

[^0]tax system during 2015; the extract is a composite database consisting of both audited and unaudited (edited and unedited) data that is subject to and may include inconsistencies resultant of taxpayer and/or processing error.
Number of returns filed with no tax liability=count of returns with $\$ 0$ tax liability after application of tax credits
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Net Tax=Computed net tax liability (after application of tax credits) plus consumer use tax liability
SL 2013-316, (HB998), An Act to Simplify the NC Tax Structure and to Reduce Individual and Busin
( (he NC standard deduction amount; redefines and limits allowable itemized deductions; eliminates the personal exemption

$\dagger$ In calculating NC taxable income, a taxpayer may deduct either the allowable NC standard deduction amount based on filing status or the itemized deductions amount allowable for NC tax purposes.
Basic standard deduction allowances vary according to filing status: $\mathbf{S}=\$ 7,500 ; \mathrm{MFJ} / \mathbf{S S}=\$ 15,000 ; \mathrm{MFS}=\$ 7,500$; and $\mathrm{HH}=\$ 12,000$.
Claiming itemized deductions on the federal return 1040 Sch A is a prerequisite for claiming itemized deductions on the NC D-400 Sch S return. Allowable itemized deductions provisions for NC tax purposes (no longer identical to allowable federal itemized deductions) include deductions for the following: qualified home mortgage interest and real estate property taxes (the sum of these deductions not to exceed \$20,000), repayment of claim of right income, and
charitable contributions as allowed under the Code. NC does not allow a deduction for state and local taxes and foreign income taxes, or for medical and dental expenses (deduction for medical and dental expenses reinstated for tax year 2015). $\dagger$ Effective tax rate for NCTI basis=Net Tax as a \% of Computed NC Net Taxable Inco
$+\dagger$ Effective tax rate for FAGI basis=Net Tax as a $\%$ of Federal Adjusted Gross Income
Proration (income apportionment) factors applicable to part-year and nonresident individuals can exceed $\mathbf{1 0 0 \%}$ in cases where the portion of income subject to NC income tax exceeds total federal gross income, as adjusted.


[^0]:    Source: 2014 individual income tax extract. Statistical summaries are compiled from personal income tax information extracted from tax year 2014D-400, D-400 Sch S, and D-4007C forms processed within the DOR dynamic integrated

