



North Carolina Standard Deduction or North Carolina Itemized Deductions

Unless otherwise noted, the following information applies to individuals for tax year 2024. For information about another tax year, please review the Department's [Instructions](#) (<https://www.ncdor.gov/taxes-forms/individual-income-tax-forms-instructions>) and [Bulletins](#) (<https://www.ncdor.gov/taxes-forms/partnership-tax/personal-taxes-bulletins>) for that year.

NC Standard Deduction or NC Itemized Deductions

You may deduct from federal adjusted gross income either the NC standard deduction or NC itemized deductions. In most cases, your state income tax will be less if you take the larger of your NC itemized deductions or your NC standard deduction.

On Line 11 of Form D-400, enter either the NC standard deduction or NC itemized deductions, whichever is applicable. Make sure you fill in the correct circle to indicate which deduction you are claiming. Fill in one circle only. **Important: DO NOT** enter the amount of your federal standard deduction or your federal itemized deductions on Line 11 of Form D-400. The NC standard deduction and the NC itemized deductions are not identical to the federal amounts and are subject to certain North Carolina limitations. In addition, there is no additional NC standard deduction amount for taxpayers who are age 65 or older or blind.

NC Standard Deduction

Use the chart below to determine the amount of your NC standard deduction based on your filing status:

If your filing status is:	Your standard deduction is:
Single	\$12,750
Married Filing Jointly/Qualifying Widow(er)/Surviving Spouse	\$25,500
Married Filing Separately	
<ul style="list-style-type: none">Spouse does not claim itemized deductions	\$12,750
<ul style="list-style-type: none">Spouse claims itemized deductions	\$0
Head of Household	\$19,125

If you are not eligible for the federal standard deduction, your NC standard deduction is ZERO.

For information on who is eligible for the federal standard deduction, see [federal publication 501](https://www.irs.gov/forms-pubs/about-publication-501) (<https://www.irs.gov/forms-pubs/about-publication-501>), Dependents, Standard Deduction, and Filing Information.

Important: If you claim the NC standard deduction, **DO NOT complete [Form D-400 Schedule A](#)** ([/taxes-forms/individual-income-tax/individual-income-tax-forms-instructions](#)).

To claim the NC standard deduction, enter the standard deduction amount on [Form D-400](#) ([/taxes/individual-income-tax/individual-income-tax-forms-instructions](#)), line 11.

NC Itemized Deductions

North Carolina itemized deductions are not identical to federal itemized deductions and are subject to certain limitations. Specifically, no itemized deductions included on federal Form 1040 Schedule A are allowed as North Carolina itemized deductions except qualified mortgage interest, real estate property taxes, charitable contributions, medical and dental expenses, and repayment of claim of right income.

Important: to determine the amount of NC itemized deductions, complete Lines 1 through 9 of [Form D-400 Schedule A, N.C. Itemized Deductions \(/taxes-forms/individual-income-tax/individual-income-tax-forms-instructions\)](#). If you deduct NC itemized deductions, you must include [Form D-400 Schedule A \(/taxes-forms/individual-income-tax/individual-income-tax-forms-instructions\)](#) with [Form D-400 \(/taxes-forms/individual-income-tax/individual-income-tax-forms-instructions\)](#).

Qualified Mortgage Interest and Real Estate Property Taxes. The sum of qualified home mortgage interest and real estate property taxes claimed under sections 163(h) and 164 of the Code are allowed as an itemized deduction. However, the sum of qualified home mortgage interest and real estate property taxes may not exceed \$20,000. For spouses filing as married filing separately or married filing jointly, the total home mortgage interest and real estate taxes claimed by both spouses combined may not exceed \$20,000. For spouses filing as married filing separately with a joint obligation for home mortgage interest and real estate taxes, the deduction for these items is allowable to the spouse who actually paid them. If the amount of the home mortgage interest and real estate taxes paid by both spouses exceeds \$20,000, these deductions must be prorated based on the percentage paid by each spouse. For joint obligations paid from joint accounts, the proration is based on the income reported by each spouse for that taxable year.

Important: For taxable years 2018 through 2025, Code section 164 limits the amount of the deduction for state and local tax (SALT) payments to \$10,000 (\$5,000 in the case of a married individual filing a separate return). For federal income tax purposes, state and local taxes include state and local real property taxes, state and local personal property taxes, and state and local income taxes (or state and local general sales taxes claimed in lieu of state and local income taxes). Thus, an individual who files a North Carolina joint return with a spouse, a single return, or a return as head of household may not deduct more than \$10,000 of real estate taxes paid or accrued for the taxable year as a North Carolina itemized deduction. An individual who files a North Carolina return as married filing separately may not deduct more than \$5,000 of real estate taxes. Importantly, if the taxpayer deducts the maximum \$10,000 for real estate taxes paid or accrued during the taxable year on the state return, the taxpayer

can also deduct up to \$10,000 for mortgage expenses paid or accrued if the mortgage expense meets statutory requirements.

If the aggregate amount of the SALT payments exceeds \$10,000 such that the taxpayer cannot deduct the full amount of SALT payments on the federal tax return, and the amount of property tax paid during the year exceeds \$10,000, the taxpayer can deduct \$10,000 in real property tax paid for state tax purposes.

Charitable Contributions. Charitable contributions allowed as a deduction under section 170 of the Code are allowed.

Note: For tax years 2020 and 2021, North Carolina decoupled from the temporary increase in the charitable contribution deduction limits for certain contributions allowed under section 170 of the Code. Consequently, an individual who claimed North Carolina itemized deductions for tax year 2021 could only deduct qualified contributions up to 60% of the individual's AGI and charitable contributions of food up to 15% of AGI. For tax year 2022, a taxpayer may only carry forward the charitable contributions from taxable years 2020 and 2021 that exceed the applicable percentage limitation for the 2020 and 2021 taxable years allowed under [G.S. § 105-156.5\(a\)\(2\)a.](#)

(https://www.ncleg.gov/EnactedLegislation/Statutes/HTML/BySection/Chapter_105/GS_105-153.5.html).

Medical and Dental Expenses. [G.S. § 105-153.5\(a\)\(2\)\(c\).](#)

(https://www.ncleg.gov/EnactedLegislation/Statutes/HTML/BySection/Chapter_105/GS_105-153.5.html) provides that an individual is allowed a North Carolina itemized deduction for medical and dental expenses for the amount allowed as a deduction under section 213 of the Code for that taxable year.

Claim of Right Deduction. Under the federal “Claim of Right” Doctrine, a taxpayer who receives income under a claim of right and without restriction on the use or disposition of the income is taxed on that income in the year of receipt even though the right to retain the income is not yet fixed or the taxpayer may later be required to return it. Under federal law, if a taxpayer is required to repay an amount previously included in the federal return in an earlier year, the taxpayer may be able to deduct the amount repaid or take a tax credit. The amount of the repayment determines the options available to the taxpayer. For further guidance, see federal Publication 525. For North Carolina tax purposes, a taxpayer is allowed a deduction for the repayment to the extent the repayment is not

deducted in arriving at the taxpayer's adjusted gross income in the current taxable year. If the repayment is more than \$3,000, the deduction is the amount of the repayment. If the repayment is \$3,000 or less, the deduction is the amount of repayment less 2% of adjusted gross income. For information on how to compute the claim of right deduction, see "Repayment of Claim of Right Income" and "Repayment of Claim of Right Worksheet" located in the [North Carolina Individual Income Tax Instructions \(/taxes-forms/individual-income-tax/individual-income-tax-forms-instructions\)](#).