No

Table with 5 columns: Dependents (see instructions), Dependent 1, Dependent 2, Dependent 3, Dependent 4. Rows include (1) First name, (2) Last name, (3) SSN, (4) Relationship, (5) Check if lived with you more than half of 2025, (6) Check if (Full-time student, Permanently and totally disabled), (7) Credits (Child tax credit, Credit for other dependents).

[] Check if your filing status is MFS or HOH and you lived apart from your spouse for the last 6 months of 2025, or you are legally separated according to your state law under a written separation agreement or a decree of separate maintenance and you did not live in the same household as your spouse at the end of 2025.

Income section table with columns for line numbers and amounts. Rows include 1a Total amount from Form(s) W-2, box 1 (125000), 2a Tax-exempt interest (150), 2b Taxable interest (300), 9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7a, and 8 (125300), 11a Subtract line 10 from line 9. This is your adjusted gross income (125300).

Attach Sch. B if required.

DRAFT — DO NOT FILE

DRAFT — DO NOT FILE

TREASURY/IRS AND OMB USE ONLY DRAFT

Tax and Credits section including lines 11b through 24. Includes sub-section for Standard deduction for single or married filing separately (\$15,750) and joint/qualifying surviving spouse (\$31,500).

Payments and Refundable Credits section including lines 25 through 33. Includes sub-section for Earned income credit (EIC) with instructions on claiming it.

Refund section including lines 34 through 36. Includes sub-section for Direct deposit? See instructions.

Amount You Owe section including lines 37 and 38.

Third Party Designee section including fields for Designee's name, Phone no., and Personal identification number (PIN).

Sign Here section including fields for Your signature, Date, Your occupation, Spouse's signature, Date, Spouse's occupation, and Identity Protection PIN.

Paid Preparer Use Only section including fields for Preparer's name, signature, date, PTIN, firm's name, address, and phone number.

DRAFT - DO NOT FILE

DRAFT - DO NOT FILE

**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

2025
Attachment
Sequence No. **07**

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

JOHN R SMITH 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 11b	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 (SALT).			
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"/>	5a	6650	
b	State and local real estate taxes (see instructions)	5b	1650	
c	State and local personal property taxes	5c	450	
d	Add lines 5a through 5c	5d	8750	
e	Enter the smaller of line 5d or \$40,000 (\$20,000 if married filing separately). If Form 1040 or 1040-SR, line 11b is more than \$500,000 (\$250,000 if married filing separately), or if you completed Form 2555, Form 4563, or excluded income from Puerto Rico, see instructions	5e	8750	
6	Other taxes. List type and amount: ----- -----	6		
7	Add lines 5e and 6	7		8750
Interest You Paid	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"/>			
Caution: Your mortgage interest deduction may be limited. See instructions.	a Home mortgage interest and points reported to you on Form 1098. See instructions if limited	8a	14500	
	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	14500	
	9 Investment interest. Attach Form 4952 if required. See instructions	9		
	10 Add lines 8e and 9	10		14500
Gifts to Charity	11 Gifts by cash or check. If you made any gift of \$250 or more, see instructions	11	5725	
Caution: If you made a gift and got a benefit for it, see instructions.	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 12e	17		37077
	18 If you elect to itemize deductions even though they are less than your standard deduction, check this box <input type="checkbox"/>			

DRAFT — DO NOT FILE

DRAFT — DO NOT FILE

D-400 Individual Income Tax Return

2025

DOR Use Only

AMENDED RETURN Fill in circle (See instructions)

IMPORTANT: Do not send a photocopy of this form.

For calendar year 2025, or fiscal year beginning (MM-DD) - 2 5 and ending (MM-DD-YY)

Your Social Security Number

101-55-0001

Spouse's Social Security Number

202-66-0002

You must enter your social security number(s)

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

JOHN

M.I.

R

Your Last Name

SMITH

If a Joint Return, Spouse's First Name

JANE

M.I.

S

Spouse's Last Name

SMITH

Mailing Address

101 SOMEWHERE DRIVE

Apartment Number

City

RALEIGH

State

NC

Zip Code

02020

Country (If not U.S.)

County (Enter first five letters)

WAKE

N.C. Education Endowment Fund: You may contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all of your overpayment to the Fund. To make a contribution, enclose Form NC-EDU and your payment of \$... To designate your overpayment to the Fund, enter the amount of your designation on Page 2, Line 31.

Out of Country Fill in circle if you, or if married filing jointly, your spouse were out of the country on April 15, 2026, and a U.S. citizen or resident.

Deceased Taxpayer Information Enter date of death of deceased taxpayer or deceased spouse.

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

Taxpayer (MM-DD-YY)

Spouse (MM-DD-YY)

Residency Status Were you a resident of N.C. for the entire year? Was your spouse a resident for the entire year?

Yes No Yes No

If No, complete and attach Form D-400 Schedule PN.

Veteran Information Are you a veteran? Is your spouse a veteran?

Yes No

Yes No

Federal Extension Were you granted an automatic extension to file your 2025 federal income tax return, e.g., Form 1040?

Yes No

Filing Status (Fill in one circle only)

- 1. Single
2. Married Filing Jointly
3. Married Filing Separately
4. Head of Household
5. Qualifying Widow(er)

(Enter your spouse's full name and Social Security Number)

Name

SSN

Enter Whole U.S. Dollars Only

Table with 3 columns: Line number, Description, and Amount. Includes lines 6 through 15.



7020104027

Staple All Pages of Your Return Here

Staple W-2s Here

16. Tax Credits (From Form D-400TC, Part 3, Line 20) ▶ 16. 770.00

17. Subtract Line 16 from Line 15 ▶ 17. 3245.00

18. Consumer Use Tax (See instructions) ▶ 18. If you certify that no Consumer Use Tax is due, fill in circle.

19. Add Lines 17 and 18 ▶ 19. 3245.00

20. North Carolina Income Tax Withheld ▶ a. Your tax withheld 5250.00 ▶ b. Spouse's tax withheld 1400.00

21. Other Tax Payments ▶ a. 2025 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. 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 Pay in U.S. Currency from a Domestic Bank - You can pay online at ncdor.gov. ▶ 27. \$

Exception to Underpayment of Estimated Tax

28. Overpayment - If Line 25 is more than Line 19, subtract Line 19 from Line 25. ▶ 28. 3405.00

29. Amount of Line 28 to be applied to 2026 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. 3405.00



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. ▶
Paid Preparer's Signature _____ Date _____

Preparer's FEIN, SSN, or PTIN _____ Preparer's Contact Phone Number (Include area code) _____

D-400 Schedule S

2025 N.C. Adjustments for Individuals

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)

Your Social Security Number

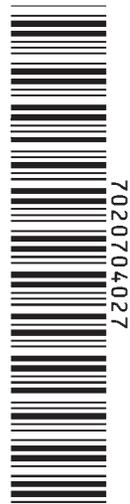
SMITH

Do not send a photocopy of this form.

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 2025	▶ 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 <i>(Enter the total here and on Form D-400, Line 7)</i>	▶ 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. 2020 ▶ 23b. 2021 ▶ 23c. 2022
 - ▶ 23d. 2023 ▶ 23e. 2024 ▶ 23f.
- 24. IRC Section 179 Expense
 - ▶ 24a. 2020 ▶ 24b. 2021 ▶ 24c. 2022
 - ▶ 24d. 2023 ▶ 24e. 2024 ▶ 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 2025 ▶ 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

2025 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.)

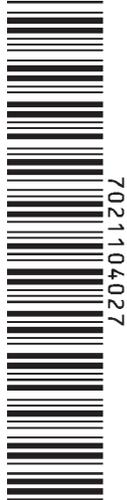
If your filing status is:

- 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:

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

\$ 12,750
\$ 19,125
\$ 25,500
\$ 25,500
\$ 12,750
\$ 0
\$ 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 2025 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
Enter the lesser of Line 5 or Line 6 | ▶ | 7a. | 770.00 |
| 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 2025 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)
(From Form NC-Rehab, Part 4, Line 23) | ▶ | 12. | |
| 13. A nonincome-producing historic structure (Article 3L)
(From Form NC-Rehab, Part 4, Line 26) | ▶ | 13. | |

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 2025

- | | | | |
|--|---|-----|---------|
| 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. | 770.00 |
| 17. North Carolina income tax (From Form D-400, Line 15) | | 17. | 4015.00 |
| 18. Enter the lesser of Line 16 or Line 17 | | 18. | 770.00 |
| 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 2025 (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. | 770.00 |

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>\$4,015</u>
5. Multiply Line 4 by Line 3	5.	<u>\$480</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.	\$125,450
2. The portion of Line 1 that was taxed by the other state or country	2.	\$10,000
3. Divide Line 2 by Line 1 and enter the result as a decimal amount (<i>Round to four decimal places</i>)	3.	0.0797
4. Enter total North Carolina income tax (<i>From Form D-400, Line 15</i>)	4.	\$4,015
5. Multiply Line 4 by Line 3	5.	\$320
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.	\$340
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.	\$320

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
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
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