

Source: 2015 individual income tax extract. Statistical summaries are compiled from personal income tax information extracted from tax year 2015 D-400, D-400 Sch S, and D-400TC forms processed within the DOR dynami
tax system during 2016; 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.
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 personal income tax flat rate of 5.75\% applicable to NC taxable income effective for taxable years beginning on or after January 1,2015; the 2015 Appropriations Act reduces the tax rate to $5.499 \%$ effective for taxable years beginning on or after January 1,2017 .
Basic standard deduction allowances applicable for tax year 2015 vary according to filing status: $\mathrm{S}=\mathbf{\$ 7 , 5 0 0}$; MFJ/SS $=\$ 15,000 ; \mathrm{MFS}=\$ 7,500$; and $\mathbf{H H}=\$ 12,000$.
$\dagger$ 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, charitable contributions
as allowed under the Code, and medical and dental expenses 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.
$\dagger \dagger$ Effective tax rate for NCTI basis=Net Tax as a \% of Computed NC Net Taxable Income [after residency proration] for returns with positive taxable income
$\dagger \dagger$ 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

