## TABLE 2. TAX YEAR 2014 INDIVIDUAL INCOME TAX CALCULATION BY INCOME LEVEL: CHARACTERISTICS OF RETURNS WITH \$0 TAX LIABILITY

Image: Signame   Image:												L RETURNS	AL												
$ \begin{array}{                                    $	ıs†† Claimed	d Deductions	† and Itemize	its Claimed††	d Tax Cred	Selecte	Com-	NCTI	-				cations	Modific		D-400 Filing									
Image   Image   AGI:   Image   AGI:   Image   I		tions††:	emized Deduc					as		returns with defi	[includes r														
		Allowed	_	-								d Deductions	Itemize	rd Deduction	Standa					U U	Overp		[\$0 Tax I		
Intent   Returns   of Partices   Normality   Presidency   Presidency  Presidency <td></td> <td>Home Mtg</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>5.0</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1:</td> <td>AG</td> <td>0</td> <td>•</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>		Home Mtg								5.0						1:	AG	0	•						
Filter   Filter   Numer   Internet   Numer   Paramet   Pilter   No.   Internet   Taxs   Tax	table	Int/Real																							
Income Level   Statuses   (5)   Field   (8)   Field   (8)   (18)  (18)	Contri-				0											Doductions	Additions	_							
Nort Lavel   1/2	butions: [\$]																							e I evel	Incon
5   1   2.000   55.00   31.24   10.14.98.33   46.87   8.79.24.31   2.208.757   78.17.26   9.219.740   79.279.401   79.479.401   79.479.401   79.479.401   79.479.401   79.279.401   79.479.401   79.279.401   79.279.401   79.479.401   79.479.401   79.479.401   79.479.401   79.479.401   79.479.401	[4]	[Ψ]	ĮΨJ	[¢]	[Ψ]	[¢]	[\$]	[/0]	[/0]	[Φ]					riicu	[¢]	[ø]	[¢]	[4]	ĮΨJ	Fileu	[/0]	Statuses		
5   1   2.000   55.200   23.49   40.09.49   99.99.440   19.18.21   57.47   31.21.257   78.77   91.17   31.31.257   19.18   33.13.426   11.419.853   46.07.8   8.77.27   91.155   53.78   55.71   91.125   53.78   57.77   91.155   53.78   55.71   53.75   10.01   10.025   17.77   30.128   53.78   53.75   53.75   10.83.228   33.74   11.83.28   33.74   11.83.28   33.74   11.83.200   11.200   11.201   11.201   11.201   11.201   11.201   11.201   11.201   11.201   11.201   11.201   11.201.200	6 3,679,945,69	822,303,276	626,989,910	742,705,209	457,442	20,152,231		66%	-24%	(7,451,920,844)	30,689,821,790	4,334,392,055	80,258	7,593,783,000	751,602	6,309,591,583	2,159,610,519	56,221	46,767,977,908	116,492,230	469,985	100.0%	831,860	le Incom	No Taxa
4.000   11.23   6.4%   5.2.2   2.6.4.6.7.7   1.9.9.2.4.201   17.677   7757.98   1.6.6.3.31   11.1.2   1.5.2.5.0   88   4.0.2.23   3.3.9.3.28   2.9.%   3.1.0.2.877   3.4.0.8.77   3.4.0.8.70   2.3.4.8.1   1.4.977   1.0.3.00   4.4.9.71   1.0.2.5   1.7.6   0.4.7.5   0.1.0.2.5   1.7.6   0.4.7.5   0.2.6.3.1   1.7.1   0.2.7.5.5   1.8.1.8.2   9.1.5   4.8.1.8   2.0.2.9.13   1.8.1.8.2.5   9.1.5   4.8.1.8   2.0.2.9.13   1.8.1.8.2.5   9.1.5   4.9.5   4.5.4   1.0.5.9.8   4.1.2.3.5   5.3.9.6   4.1.2.3.5.8   4.1.2.3.5   4.3.9.5   5.7.8   4.1.2.3.5   5.3.9.6   4.1.2.3.5.8   4.3.9.3   4.5.3.5   1.3.1.2.5	3,420,711	7,593,461	2,205,756	8,792,431	46,874	10,419,853	3,313,426	11%	72%	57,129,720				652,411,500			1,918,212	13,565	749,969,363	9,994,449	40,698	23.4%	55,289	2,000	\$ 1
6.000   1.000   0.424   1.3%   2.811   1.097.628   88.62.731   2.149.27   1.94.327   2.94.92.78   1.67   2.02.500   9   1.481.85   2.00.2131   1.81.028   91%   6.00.9993   1.60.9993   1.60.9993   1.60.9994   4.24.85   1.77   1.43.15   2.00.2131   1.81.028   91%   64%   1.85.03   91%   64%   1.85.45   1.91.01   2.00.2131   1.81.802   91%   65%   2.85.05   8.8,04   1.92.93   1.93.07   3.77	1,288,544	3,402,852	827,259	3,021,248	73,707	8,307,405	5,218,258	20%	92%	89,970,534	98,115,268	3,528,977	207	375,343,500	30,925	4,328,416	523,989	15,444	480,792,172	6,291,349	22,420	15.7%	31,132	4,000	2,001
10.00   10.625   176   0.4%   99   53.779   44.49.791   24.715   20.265.80   192.788   107   2.426.500   9   148,188   20.0213   188.028   91.5%   407.85   55.93.8   40.99   55.93.9   77.9   192.366   40.92     12.061   1.7000   274   0.3%   173   163.00   97.948   16.33.00.00   21   457.946   57.44.075   55.95   55.97.38   36.801   292.208   181.1.02   187.02   16.36   17.74.98.39   27.75   65%   27.304   66.70   37.407.5   21.11.21   17.99.390   21.33   23.040.00   20.22.389   181.11.21   183.248   18.35.95   12.11.1500   99   134.635   36.93.12.70   7.884.519   75%   62%   62.70   64.70   67.74.07   84.00   85.00   13.11.848   85.05   62.20   101.11.120   52.121.130   39.027   10.30.806   88%   62%   66.27   66.77.46.670   64.70   64.70   64.70   64.70		1,793,858	449,479	1,499,513	· · · ·	3,763,687	, ,				· · ·				11,137			17,677		, ,		6.4%	11,253	6,000	4,001
10.626 12.750 141 0.3% 173 97.48 160.0560 382.44 1.195.61 375 4.486.500 36 1.03.107 92.87.72 4.80.178 59% 6% 6% 298.600 577.45 322.37 120.61 333.37 66.55 123.37.65 533.47 59% 6% 6% 6% 89.810 577.45 522.36 333.300.00 21 477.94 578.410 75.84.510 76.84.510 76.84.510 76.84.510 76.84.510 76.84.510 76.84.510 76.84.510 76.84.510 76.84.510 76.84.510 76.84.510 7		1,074,495																						,	,
12.751 15.000 72 0.3% 114 66.105 15.40.27 30.00,00 25 445.405 10.247.363 55.15.477 50% 60% 298.916 59.425 27.745 92.213 23.486.90 757.975 37.000,00 21 457.946 55.44.97 46.769 74.705 91.144 85.855 22.2 17.001 20.001 21.255 155.027 35.880.38 38.946 6.94.41 12.12.15 150.027 35.85 25.72 45.73.04 6.67.09 74.10.54.88 33.25.62.74 35.25.95 13.885 42.75 10.89.45 16.20.21 10.94.48 33.56.27.8 18.59.377 10.84.88 33.62.18 19.86.30 85% 62% 60.207 44.20 50.577 36.161 92.436 15.33.33.30.000 10.89.20 12.89.218 19.86.10 18.89.270 18.85.250 12.83.83.42.84 12.97.43 92.85.50 94.256.12 33.93.90.96 64.557 46.2.46 11.02.1.55.10 2.86.9.27 2.67.72.46 93% 75% 15.852.800 2.44.2.2.99 15.158.88 48.158.52.800 2.19.3.35 13.93.90.96 89%		77,714																							.,
15.001 17.000 429 0.2°s 137 17.001 20.000 127 17.001 20.000 427 47.08.300 223 65.10 27.033 65.470 74.78.48 65.470 74.78.48 65.740 74.78.48 65.740 74.78.48 65.740 74.78.48 65.740 74.78.48 65.740 74.78.48 65.740 74.78.48 65.740 74.78.48 65.740 74.78.48 65.740 74.78.48 65.74 74.700 78.78.44 65.74 74.700 78.78.44 65.74 74.700 78.78.44 65.74 74.700 78.78.44 65.74 74.700 78.78.44 75.74 78.78.44 76.740 74.48.79 144.823 78.78.46 76.75 18.78.18.87 14.82.75.35 18.78.76 78.78.77.70 28.79.79 16.78.46 76.76.44 77.74 78.78.47 76.76 28.79.70 78.78.47 78.78.77 78.78 78.78.77 78.78 78.78.77 78.78 78.78.79 78.78 78.78.79 78.78.79 78.78.79 78.78.79 78.78.79 78.78.79 78.78.78 78.78.78 78.78.78 78.78.78 <td></td> <td>490,162</td> <td></td> <td>,</td> <td></td>		490,162																						,	
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		351,344 227,351																							, .
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		227,351 376,898	· · ·	- /	.,		,				., ,	. , .			-	· · · · ·			· · ·	,					
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	, .	376,898				00,780	,																	,	,
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		514,967		, .		44,280					.,, .	- )				· · · · ·	.,	,	· · ·	. ,				· · · ·	
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	,	539,852	· · ·	)	, .	,	,			.,,	,,	. )		,,		· · ·	,	,	· · ·	- )					, .
40.001 - 50,000 596 0.2% 147 2256,123 39,299,479 65,388 130,612 2774,995 507 63,24000 89 1,784,203 22,286,894 2,715,513 94% 75% 1,552,500 29,455 1,552,500 24,615,510 22,666,927 26,771,551 94% 75% 1,552,800 29,451 1,207,020 1,552,800 29,451,211 83% 84% 2,21,218 83% 84% 24,132,730 1,244,312 713,338 1,713,318 1,733   50,001 - 80,000 136 0.2% 147 133,520 14,232,995 114,405 750,863 94 1,171,000 13 3,703,7553 3,103,506 137,307 23,31,33 137 1,717,000 13 2,501,710 27,450,788 26,111,408 84,81179 1,335,74 1,553,51 1,474   100,001 - 120,000 240 0.2% 155 0.33,668,71 1,230,400 33 1,371,700 103 2,501,710 27,450,788 26,147,66 95% 28,4 1,515,337 41,433,307 84,31,524 1,440,47 1,153,374 1,515,337 41,533,317,375 <td></td> <td>1,461,566</td> <td></td> <td>1,111,562</td> <td></td> <td>832</td> <td>,</td> <td>,</td>		1,461,566		1,111,562																			832	,	,
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		1,145,842		912,446	1,380,546			72%	94%								130,613					0.2%		50,000	40,001
$ \frac{75,001 + 80,000}{390} \frac{136}{2} 0.2\% 47 \\ \frac{71}{2} \frac{133,520}{4} \frac{14,232,995}{4} \frac{14,232,995}{1} 112,303 \frac{157,789}{1} 2,673,307 \frac{253}{2} 3,103,500 \frac{137}{3} 3,078,553 \frac{35,100,480}{3} 3,472,395 9\% 80\% \frac{11,164}{2} 8,100 \frac{469,087}{2} 3,556,281 \frac{171,514}{1} 522,800 \frac{253}{2} 3,103,500 \frac{137}{3} 3,078,553 \frac{35,100,480}{3} 3,472,395 9\% 80\% \frac{11,164}{2} 8,100 \frac{469,087}{2} 3,565,281 \frac{171,514}{1} 522,800 \frac{253}{2} 3,103,500 \frac{137}{2} 3,078,553 \frac{35,100,480}{2} 3,372,395 9\% 80\% \frac{11,165}{2} 1,555,55 \frac{11,049,347}{1} 1,153,974 \frac{574,882}{1} 1,474 \frac{144}{1} 1,153,974 \frac{574,882}{1} 1,490 \frac{144}{2} 3,535,57 \frac{189,377}{1} 1,153,978 \frac{144}{5} 1,556,53 \frac{144}{5} 1,266,4743 \frac{171,8704}{2} 2,189,387 \frac{151}{1} 1,981,500 \frac{141}{1} 3,583,692 \frac{42,220,092}{44,225,494} \frac{44,042,651}{2} 9,974,217 \frac{153,974}{2} 9,1755,18 \frac{157,187,94}{2} 2,1795,12 \frac{173}{6} 1,68 \frac{194,500}{6} 8,904,500 \frac{83}{5} 3,1643,101 \frac{137}{5} 1,177,89 \frac{148,9387}{5} 1,150,156 \frac{144,93,387}{5} 1,189,315 \frac{136}{1} 1,271,108 \frac{144}{5} 1,282,199,330 \frac{137}{1} 3,178,299,11 \frac{33,665,24}{1} 1,266,289,11 \frac{147,173}{2} 1,275,357 \frac{147,89}{2} 2,330,145 \frac{136}{1} 1,271,108 \frac{143,108,77}{2} 4,221,49 \frac{144,843,993}{2} 1,299,18 \frac{144,843,993}{2} 1,299,18 \frac{147,99,19}{2} 2,276 \frac{147,89}{2} 9,97,931 \frac{147,89}{4} 8,253,970 \frac{147,89}{2} 8,27,193 \frac{147,99}{2} 8,27,193 \frac{147,171,190}{2} 1,277,108 \frac{143,108,77}{2} 1,277,108 \frac{143,19,177,112,177,108}{2} 1,277,108 \frac{143,19,177}{2} 1,277,108 \frac{143,19,107}{2} 1,277,103 \frac{143,19,109}{2} 1,277,108 \frac{143,19,107}{2} 1,277,10$	8 1,058,794	1,361,028	457,123	1,052,629	1,307,062	29,451	1,552,800	75%	93%	26,772,346	28,686,927	2,155,510	94	4,825,500	392	2,793,167	156,320	78,816	38,304,784	275,133	136	0.3%	486	60,000	50,001
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	9 2,119,365	1,739,169	713,318	1,244,312	1,827,330	27,685	2,213,402	80%	89%		42,913,878	3,530,508	140	5,089,500	429	3,162,752	721,278	94,860		436,185	157	0.3%	569	75,000	60,001
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		528,590				8,100																		,	,
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		1,747,409	· · ·	,, .		*	, ,				· · ·		-	.,,		· · ·	. ,	,	· · ·	,					
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $		1,496,780				*	, ,										. , .			,			-		
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		2,228,535	· · ·	, ,		*																		,	,
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		1,399,819 5,847,547	,		. ,	-	,,				. , . ,	- ,, .		,			,	,	, ,						
FAGI Level   B. BY SIZE OF FEDERAL ADJUSTED GROSS INCOME     Non-Positive ACI   73,544   99,3%   19,294   26,985,479   (12,177,336,631)   (165,579)   659,069,447   274,597,932   47,190   487,789,500   26,354   120,005,583   (12,29,826,864)   98%   -280%   3,092   28,355   19,070,016   478,130   112,757,043   129,7071     4,000 - 9,999   301,182   71,8%   219,834   28,841,476   19,660,016   478,130   112,757,043   129,7071     10,000 - 14,999   152,982   40.11%   102,223   25,822,151   1,908,990,972   12,479   2,707,322   129,470,613   150,195   1,895,536,500   2,787   38,463,062   (151,771,881)   (157,661,907)   104%   -8%   4,775,285   18,356,452   103,723   32,133,148   15,680,454   43,052     10,000 - 24,999   18,466   6.0%   6.829   3,079,105   410,976,947   22,256   1,888,576   26,11,18,248   22,494,011   2,419,139   11%   3%   6,629,650   10,106,226   211,900	7 139,481,509 5 3,841,029,065					44.843.903																		or more	
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	010,011,020,000	007,011,020	012,177,000		11,233,100	1,010,000		01/0	2070		, , ,	, , ,		, , ,	001,001	0,110,020,001	2,200,000,000	-2,001	1,1,1,2,200,011	100,701,000	210,200	2111 / 0	510,050	Level	
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	6,742,39	128,548,010	112,757,043	114,341,057	478,130	766,116	47,409	102%	31%	(3,825,208,479)	(12,400,660,199)	120,005,583	26,354	487,789,500	47,190	274,597,932	659,069,447	(165,579)	(12,177,336,631)	26,985,479	19,294	99.3%	73,544	ive AGI	Non-Posi
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		27,071,774			*								-												
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	16,586,551	48,656,795	15,626,949	48,059,118	24,203	10,847,837	539,562	-48%	98%	(918,454,232)	(939,291,403)	45,497,207	4,093	2,810,109,000			5,111,980	6,528	1,966,070,089	28,841,476	219,834	71.8%	301,182	9,999	4,000
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		43,053,595		- , ,	, .																	40.1%		14,999	10,000
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		31,276,149			· · · ·		, ,				, ,				· ·				, ,						,
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$		22,979,336			,												,,.	,						/	.,
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	. , ,	18,564,478		,,	. , .		,			(,,,			, -	- , . ,	· ·	· · ·	, . ,	, .	, ,	, ,	, .		- /		
50,000 - 59,999 14,245 5,4% 5,248 2,912,155 781,466,903 54,859 3,225,225 549,978,557 11,052 137,257,500 3,193 45,707,973 51,748,098 (69,673,829) -135% 7% 1,362,146 78,712 1,225,283 22,110,240 11,776,631 31,943 60,000 - 69,999 11,060 5,2% 4,191 2,412,463 716,501,560 64,783 2,579,596 480,177,558 8,334 108,342,000 2,726 43,139,247 87,422,351 (45,427,830) -52% 12% 1,495,685 59,224 1,339,715 19,079,768 10,146,664 28,052		32,657,995		,,	, ,	,	, ,					- ) )	. ,	) )	· ·		,,		. , .,						,
60,000 - 69,999 11,060 5.2% 4,191 2,412,463 716,501,560 64,783 2,579,596 480,177,558 8,334 108,342,000 2,726 43,139,247 87,422,351 (45,427,830) -52% 12% 1,495,685 59,224 1,339,715 19,079,768 10,146,664 28,052		31,357,076 31,945,546																						,	,
		28,052,086									, ,				· ·	· · ·							-		,
- 100,100,200 [10,144,000] [10,144,000] [10,144,000] [10,144,000] [10,144,000] [10,100,100,100] [10,100,100,100] [10,100,100,100] [10,100,100,100] [10,100,100,100] [10,100,100,100] [10,100,100,100] [10,100,100,100] [10,100,100,100] [10,100,100,100] [10,100,100,100] [10,100,100]		28,052,080											-		· ·									,	,
		23,222,359																							,
		21,673,938																						,	,
		73,953,685				*									· ·									,	,
150,000 - 199,999 4.974 3.7% 1,141 2,333,907 856,302,134 172,156 12,322,196 145,894,841 2,099 28,704,000 2,875 69,031,751 624,993,738 35,656,841 6% 73% 2,599,035 - 1,603,712 34,958,128 20,688,960 45,069	8 27,272,594	45,069,428	20,688,960	34,958,128	1,603,712	-	2,599,035	73%	6%	35,656,841	624,993,738	69,031,751	2,875	28,704,000	2,099	145,894,841	12,322,196	172,156	856,302,134	2,333,907	1,141	3.7%	4,974	199,999	150,000
	97,943,372	105,464,801		,	4,571,267	-	6,612,852	87%							2,237	183,807,907	66,166,234	306,989	2,618,616,002			5.6%	8,530	499,999	200,000
	, - ,	46,174,303	.,,.	.,,	, ,	-	, , .			,, .	,,,	,,.				. , . , .	, ,	,	, , .,	,,.		10.1%	- )	,	,
		73,300,529																		- ) )				) or more	
TOTAL 940,596 21.1% 546,268 150,751,686 49,479,355,514 52,604 2,236,563,983 6,443,028,901 857,851 8,877,082,500 82,745 4,523,709,330 31,872,098,767 (6,424,888,735) -20% 64% [59,567,694] 44,843,903 [41,599,408] 774,006,790 642,177,038 857,851 8,977,082,500 82,745 4,523,709,330 31,872,098,767 (6,424,888,735) -20% 64% [59,567,694] 44,843,903 [41,599,408] 774,006,790 642,177,038 857,851 8,977,982,604 (2,236,563,983 6,443,028,901 857,851 8,977,982,500 82,745 4,523,709,330 31,872,098,767 (6,424,888,735) -20% 64% [59,567,694] 44,843,903 [41,599,408] 774,006,790 642,177,038 857,851 8,977,982,604 (2,236,563,983 6,443,028,901 857,851 8,977,982,500 82,745 4,523,709,330 31,872,098,767 (6,424,888,735) -20% 64% [59,567,694] 44,843,903 [41,599,408] 774,006,790 642,177,038 857,851 8,977,982,604 (2,236,563,983 6,443,028,901 857,851 8,977,982,604 (2,236,563,983 6,443,028,901 857,851 8,977,982,604 (2,236,563,983 6,443,028,901 857,851 8,977,982,604 (2,236,563,983 6,443,028,901 857,851 8,977,982,604 (2,236,563,983 6,443,028,901 857,851 8,977,982,604 (2,236,563,983 6,443,028,901 857,851 8,977,982,604 (2,236,563,983 6,443,028,901 857,851 8,977,982,604 (2,236,563,983 6,443,028,901 857,851 8,977,982,604 (2,236,563,983 6,443,028,901 857,851 8,977,982,604 (2,236,563,983 6,443,028,901 857,851 8,977,982,604 (2,236,563,983 6,443,028,901 857,851 8,977,982,604 (2,236,563,983 6,443,028,901 857,851 8,977,982,604 (2,236,563,983 6,443,028,991 857,851 8,977,982,604 (2,236,563,983 6,443,028,991 8,978,982 (2,236,563,983 6,443,028,991 8,978,982 (2,236,563,983 6,443,028,991 8,978,982 (2,236,563,983 6,443,028,991 8,978,982 (2,236,563,983 6,443,028,991 8,978,982 (2,236,563,983 6,443,028,991 8,978,982 (2,236,563,983 6,443,028,991 8,978,982 (2,236,563,983 6,443,028,991 8,978,982 (2,236,563,983 6,443,028,991 8,978,982 (2,236,563,983 6,443,028,982 (2,236,563,983 (2,236,563,983 (2,236,563,983 (2,236,563,983 (2,236,563,983 (2,236,563,983 (2,236,563,983 (2,236,563,983 (2,236,563,983 (2,236,563,983 (2,236,563,983 (2,236,563,983 (2,236,563,983 (2,236,563,983 (2,	5 5,841,029,065	857,841,525	642,177,038		, ,	, ,	, ,				, , ,	, , ,		, , ,	/	, , ,	, , ,	,	, , ,	, ,	,		,		-

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

tax system uning 2015; the extract is a composite database consisting of norm address and manufacte (enter and menuter) data that is subject to and may include inconsistences resultant or taxpayer and/or process. This exhibit includes returns with a nonpositive NC taxable income and returns with a positive NC taxable income for which the tax liability is reduced to \$0 after application of normerfundable tax retained.

\*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 Business Tax Rates (enacted July 23, 2013) establishes a flat rate structure [5.8% rate for tax year 2014] to replace the multitiered bracket system (utilized tax rates of 6%, 7%, and 7.75% with breaking points delineated according to filing status and taxable income); increases the NC standard deduction amount; redefines and limits allowable itemized deductions; eliminates the personal exemption allowance provision; increases the allowable child tax credit for certain taxpavers; and either eliminates or allows to sunset other tax credits applicable to the personal income tax.

the alculating NC taxable income, a taxpaver 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: S=\$7,500; MFJ/SS=\$15,000; MFS=\$7,500; and 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). Proration (income apportionment) factors applicable to part-year and nonresident individuals can exceed 100% in cases where the portion of income subject to NC income tax exceeds total federal gross income, as adjusted. †††Tax credits claimed=value of nonrefundable credits reported on the D-400TC form

Amount claimed (reported) may exceed the value of the tax credit used to reduce tax liability in cases where the tax liability is less than the amount of eligible credit claimed.

\*Summary information for this category has been combined with that of a preceding (or subsequent) category to avoid disclosing specific taxpayer details in categories with low participation. Combined data are italicized.