

TABLE I. TAX YEAR 2014 INDIVIDUAL INCOME TAX: NC ITEMIZED DEDUCTIONS CLAIMED ON FORM D-400 SCHEDULE S BY DEDUCTION TYPE BY FILING STATUS BY FAGI LEVEL

FAGI BRACKET	TOTAL NC ITEMIZED DEDUCTIONS			QUALIFYING HOME MORTGAGE INTEREST			REAL ESTATE PROPERTY TAXES			ALLOWABLE HOME MORTGAGE INTEREST/ REAL ESTATE PROPERTY TAXES			CHARITABLE CONTRIBUTIONS		
	Return Count†	Claimed [\$]	Avg [\$]	Return Count	Claimed [\$]	Avg [\$]	Return Count	Claimed [\$]	Avg [\$]	Return Count	Claimed [\$]	Avg [\$]	Return Count	Claimed [\$]	Avg [\$]
<b>AGGREGATE - COMBINED FILING STATUSES</b>															
Non-Positive AGI	26,650	121,971,802	4,577	6,223	108,534,298	17,441	6,775	107,753,068	15,905	7,080	115,538,148	16,319	598	6,433,654	10,759
\$ 1 - 3,999	10,850	25,078,730	2,311	1,781	16,505,166	9,267	1,868	7,460,437	3,994	1,983	20,144,551	10,159	1,916	4,934,179	2,575
4,000 - 9,999	6,404	51,351,411	8,019	3,648	42,941,547	11,771	3,791	11,401,112	3,007	3,986	39,262,301	9,850	3,694	12,089,110	3,273
10,000 - 14,999	7,170	69,546,191	9,700	5,074	39,825,799	7,849	5,509	16,639,500	3,020	5,688	51,605,710	9,073	5,117	17,940,481	3,506
15,000 - 19,999	8,256	85,134,214	10,312	5,880	65,139,345	11,078	6,407	17,222,894	2,688	6,624	60,194,474	9,087	6,272	24,939,740	3,976
20,000 - 24,999	9,395	119,212,816	12,689	6,835	119,840,551	17,533	7,440	18,881,922	2,538	7,698	69,442,205	9,021	7,390	49,770,611	6,735
25,000 - 29,999	11,132	126,204,216	11,337	8,520	85,107,282	9,989	9,196	23,787,042	2,587	9,439	84,334,352	8,935	9,152	41,869,864	4,575
30,000 - 39,999	27,551	321,821,723	11,681	22,210	169,083,206	7,613	23,564	56,921,941	2,416	24,280	214,073,646	8,817	23,007	107,748,077	4,683
40,000 - 49,999	33,614	405,182,522	12,054	28,313	216,600,610	7,650	29,899	70,679,403	2,364	30,656	271,087,346	8,843	28,560	134,095,176	4,695
50,000 - 59,999	36,105	464,445,541	12,864	30,910	237,772,090	7,692	32,975	89,921,267	2,727	33,689	307,072,371	9,115	31,343	157,373,170	5,021
60,000 - 69,999	33,662	471,126,939	13,996	28,968	246,241,138	8,500	31,216	83,382,264	2,671	31,733	305,827,092	9,638	29,881	165,299,847	5,532
70,000 - 79,999	31,350	475,155,643	15,156	27,339	233,428,801	8,538	29,297	83,647,027	2,855	29,780	303,877,340	10,204	28,172	171,278,303	6,080
80,000 - 89,999	29,917	486,995,618	16,278	26,286	236,260,448	8,988	28,314	84,905,926	2,999	28,718	307,775,024	10,717	27,307	179,220,594	6,563
90,000 - 99,999	28,359	491,786,189	17,341	25,217	238,071,353	9,441	27,047	86,447,410	3,196	27,386	308,229,299	11,255	26,240	183,556,890	6,995
100,000 - 149,999	112,767	2,173,549,986	19,275	101,095	1,057,310,045	10,459	108,519	398,911,565	3,676	109,589	1,362,109,211	12,429	106,093	811,440,776	7,648
150,000 - 199,999	66,582	1,448,007,750	21,748	60,013	719,916,427	11,996	64,633	298,381,944	4,617	65,133	917,256,033	14,083	63,422	530,751,717	8,369
200,000 - 499,999	102,463	2,739,254,726	26,734	90,129	1,308,415,464	14,517	99,800	679,570,643	6,809	100,635	1,568,154,641	15,583	98,548	1,171,100,085	11,884
500,000 - 999,999	25,617	1,116,520,839	43,585	20,413	381,405,821	18,684	24,866	314,311,752	12,640	25,096	420,234,655	16,745	24,995	696,286,184	27,857
1,000,000 or more	22,477	13,209,293,527	587,680	14,330	320,007,558	22,331	21,686	834,760,149	38,493	21,882	390,079,344	17,826	22,050	12,819,214,183	581,370
<b>TOTAL</b>	<b>630,321</b>	<b>24,401,640,384</b>	<b>38,713</b>	<b>513,184</b>	<b>5,842,406,950</b>	<b>11,385</b>	<b>562,802</b>	<b>3,284,987,265</b>	<b>5,837</b>	<b>571,075</b>	<b>7,116,297,742</b>	<b>12,461</b>	<b>543,757</b>	<b>17,285,342,642</b>	<b>31,789</b>
<b>SINGLE</b>															
Non-Positive AGI	13,879	33,089,072	2,384	2,135	24,902,668	11,664	2,265	19,114,576	8,439	2,407	31,281,596	12,996	291	1,807,476	6,211
\$ 1 - 3,999	5,073	14,792,273	2,916	1,158	8,914,213	7,698	1,183	3,480,797	2,942	1,258	11,866,082	9,432	1,212	2,926,191	2,414
4,000 - 9,999	3,941	30,832,594	7,824	2,475	18,931,164	7,649	2,560	6,904,560	2,697	2,686	23,786,209	8,856	2,325	7,046,385	3,031
10,000 - 14,999	4,922	44,415,638	9,024	3,645	24,509,728	6,724	4,020	9,366,200	2,330	4,140	32,908,353	7,949	3,555	11,507,285	3,237
15,000 - 19,999	5,474	51,019,432	9,320	3,930	36,490,879	9,285	4,416	9,945,069	2,252	4,542	35,401,308	7,794	4,225	15,618,124	3,697
20,000 - 24,999	5,870	57,832,666	9,852	4,306	28,630,717	6,649	4,841	10,638,485	2,198	4,981	38,368,880	7,703	4,736	19,463,786	4,110
25,000 - 29,999	6,710	67,942,864	10,126	5,254	39,302,819	7,481	5,768	12,325,707	2,137	5,897	45,262,480	7,676	5,562	22,680,384	4,078
30,000 - 39,999	16,309	168,952,629	10,359	13,412	87,036,407	6,489	14,396	29,781,643	2,069	14,785	113,819,648	7,698	13,603	55,132,981	4,053
40,000 - 49,999	20,220	214,563,294	10,611	17,326	113,688,209	6,562	18,533	37,828,483	2,041	18,911	146,966,247	7,771	17,022	67,597,047	3,971
50,000 - 59,999	21,618	238,240,885	11,020	18,411	120,450,936	6,542	20,080	43,381,299	2,160	20,422	161,300,787	7,898	18,437	76,940,098	4,173
60,000 - 69,999	18,549	215,745,470	11,631	15,631	110,474,494	7,068	17,337	40,970,426	2,363	17,570	144,585,893	8,229	16,096	71,159,577	4,421
70,000 - 79,999	14,714	178,258,709	12,115	12,357	86,582,581	7,007	13,741	34,936,614	2,543	13,945	119,385,484	8,561	12,727	58,873,225	4,626
80,000 - 89,999	11,491	146,097,810	12,714	9,613	70,278,107	7,311	10,777	29,578,837	2,745	10,945	97,677,684	8,924	9,980	48,420,126	4,852
90,000 - 99,999	8,618	114,531,769	13,290	7,187	54,696,553	7,610	8,075	23,297,365	2,885	8,203	75,999,848	9,265	7,534	38,531,921	5,114
100,000 - 149,999	21,372	315,678,850	14,771	17,242	144,487,089	8,380	19,981	68,728,622	3,440	20,260	203,861,491	10,062	18,874	111,817,359	5,924
150,000 - 199,999	7,537	134,423,825	17,835	5,748	55,672,964	9,686	7,020	31,547,427	4,494	7,099	79,591,813	11,212	6,800	54,832,012	8,064
200,000 - 499,999	9,303	227,830,662	24,490	6,586	79,089,633	12,009	8,628	56,830,409	6,587	8,770	109,887,691	12,530	8,539	117,942,971	13,812
500,000 - 999,999	2,307	103,558,305	44,889	1,398	22,622,884	16,182	2,079	25,899,804	12,458	2,108	30,243,474	14,347	2,162	73,314,831	33,911
1,000,000 or more	2,412	2,287,853,452	948,530	1,244	26,218,992	21,076	2,163	78,941,602	36,496	2,202	36,004,171	16,351	2,278	2,251,849,281	988,520
<b>TOTAL</b>	<b>200,319</b>	<b>4,645,660,200</b>	<b>23,191</b>	<b>149,058</b>	<b>1,152,981,037</b>	<b>7,735</b>	<b>167,863</b>	<b>573,497,925</b>	<b>3,416</b>	<b>171,131</b>	<b>1,538,199,139</b>	<b>8,988</b>	<b>155,958</b>	<b>3,107,461,061</b>	<b>19,925</b>

Table I. continued

FAGI BRACKET	TOTAL NC ITEMIZED DEDUCTIONS			QUALIFYING HOME MORTGAGE INTEREST			REAL ESTATE PROPERTY TAXES			ALLOWABLE HOME MORTGAGE INTEREST/ REAL ESTATE PROPERTY TAXES			CHARITABLE CONTRIBUTIONS		
	Return Count†	Claimed [\$]	Avg [\$]	Return Count	Claimed [\$]	Avg [\$]	Return Count	Claimed [\$]	Avg [\$]	Return Count	Claimed [\$]	Avg [\$]	Return Count	Claimed [\$]	Avg [\$]
<b>MARRIED FILING JOINTLY/SURVIVING SPOUSE</b>															
Non-Positive AGI	5,500	79,276,082	14,414	3,542	75,240,875	21,242	3,908	79,304,574	20,293	4,025	75,095,653	18,657	237	4,180,429	17,639
\$ 1 - 3,999	518	6,928,691	13,376	365	5,417,420	14,842	398	3,077,181	7,732	417	5,605,889	13,443	395	1,322,802	3,349
4,000 - 9,999	855	13,754,827	16,088	679	8,881,550	13,080	699	3,155,970	4,515	726	10,365,655	14,278	693	3,389,172	4,891
10,000 - 14,999	929	16,237,825	17,479	812	10,147,939	12,497	827	5,399,996	6,530	852	12,121,218	14,227	802	4,116,607	5,133
15,000 - 19,999	1,252	21,475,759	17,153	1,076	13,581,833	12,623	1,099	4,637,297	4,220	1,135	15,545,938	13,697	1,050	5,929,821	5,647
20,000 - 24,999	1,596	45,050,771	28,227	1,372	18,698,781	13,629	1,419	5,559,424	3,918	1,470	19,279,308	13,115	1,376	25,771,463	18,729
25,000 - 29,999	2,025	36,532,708	18,041	1,739	19,989,549	11,495	1,860	8,110,740	4,361	1,899	23,972,050	12,624	1,810	12,560,658	6,940
30,000 - 39,999	4,843	89,145,093	18,407	4,151	45,797,409	11,033	4,461	16,755,687	3,756	4,560	56,153,030	12,314	4,408	32,992,063	7,485
40,000 - 49,999	5,920	110,835,225	18,722	5,192	57,924,894	11,157	5,510	19,927,705	3,617	5,644	69,675,652	12,345	5,479	41,159,573	7,512
50,000 - 59,999	7,682	146,222,838	19,034	6,921	73,831,425	10,668	7,268	24,922,636	3,429	7,414	90,980,318	12,271	7,197	55,242,520	7,676
60,000 - 69,999	9,666	186,266,698	19,270	8,743	98,001,780	11,209	9,206	30,593,653	3,323	9,356	113,221,370	12,101	9,141	73,045,328	7,991
70,000 - 79,999	12,327	238,940,022	19,383	11,287	115,140,469	10,201	11,790	38,829,197	3,293	11,968	144,192,185	12,048	11,737	94,747,837	8,073
80,000 - 89,999	14,973	291,453,547	19,465	13,707	139,195,004	10,155	14,482	46,745,921	3,228	14,655	175,904,972	12,003	14,327	115,548,575	8,065
90,000 - 99,999	17,044	337,380,609	19,795	15,677	161,460,537	10,299	16,554	55,533,917	3,355	16,709	204,075,158	12,213	16,353	133,305,451	8,152
100,000 - 149,999	84,704	1,751,175,527	20,674	78,088	853,219,205	10,926	82,569	308,939,676	3,742	83,220	1,082,273,788	13,005	81,427	668,901,740	8,215
150,000 - 199,999	56,542	1,269,072,284	22,445	52,133	638,875,548	12,255	55,379	256,592,204	4,633	55,743	806,172,492	14,462	54,434	462,899,792	8,504
200,000 - 499,999	90,019	2,440,854,586	27,115	80,988	1,192,146,628	14,720	88,353	603,262,184	6,828	88,976	1,415,033,649	15,904	87,205	1,025,820,937	11,763
500,000 - 999,999	22,491	984,840,441	43,788	18,409	347,861,601	18,896	22,061	278,241,685	12,612	22,247	377,964,193	16,989	22,087	606,876,248	27,477
1,000,000 or more	18,943	9,652,277,639	509,543	12,463	279,699,278	22,442	18,533	692,791,961	37,382	18,664	335,779,614	17,991	18,729	9,316,498,025	497,437
<b>TOTAL</b>	<b>357,829</b>	<b>17,717,721,172</b>	<b>49,514</b>	<b>317,344</b>	<b>4,155,111,725</b>	<b>13,093</b>	<b>346,376</b>	<b>2,482,381,607</b>	<b>7,167</b>	<b>349,680</b>	<b>5,033,412,132</b>	<b>14,394</b>	<b>338,887</b>	<b>12,684,309,041</b>	<b>37,429</b>
<b>MARRIED FILING SEPARATELY</b>															
Non-Positive AGI	3,935	5,138,938	1,306	312	4,278,120	13,712	367	6,390,845	17,414	394	4,879,927	12,386	40	259,011	6,475
\$ 1 - 3,999	5,123	1,783,090	348	167	1,053,469	6,308	199	426,038	2,141	216	1,457,910	6,750	223	325,180	1,458
4,000 - 9,999	1,339	3,406,548	2,544	291	1,867,086	6,416	341	743,123	2,179	367	2,441,315	6,652	477	965,233	2,024
10,000 - 14,999	964	4,109,810	4,263	335	2,173,859	6,489	388	894,232	2,305	410	2,977,101	7,261	488	1,132,709	2,321
15,000 - 19,999	1,027	5,557,632	5,412	460	2,946,117	6,405	491	996,208	2,029	521	3,864,113	7,417	626	1,693,519	2,705
20,000 - 24,999	1,295	7,208,523	5,566	613	3,850,340	6,281	654	1,240,477	1,897	691	4,981,531	7,209	786	2,226,992	2,833
25,000 - 29,999	1,587	9,970,226	6,282	853	5,316,404	6,233	910	1,666,099	1,831	951	6,857,431	7,211	1,111	3,112,795	2,802
30,000 - 39,999	3,960	28,039,655	7,081	2,482	15,870,641	6,394	2,573	4,601,272	1,788	2,718	19,664,951	7,235	2,842	8,374,704	2,947
40,000 - 49,999	4,526	35,250,309	7,788	3,086	18,964,605	6,145	3,188	5,899,793	1,851	3,343	24,447,523	7,313	3,376	10,802,786	3,200
50,000 - 59,999	3,661	31,838,788	8,697	2,631	17,140,270	6,515	2,704	5,344,424	1,976	2,849	22,104,077	7,759	2,809	9,734,711	3,466
60,000 - 69,999	2,757	26,378,487	9,568	2,049	14,179,040	6,920	2,133	4,785,574	2,244	2,217	18,465,675	8,329	2,157	7,912,812	3,668
70,000 - 79,999	1,938	19,853,303	10,244	1,441	10,819,973	7,509	1,505	3,693,225	2,454	1,564	13,904,754	8,891	1,527	5,948,549	3,896
80,000 - 89,999	1,468	16,135,977	10,992	1,086	8,438,034	7,770	1,160	3,074,798	2,651	1,194	11,151,626	9,340	1,175	4,984,351	4,242
90,000 - 99,999	1,102	12,719,803	11,542	832	6,806,459	8,181	883	2,554,764	2,893	917	8,839,183	9,639	888	3,880,620	4,370
100,000 - 149,999	2,607	32,530,229	12,478	1,870	16,764,738	8,965	2,029	6,697,159	3,301	2,111	22,003,975	10,423	2,050	10,526,254	5,135
150,000 - 199,999	864	12,292,342	14,227	586	6,573,664	11,218	660	3,051,578	4,624	696	8,160,101	11,724	678	4,132,241	6,095
200,000 - 499,999	1,111	22,547,496	20,295	705	9,616,614	13,641	861	6,470,023	7,515	907	11,802,539	13,013	893	10,744,957	12,032
500,000 - 999,999	338	11,625,670	34,395	200	3,278,087	16,390	267	4,371,648	16,373	274	4,078,094	14,884	281	7,547,576	26,860
1,000,000 or more	690	1,162,413,759	1,684,658	316	6,508,948	20,598	581	48,327,875	83,181	598	10,731,242	17,945	630	1,151,682,517	1,828,067
<b>TOTAL</b>	<b>40,292</b>	<b>1,448,800,585</b>	<b>35,958</b>	<b>20,315</b>	<b>156,446,468</b>	<b>7,701</b>	<b>21,894</b>	<b>111,229,155</b>	<b>5,080</b>	<b>22,938</b>	<b>202,813,068</b>	<b>8,842</b>	<b>23,057</b>	<b>1,245,987,517</b>	<b>54,039</b>

Table I. continued

FAGI BRACKET	TOTAL NC ITEMIZED DEDUCTIONS			QUALIFYING HOME MORTGAGE INTEREST			REAL ESTATE PROPERTY TAXES			ALLOWABLE HOME MORTGAGE INTEREST/ REAL ESTATE PROPERTY TAXES			CHARITABLE CONTRIBUTIONS		
	Return Count†	Claimed [\$]	Avg [\$]	Return Count	Claimed [\$]	Avg [\$]	Return Count	Claimed [\$]	Avg [\$]	Return Count	Claimed [\$]	Avg [\$]	Return Count	Claimed [\$]	Avg [\$]
<b>HEAD OF HOUSEHOLD</b>															
Non-Positive AGI	3,336	4,467,710	1,339	234	4,112,635	17,575	235	2,943,073	12,524	254	4,280,972	16,854	30	186,738	6,225
\$ 1 - 3,999	136	1,574,676	11,579	91	1,120,064	12,308	88	476,421	5,414	92	1,214,670	13,203	86	360,006	4,186
4,000 - 9,999	269	3,357,442	12,481	203	13,261,747	65,329	191	597,459	3,128	207	2,669,122	12,894	199	688,320	3,459
10,000 - 14,999	355	4,782,918	13,473	282	2,994,273	10,618	274	979,072	3,573	286	3,599,038	12,584	272	1,183,880	4,353
15,000 - 19,999	503	7,081,391	14,078	414	12,120,516	29,277	401	1,644,320	4,101	426	5,383,115	12,636	371	1,698,276	4,578
20,000 - 24,999	634	9,120,856	14,386	544	68,660,713	126,215	526	1,443,536	2,744	556	6,812,486	12,253	492	2,308,370	4,692
25,000 - 29,999	810	11,758,418	14,517	674	20,498,510	30,413	658	1,684,496	2,560	692	8,242,391	11,911	669	3,516,027	5,256
30,000 - 39,999	2,439	35,684,346	14,631	2,165	20,378,749	9,413	2,134	5,783,339	2,710	2,217	24,436,017	11,022	2,154	11,248,329	5,222
40,000 - 49,999	2,948	44,533,694	15,106	2,709	26,022,902	9,606	2,668	7,023,422	2,632	2,758	29,997,924	10,877	2,683	14,535,770	5,418
50,000 - 59,999	3,144	48,143,030	15,313	2,947	26,349,459	8,941	2,923	16,272,908	5,567	3,004	32,687,189	10,881	2,900	15,455,841	5,330
60,000 - 69,999	2,690	42,736,284	15,887	2,545	23,585,824	9,268	2,540	7,032,611	2,769	2,590	29,554,154	11,411	2,487	13,182,130	5,300
70,000 - 79,999	2,371	38,103,609	16,071	2,254	20,885,778	9,266	2,261	6,187,991	2,737	2,303	26,394,917	11,461	2,181	11,708,692	5,368
80,000 - 89,999	1,985	33,308,284	16,780	1,880	18,349,303	9,760	1,895	5,506,370	2,906	1,924	23,040,742	11,975	1,825	10,267,542	5,626
90,000 - 99,999	1,595	27,154,008	17,024	1,521	15,107,804	9,933	1,535	5,061,364	3,297	1,557	19,315,110	12,405	1,465	7,838,898	5,351
100,000 - 149,999	4,084	74,165,380	18,160	3,895	42,839,013	10,998	3,940	14,546,108	3,692	3,998	53,969,957	13,499	3,742	20,195,423	5,397
150,000 - 199,999	1,639	32,219,299	19,658	1,546	18,794,251	12,157	1,574	7,190,735	4,568	1,595	23,331,627	14,628	1,510	8,887,672	5,886
200,000 - 499,999	2,030	48,021,982	23,656	1,850	27,562,589	14,899	1,958	13,008,027	6,644	1,982	31,430,762	15,858	1,911	16,591,220	8,682
500,000 - 999,999	481	16,496,423	34,296	406	7,643,249	18,826	459	5,798,615	12,633	467	7,948,894	17,021	465	8,547,529	18,382
1,000,000 or more	432	106,748,677	247,103	307	7,580,340	24,692	409	14,698,711	35,938	418	7,564,317	18,096	413	99,184,360	240,156
<b>TOTAL</b>	<b>31,881</b>	<b>589,458,427</b>	<b>18,489</b>	<b>26,467</b>	<b>377,867,719</b>	<b>14,277</b>	<b>26,669</b>	<b>117,878,578</b>	<b>4,420</b>	<b>27,326</b>	<b>341,873,404</b>	<b>12,511</b>	<b>25,855</b>	<b>247,585,023</b>	<b>9,576</b>

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.

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.

Claiming itemized deductions on the federal return 1040 Sch A is a prerequisite for claiming itemized deductions on the NC D-400 Sch S form. 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).

†Return count for Total NC itemized deductions includes returns for which the standard deduction allowance amount for the respective filing status was not claimed: the 2014 Extract data considers a return to itemize deductions if the standard deduction allowance amount for the respective filing status is not claimed, if the deduction value is equal to zero, or if the reported value of total itemized deductions is equal to the statutory standard deduction allowance value for the respective filing status. A return designated as single filing status with a reported charitable contribution value = \$7,500 is considered to claim itemized deductions even though the value is equal to the \$7,500 standard deduction allowance value for the single filing status. Special rules apply for married taxpayers filing separate returns: a taxpayer may not deduct the standard deduction amount if the taxpayer's spouse claims itemized deductions for State purposes.

Basic standard deduction allowances vary according to filing status: S=\$7,500; MFJ/SS=\$15,000; MFS=\$7,500; and HH=\$12,000.