## RESIDENT RETURNS: ITEMIZED DEDUCTIONS

	Number of Returns Filed Resident [Combined				ancial Statistics:				Modifications		I	temized Deductions††:			Computed NC Taxable Income							
					e/Overpayment		Federal	Aver-	to Federal			as a			[includes returns with deficit]		NCTI	ļ	, ,	Net	Aver-	
			Balance Tax Due		Overpayment		AGI				1	% of					as	_		Tax	age	
				[Net Tax†		[Net Tax†	[includes	age	AG	I:		Resi-		Aver-	ļ		%	Computed	, ,	Liability	Net	Effec-
	Filing Sta	tuses]	Number	> Pre-	Number	< Pre-	returns	Federal			Number	dent		age	[before	[after	of	Gross	Total	[after	Tax	tive
		No	of	payments]	of	payments]	with	AGI			of	Re-	Deduction	ID	residency	residency	Federal	Tax	Credits	application	Per	Tax
	Tax	Tax	Returns	Amount	Returns	Amount	deficit]	Value	Additions	Deductions	Returns	turns	Amount	Value	proration]	proration]	AGI	Liability	Taken	of credits]	Return	Rate†††
	Liability	Liability	Filed	[\$]	Filed	[\$]	[\$]	[\$]	[\$]	[\$]	Filed	[%]	[\$]	[\$]	[\$]	[\$]	[%]	[\$]	[\$]	[\$]	[\$]	[%]
NCTI Level										A. BY SIZI	E OF NC T	AXABLI	E INCOME									
No Taxable Income	-	45,949	331	71,083	13,811	18,468,500	130,369,348	2,837	94,666,487	1,676,545,892	45,949	6.4%	521,238,410	11,344	(1,972,748,467)	(1,972,748,467)	-1513.2%	-	-	-	-	
\$ 1 - 2,000	4,331	399	1,962	111,269	2,190	1,321,153	127,533,308	26,963	1,757,782	73,148,394	4,730	2.8%	51,634,192	10,916	4,508,504	4,508,505	3.5%	261,478	21,413	240,065	50.75	5.32%
2,001 - 4,000	4,121	180	2,151	320,259	1,934	1,254,922	129,810,104	30,181	993,258	65,350,684	4,301	2.6%	52,582,884	12,226	12,869,794	12,869,794	9.9%	746,460	53,658	692,802	161.08	5.38%
4,001 - 6,000	4,324	97	2,286	522,341	1,984	1,453,377	136,369,444	30,846	2,147,104	59,938,010	4,421	2.9%	56,453,430	12,769	22,125,108	22,125,108	16.2%	1,283,238	83,966	1,199,272	271.27	5.42%
6,001 - 10,000	9,420	73	5,142	1,736,001	4,194	2,844,727	322,200,859	33,941	3,391,361	123,084,393	9,493	3.5%	126,456,454	13,321	76,051,372	76,051,373	23.6%	4,411,008	216,268	4,194,740	441.88	5.52%
10,001 - 10,625	1,493	8	782	329,391	701	449,286	54,489,858	36,302	256,910	18,929,006	1,501	3.8%	20,342,114	13,552	15,475,648	15,475,648	28.4%	897,576	43,359	854,217	569.10	5.52%
10,626 - 12,750	5,102	25	2,682	1,207,997	2,380	1,682,242	196,489,790	38,325	1,324,432	67,776,389	5,127	3.9%	70,022,413	13,658	60,015,420	60,015,420	30.5%	3,480,871	143,752	3,337,119	650.89	5.56%
12,751 - 15,000	5,801	21	3,076	1,528,098	2,695	1,813,320	231,181,195	39,708	1,115,251	72,186,554	5,822	4.3%	79,301,549	13,621	80,808,343	80,808,343	35.0%	4,686,882	173,707	4,513,175	775.19	5.59%
15,001 - 17,000	5,191	17	2,746	1,515,799	2,412	1,528,136	217,279,182	41,720	2,003,470	64,496,839	5,208	4.6%	71,409,777	13,712	83,376,036	83,376,036	38.4%	4,835,856	165,186	4,670,670	896.83	5.60%
17,001 - 20,000	8,158	25	4,075	2,433,553	4,040	2,472,090	351,704,471	42,980	1,902,173	91,115,078	8,183	5.2%	110,906,197	13,553	151,585,369	151,585,369	43.1%	8,791,937	303,508	8,488,429	1,037.32	5.60%
20,001 - 21,250	3,507	8	1,697	1,062,940	1,788	1,043,976	160,969,853	45,795	1,912,687	41,734,389	3,515	5.7%	48,651,779	13,841	72,496,372	72,496,372	45.0%	4,204,795	119,297	4,085,498	1,162.30	5.64%
21,251 - 25,000	11,181	44	5,571	3,469,611	5,551	3,505,817	531,123,814	47,316	2,414,329	121,869,956	11,225	6.5%	151,779,342	13,522	259,888,845	259,888,845	48.9%	15,073,580	440,720	14,632,860	1,303.60	5.63%
25,001 - 30,000	16,437	47	7,880	5,166,608	8,491	4,774,277	843,461,173	51,168	4,001,005	170,832,129	16,484	8.3%	222,889,193	13,522	453,740,857	453,740,856	53.8%	26,317,072	719,900	25,597,172	1,552.85	5.64%
30,001 - 40,000	34,554	107	16,134	11,057,872	18,282	9,911,648	1,988,188,753	57,361	8,437,937	313,671,410	34,661	11.3%	468,205,595	13,508	1,214,749,686	1,214,749,685	61.1%	70,455,475	1,823,309	68,632,166	1,980.10	5.65%
40,001 - 50,000	33,924	74	15,411	11,543,033	18,419	10,142,003	2,270,193,765	66,774	9,036,749	274,485,314	33,998	14.9%	477,365,858	14,041	1,527,379,342	1,527,379,342	67.3%	88,587,993	2,327,460	86,260,533	2,537.22	5.65%
50,001 - 60,000	30,174	84	13,541	11,765,557	16,574	9,912,978	2,356,544,748	77,882	11,247,893	246,514,125	30,258	17.2%	459,018,668	15,170	1,662,259,848	1,662,259,848	70.5%	96,411,093	2,662,375	93,748,718	3,098.31	5.64%
60,001 - 75,000	40,176	132	18,055	17,554,763	22,058	14,439,499	3,664,294,480	90,907	16,384,083	308,005,686	40,308	20.4%	659,807,153	16,369	2,712,865,724	2,712,865,724	74.0%	157,346,180	4,901,842	152,444,338	3,781.99	5.62%
75,001 - 80,000	12,127	39	5,520	5,811,370	6,597	4,449,057	1,235,546,004	101,557	5,593,191	87,399,662	12,166	22.9%	211,049,211	17,347	942,690,322	942,690,322	76.3%	54,676,052	1,576,535	53,099,517	4,364.58	5.63%
80,001 - 100,000	43,119	132	20,838	22,653,454	22,277	15,795,621	4,936,974,437	114,147	23,388,809	292,064,431	43,251	26.9%	790,870,065	18,286	3,877,428,750	3,877,428,750	78.5%	224,890,991	5,417,298	219,473,693	5,074.42	5.66%
100,001 - 120,000	34,338	99	16,692	21,027,172	17,592	13,847,596	4,643,882,781	134,852	33,004,792	225,647,325	34,437	34.2%	678,221,622	19,695	3,773,018,626	3,773,018,626	81.2%	218,835,182	5,343,609	213,491,573	6,199.48	5.66%
120,001 - 160,000	47,644	132	24,127	36,465,730	23,493	22,099,844	7,861,458,778	164,548	54,825,899	296,453,013	47,776	43.5%	1,006,085,984	21,058	6,613,745,680	6,613,745,680	84.1%	383,597,138	10,025,558	373,571,580	7,819.23	5.65%
160,001 - 200,000	29,357	83	15,197	29,210,333	14,137	17,852,738	6,054,157,455	205,644	51,006,382	183,691,741	29,440	54.0%	668,847,240	22,719	5,252,624,856	5,252,624,856	86.8%	304,652,269	9,147,449	295,504,820	10,037.53	5.63%
200,001 or more	77,750	331	37,088	213,265,324	40,682	277,680,544	45,572,597,880	583,658	1,507,968,300	1,289,405,727	78,081	71.5%	3,024,432,192	38,735	42,766,728,261	42,766,728,261	93.8%	2,480,470,120	216,869,470	2,263,600,650	28,990.42	5.29%
TOTAL	462,229	48,106	222,984	399,829,558	252,282	438,743,351	84,016,821,480	164,631	1,838,780,284	6,164,346,146	510,335	12.8%	10,027,571,322	19,649	69,663,684,297	69,663,684,296	82.9%	4,154,913,246	262,579,639	3,892,333,607	7,627.02	5.43%
FAGI Level										B. BY SIZE OI	FEDERA	L ADJU	STED GROSS II	NCOME								
Non-Positive AGI	86	17,257	127	221,205	2,507	9,551,911	(1,418,098,383)	(81,768)	137,768,696	67,584,266	17,343	28.6%	74,771,629	4,311	(1,422,685,582)	(1,422,685,582)	100.3%	998,250	170,140	828,110	47.75	-0.06%
\$ 1 - 3,999	1,245	2,287	715	73,788	973	479,609	6,407,068	1,814	830,081	2,080,576	3,532	1.8%	22,584,356	6,394	(17,427,784)	(17,427,783)	-272.0%	136,287	4,402	131,885	37.34	2.06%
4,000 - 9,999	1,630	3,574	1,028	216,074	1,996	1,008,576	37,368,180	7,181	2,397,796	6,461,215	5,204	1.3%	47,005,451	9,033	(13,700,691)	(13,700,690)	-36.7%	458,094	16,033	442,061	84.95	1.18%
10,000 - 14,999	3,938	2,459	2,532	586,406	2,352	1,216,679	80,767,337	12,626	2,681,709	12,529,660	6,397	1.8%	64,584,561	10,096	6,334,824	6,334,824	7.8%	1,209,558	34,809	1,174,749	183.64	1.45%
15,000 - 19,999	5,398	2,096	3,393	1,154,069	2,759	1,538,304	131,372,559	17,530	3,770,222	22,939,010	7,494	2.3%	78,878,439	10,526	33,325,332	33,325,332	25.4%	2,630,897	87,493	2,543,404	339.39	1.94%
20,000 - 24,999	6,875	1,669	3,968	1,584,649	3,496	2,071,122	192,467,552	22,527	3,227,612	35,245,587	8,544	3.0%	111,680,483	13,071	48,769,094	48,769,094	25.3%	4,496,196	183,418	4,312,778	504.77	2.24%
25,000 - 29,999	8,765	1,450	4,652	2,124,673	4,540	2,456,802	281,595,750	27,567	4,096,077	50,461,230	10,215	4.0%	116,580,101	11,413	118,650,497	118,650,496	42.1%	7,586,202	291,854	7,294,348	714.08	2.59%
30,000 - 39,999	22,664	2,731	11,084	5,533,999	12,289	5,958,728	894,947,958	35,241	11,074,411	143,822,468	25,395	6.1%	298,034,212	11,736	464,165,689	464,165,688	51.9%	28,459,610	1,027,021	27,432,589	1,080.24	3.07%
40,000 - 49,999	28,400	2,721	13,228	7,307,647	15,949	7,282,587	1,402,091,423	45,053	9,662,874	209,019,279	31,121	10.3%	375,292,211	12,059	827,442,807	827,442,807	59.0%	49,502,243	1,283,585	48,218,658	1,549.39	3.44%
50,000 - 59,999	30,623	2,521	13,937	8,854,485	17,531	8,585,404	1,822,745,677	54,995	12,580,310	276,743,903	33,144	14.0%	425,701,945	12,844	1,132,880,139	1,132,880,139	62.2%	67,171,625	1,713,839	65,457,786	1,974.95	3.59%
60,000 - 69,999	28,612	2,061	12,837	9,558,454	16,538	8,666,025	1,991,032,111	64,912	17,668,853	309,498,221	30,673	16.0%	429,155,298	13,991	1,270,047,445	1,270,047,445	63.8%	74,929,938	2,009,058	72,920,880	2,377.36	3.66%
70,000 - 79,999	26,839	1,529	12,061	10,080,851	15,359	8,962,567	2,125,446,221	74,924	15,145,481	308,317,456	28,368	17.7%	429,569,024	15,143	1,402,705,222	1,402,705,222	66.0%	82,441,766	2,520,390	79,921,376	2,817.31	3.76%
80,000 - 89,999	25,525	1,269	11,550	10,602,452	14,483	9,226,181	2,277,315,634	84,993	15,343,663	312,688,244	26,794	19.7%	436,588,265	16,294	1,543,382,788	1,543,382,788	67.8%	90,389,051	2,776,170	87,612,881	3,269.87	3.85%
90,000 - 99,999	24,153	1,030	10,931	10,950,449	13,651	9,435,694	2,391,949,906	94,983	17,332,579	313,672,413	25,183	22.3%	436,949,529	17,351	1,658,660,543	1,658,660,543	69.3%	97,034,979	3,005,464	94,029,515	3,733.85	3.93%
100,000 - 149,999	95,493	2,404	46,745	54,972,526	49,762	38,039,776	12,016,738,564	122,749	87,149,994	1,237,409,709	97,897	32.0%	1,886,946,593	19,275	8,979,532,256	8,979,532,256	74.7%	522,830,098	12,279,431	510,550,667	5,215.18	4.25%
150,000 - 199,999	54,651	521	27,659	44,862,047	27,203	28,112,936	9,522,667,902	172,600	86,225,554	654,658,442	55,172	49.2%	1,200,906,272	21,767	7,753,328,742	7,753,328,742	81.4%	450,061,792	11,900,553	438,161,239	7,941.73	4.60%
200,000 - 499,999	76,215	386	38,069	115,159,482	38,201	84,082,296	22,353,028,347	291,811	324,958,003	816,423,264	76,601	67.0%	2,015,255,044	26,308	19,846,308,042	19,846,308,042	88.8%	1,151,530,863	45,304,121	1,106,226,742	14,441.41	4.95%
500,000 - 999,999	14,665	93	6,268	47,707,744	8,406	58,610,102	9,944,399,929	673,831	260,274,298	229,783,598	14,758	83.8%	600,335,940	40,679	9,374,554,689	9,374,554,689	94.3%	543,778,753	38,872,468	504,906,285	34,212.38	5.08%
1,000,000 or more	6,452	48	2,200	68,278,559	4,287	153,458,052	17,962,577,747	2,763,473	826,592,071	1,155,007,606	6,500	89.1%	976,751,968	150,270	16,657,410,244	16,657,410,244	92.7%	979,267,044		840,167,654	129,256.56	4.68%
TOTAL	462,229	48,106	222,984	399,829,558	252,282	438,743,351	84,016,821,480		1,838,780,284	6,164,346,146		12.8%	10,027,571,322	19,649		69,663,684,296	82.9%	4,154,913,246		3,892,333,607	7,627.02	4.63%
Resident retur	ns=return:	s filed by	individu	als who repo	rtedly mai	ntained pern	nanent residen	ce in Nort	h Carolina fo	r the entire ca	endar yea	r 2014						19				

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. Number of returns filed with no tax liability=count of returns with \$0 tax liability after application of tax credits

<sup>†</sup>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 taxpayers; and either eliminates or allows to sunset other tax credits applicable to the personal income tax.

<sup>††</sup>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: S=\$7,500; MFJ/SS=\$15,000; MFS=\$7,500; and HoH=\$12,000.

<sup>††</sup>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).

<sup>†††</sup>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

<sup>†††</sup>Effective tax rate for FAGI basis=Net Tax as a % of Federal Adjusted Gross Income