



NORTH  
CAROLINA  
DEPARTMENT  
OF REVENUE

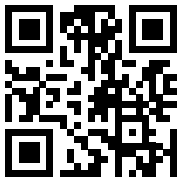
# North Carolina Individual Income Tax Instructions

THIS BOOKLET CONTAINS INSTRUCTIONS FOR  
FORMS D-400, D-400 SCHEDULE S, D-400 SCHEDULE A, D-400 SCHEDULE PN,  
D-400 SCHEDULE PN-1, D-400TC, AND D-400 SCHEDULE AM FOR TAX YEAR 2024

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Declaración Electrónica (EN ESPAÑOL)

[ncdor.gov](https://ncdor.gov)

# 2024

### IMPORTANT TELEPHONE NUMBERS

Automated Refund Inquiry Line .....	1-877-252-4052
Taxpayer Assistance and Forms .....	1-877-252-3052
Tax Fraud Hotline (8:00 a.m. to 5:00 p.m., Monday through Friday)	
Toll-Free .....	1-800-232-4939

## In This Booklet

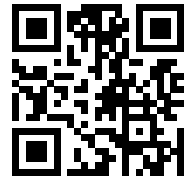
<b>What You Should Send Us .....</b>	<b>3</b>
<b>Before You Begin .....</b>	<b>4</b>
<b>General Information .....</b>	<b>5</b>
<b>Instructions for:</b>	
<b>Form D-400 .....</b>	<b>12</b>
<b>Form D-400 Schedule S .....</b>	<b>17</b>
<b>Form D-400 Schedule A .....</b>	<b>20</b>
<b>Form D-400 Schedule PN .....</b>	<b>21</b>
<b>Form D-400 Schedule PN-1 .....</b>	<b>21</b>
<b>Form D-400TC .....</b>	<b>22</b>
<b>Form D-400 Schedule AM .....</b>	<b>24</b>
<b>Consumer Use Tax .....</b>	<b>26</b>

**Want a convenient, reliable, proven method for filing and paying your taxes? Try eFile! Over 90% of North Carolinians take advantage of the benefits of eFiling!**

***With eFile, you can file your state and federal income tax returns at the same time, and, if you owe tax, pay by bank draft with no convenience fee.***

• **Additional Advantages Include:**

- File current, amended, and prior year returns.
- Make or schedule payments – up to the due date of the tax, estimates up to 12 months out, extensions up to 6 months out.
- Get confirmation by email when your forms and payments are received.
- Choose direct deposit for your state individual income tax refund.



- Visit [ncdor.gov/filing](http://ncdor.gov/filing) to determine if you qualify to eFile for free. Over 70% of North Carolinians qualify (IRS Estimate). Certain eligibility requirements apply.
- If you don't qualify to eFile for Free, you can eFile for a fee using an NCDOR approved software provider or a tax professional. Visit [ncdor.gov/filing](http://ncdor.gov/filing) for more information. Software prices, software features, and tax professional fees vary. Choose the one that meets your needs.
- Get free tax help through Volunteer Income Tax Assistance (VITA) or Tax Counseling for the Elderly (TCE) - visit [irs.gov](http://irs.gov) or call 1-800-829-1040. Certain eligibility requirements apply.

## Make your tax payments electronically - it's easy.

Visit [ncdor.gov](http://ncdor.gov) and select the File and Pay option. Pay by bank draft (no convenience fee), or MasterCard or Visa (convenience fee).

## Future Developments

For the latest information about developments affecting Form D-400 or the instructions, such as legislation enacted after the publication of the tax forms, visit the Department's website.

## What You Should Send Us...

- Your North Carolina Individual Income Tax Return.
- Federal forms W-2 and 1099 showing the amount of North Carolina income tax withheld as reported on Form D-400, Line 20.
- Federal form 1099-R if you claim a Bailey retirement deduction on Form D-400 Schedule S, Line 20.
- Federal forms DD-214, 1099-R, or similar official document showing proof of service, if you claim a uniformed service retirement deduction on Form D-400 Schedule S, Line 21.
- Form D-400 Schedule S if you add items to federal adjusted gross income on Form D-400, Line 7, or you deduct items from federal adjusted gross income on Form D-400, Line 9.
- Form NC-NOL if you claim a N.C. net operating loss on Form D-400 Schedule S, Line 39.
- Form D-400 Schedule A if you deduct N.C. itemized deductions on Form D-400, Line 11.
- Form D-400 Schedule PN if you enter a taxable percentage on Form D-400, Line 13.
- Form D-400 Schedule PN-1 if you enter an amount on Form D-400 Schedule PN, Part B, Line 17e or Line 19h.
- Form D-400TC and, if applicable, Form NC-478 and Form NC-Rehab if you claim a tax credit on Form D-400, Line 16.
- A copy of the tax return you filed in another state or country if you claim a tax credit for tax paid to another state or country on Form D-400TC, Part 1, Line 7a.
- A copy of your federal tax return unless your federal return reflects a North Carolina address or you filed electronically.
- Other required North Carolina forms or supporting schedules. (Do not send copies of completed worksheets from the instruction booklet or other unnecessary attachments.)
- A check or money order payable to the "North Carolina Department of Revenue," if you have an amount due on Form D-400, Line 27. Include a payment voucher, Form D-400V or D-400V Amended, available from the Department's website.

**Important:** The Department will not accept a check, money order, or cashier's check unless it is drawn on a U.S. (domestic) bank and the funds are payable in U.S. dollars.

## The Office of the Taxpayer Advocate is Here to Help You

### What is the Office of the Taxpayer Advocate?

The Office of the Taxpayer Advocate ("OTA") was established by the Secretary of Revenue to help ensure the Department enforces the State's tax laws in an impartial, consistent, secure, and efficient manner. The purpose of OTA is to instill confidence and integrity in the administration of North Carolina's tax laws by ensuring taxpayers are afforded their rights as established in the Taxpayers' Bill of Rights. When a problem arises between a taxpayer and the Department that cannot be resolved through normal administrative channels, OTA will work with the appropriate division within the Department to seek resolution of the problem and ensure that it is handled in a professional manner.

### What can the Office of the Taxpayer Advocate do for you?

OTA can help you resolve certain tax issues with the Department. To receive OTA assistance, one or more of the following criteria must be met:

- You must have attempted to resolve your state tax issue(s) through the normal administrative channels. In other words, you must have exhausted ALL administrative remedies provided by law before contacting OTA.
- A Departmental response has not been provided to you by the date promised or within the date required by law.
- You believe that instructions or information provided to you by the Department is incorrect and that the erroneous information caused confusion or led to an unnecessary hardship.
- You have a reoccurring issue that has not been resolved through normal administrative channels.

### The Office of the Taxpayer Advocate cannot help with:

- Resolving issues involving a current state audit
- Providing the status of a refund request
- Stopping collection activity
- Waiving taxes, penalties, or interest
- Accepting an offer in compromise

Taxpayers may, however, receive assistance with the above matters by calling our toll-free customer service number at 1-877-252-3052.

### How can you reach us?

An eligible taxpayer may request OTA assistance by completing Form NC-TA, which is available on the Department's website. You can also contact the office at 1-919-715-2080.

## Before You Begin

Read the instructions carefully before you begin preparing your individual income tax return. Make sure that you complete and attach the proper tax schedules to your tax return. Incomplete or inaccurate information may result in the Department returning your tax return to you, thereby delaying the processing of your tax return and any refund due thereon.

**Important:** You must enter your **entire nine-digit** Social Security number(s) ("SSN") in the appropriate boxes on the forms. An incorrect or missing SSN can increase your tax, reduce your refund, or delay your refund.

- Be sure to enter your complete address on your return, including your apartment number, if applicable.
- Make sure you have received all of your W-2s, 1099s, and other tax documents that you need to prepare your return.
- **Do not** submit photocopies of the return. Submit original forms only. **Do not** use any prior year forms.
- **Use black or blue ink only. Do not use red ink or pencil.**
- Write your numbers **clearly inside** the boxes like this: 17360.00
- **Do not** use dollar signs (\$), commas, decimal points, or other punctuation marks like this: \$17360.00
- **Do not** use brackets to indicate negative numbers. Negative numbers are indicated by either:
  - Filling in the circle next to the number like this (*Web version*): 123456.00
  - Entering a minus sign in the appropriate space like this (*Web-fill version*): -12345.00
- If you do not have an entry for a particular line, leave it blank. Do not enter dashes, zeros, draw lines, or other symbols in boxes that you have no entry for that line.
- Round off to the nearest whole dollar. Drop amounts under 50 cents and increase amounts from 50 cents to 99 cents to the next whole dollar.
- Use capital letters.
- Print letters and numbers like this: A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

0 1 2 3 4 5 6 7 8 9

- Fill in applicable circles completely. **Example:** ☒ Yes ☐ No
- Each year the Department makes available (and approves) several different versions of N.C. tax forms and schedules. **Do not** mix the different versions. If you submit different versions for the same tax year, the Department cannot process your tax return.

**Example:** Do not submit a software generated Form D-400 with a web-fill Form D-400TC. Instead, submit a software generated Form D-400 and a software generated Form D-400TC, or a web-fill Form D-400 and a web-fill Form D-400TC.

## Tax Assistance

Information about individual income tax and tax forms may be obtained from our website at [ncdor.gov](http://ncdor.gov). You may also call the North Carolina Department of Revenue Customer Service line at 1-877-252-3052 (toll-free) for additional assistance in completing your tax forms or to request forms.

If you are disabled, have a low income, or are a senior citizen, income tax returns can be prepared free of charge through the VITA (Volunteer Income Tax Assistance)/TCE (Tax Counseling for the Elderly) programs. For locations and dates of assistance, taxpayers in North Carolina can call the Internal Revenue Service at 1-800-829-1040 (toll-free), weekdays.

## Taxpayers' Bill of Rights

As a taxpayer, you are always entitled to fair, professional, prompt, and courteous service from the North Carolina Department of Revenue. Our goal is to apply the state's tax laws consistently and fairly so that your rights are protected and to see that you pay only your fair share of North Carolina tax. *(For more information on your rights as a North Carolina taxpayer, visit the Department's website.)*

## General Information

The information contained in this booklet is to be used as a guide in the preparation of the 2024 North Carolina individual income tax return and is not intended to cover all provisions of the law. For further information on North Carolina tax law, refer to the administrative rules, bulletins, directives, or other publications issued by the Department of Revenue.

**The references to line numbers on federal income tax returns were correct at the time this booklet was published. If line numbers have changed since publication and you are unable to determine the proper line to use when completing your North Carolina tax return, contact the Department of Revenue at 1-877-252-3052.**

### Who Must File a North Carolina Individual Income Tax Return?

*The minimum gross income filing requirements under North Carolina law are different from the filing requirements under the Internal Revenue Code because North Carolina law does not allow the same standard deduction amount as the Internal Revenue Code. Even if your federal gross income was less than the amount shown on the Filing Requirements Chart on page 6 for your filing status, you must file a N.C. tax return to receive a refund if you had N.C. income tax withheld during the year.*

*If you were not required to file a federal income tax return, but your total gross income from all sources both inside and outside of N.C. exceeds the amount for your filing status shown in the Filing Requirements Chart on page 6, you must complete a federal income tax return and attach it to your N.C. tax return to show how your federal adjusted gross income and deductions were determined.*

*You and your spouse must file a joint N.C. tax return if you file a joint federal income tax return and both you and your spouse were residents of N.C. or both of you had N.C. taxable income.*

*If you file a joint federal income tax return and your spouse is a nonresident of N.C. and had no N.C. taxable income, you may file a joint N.C. tax return or file a N.C. tax return as married filing separately. Once you file a joint N.C. tax return, you cannot choose to file a separate N.C. tax return for that year after the due date of the return. If you choose to file the N.C. tax return as married filing separately, you must complete either a federal tax return as married filing separately reporting only your income and deductions or a schedule showing the computation of your separate income and deductions and attach it to your N.C. tax return. **Note:** Itemized deductions of a married couple may be claimed by a spouse only if that spouse was obligated to pay the items and actually paid the amount during the year. In the case of a joint obligation (such as mortgage interest and real estate taxes), the deduction is allowable to the spouse who actually paid the item.*

**North Carolina Resident.** If you were a resident of North Carolina during tax year 2024, you must file a North Carolina individual income tax return if your gross income for 2024 exceeds the amount shown in the Filing Requirements Chart on page 6 for your filing status. You were a resident of North Carolina if you were domiciled in this state at any time during 2024 or if you resided in this state during 2024 for other than a temporary or transitory purpose. In the absence of convincing proof to the contrary, an individual who is present within North Carolina for more than 183 days during the taxable year is presumed to be a resident, but the absence of an individual from the state for more than 183 days raises no presumption that the individual is not a resident.

A resident who moves from the state during 2024 is considered a resident of North Carolina until the individual has both established a definite domicile elsewhere and abandoned any domicile in North Carolina. A taxpayer may have several places of abode in a year, but at no time can an individual have more than one domicile. A mere intent or desire to make a change in domicile is not enough; voluntary and positive action must be taken.

**Part-Year Resident.** If you were a part-year resident of North Carolina during tax year 2024 and you received income while a resident of North Carolina, or you received income in 2024 while a nonresident that was (1) attributable to the ownership of any interest in real or tangible personal property in North Carolina, (2) derived from a business, trade, profession, or occupation carried on in North Carolina, or (3) derived from gambling activities in North Carolina, and your total gross income for 2024 exceeds the amount shown in the Filing Requirements Chart on page 6 for your filing status, you must file a 2024 North Carolina individual income tax return. You were a part-year resident of North Carolina if you moved to North Carolina and became a resident of North Carolina during 2024, or you moved out of North Carolina and became a resident of another state during 2024.

**Nonresident.** If you were not a resident of North Carolina at any time during tax year 2024, but you received income in 2024 from North Carolina sources that was (1) attributable to the ownership of any interest in real or tangible personal property in North Carolina, (2) derived from a business, trade, profession, or occupation carried on in North Carolina, or (3) derived from gambling activities in North Carolina, and your total gross income from all sources both inside and outside of North Carolina exceeds the amount in the Filing Requirements Chart on page 6 for your filing status, you must file a 2024 North Carolina individual income tax return.

**Nonresident Alien.** A nonresident alien is an alien (not a U.S. Citizen) who has not passed the green card test or the substantial presence test (*For more information on the green card test and the substantial presence test, see federal publication 519, U.S. Tax Guide for Aliens.*) For North Carolina tax purposes, a nonresident alien may be considered a resident, part-year resident, or nonresident. (*For more information, on filing requirements for each residency status, see above.*)

**Military Personnel.** If you were serving in the United States Armed Forces during tax year 2024 and your legal residence was North Carolina, you must file a 2024 North Carolina individual income tax return and North Carolina income tax should be withheld from your pay regardless of where you may be stationed. If you were a legal resident of another state stationed in North Carolina on military orders, you are not liable for North Carolina income tax on your military pay. However, income that is (1) attributable to the ownership of any interest in real or tangible personal property in North Carolina, (2) derived from other employment, a business, or trade carried on in North Carolina, or (3) derived from gambling activities in North Carolina is subject to North Carolina income tax.

**Military Spouse.** The Servicemembers Civil Relief Act prohibits North Carolina from taxing the income earned for services performed in North Carolina by a spouse of a servicemember stationed in North Carolina if: (1) the servicemember is present in North Carolina solely in compliance with military orders; (2) the spouse is in North Carolina solely to be with the servicemember; and (3) the spouse is domiciled in the same state as the servicemember.

The Veterans Benefits and Transition Act of 2018 amended the Servicemembers Civil Relief Act to allow the spouse of a servicemember to elect to use the same state of residence as the servicemember for state tax purposes. This election can be made regardless of when or where the taxpayers were married.

The income earned for services performed in North Carolina by the spouse of a servicemember who made the residency election under the Veterans Benefits and Transition Act of 2018 is not subject to North Carolina income tax if: (1) the servicemember is present in North Carolina serving in compliance with military orders; (2) the servicemember's spouse is in North Carolina solely to be with the servicemember; and (3) the active duty servicemember maintains legal residence in a state other than North Carolina and the servicemember's spouse elects that same state as their state of legal residence.

If all three of the above conditions are met, an employer is not required to withhold North Carolina tax from wages paid to the military spouse. A spouse who does not meet all of the requirements should see the instructions for Form D-400 Schedule PN, on page 21.  
**Note:** Withholding from wages paid to a military spouse is required if all three of the above conditions are not met.

Filing Requirements Chart	
<u>Filing Status</u>	<u>A Return is Required if Federal Gross Income Exceeds</u>
Single.....	\$ 12,750
Married - Filing Jointly.....	\$ 25,500
Married - Filing Separately	
If spouse <u>does not claim</u> itemized deductions.....	\$ 12,750
If spouse <u>claims</u> itemized deductions.....	0
Head of Household.....	\$ 19,125
Qualifying Widow(er)/Surviving Spouse .....	\$ 25,500
Nonresident Alien ( <i>regardless of filing status</i> ) .....	\$ 0

What Form  
Should I File?

All individuals (including part-year residents and nonresidents) required to file a North Carolina individual income tax return must file Form D-400, using the same tax year you used for federal income tax purposes. If you filed your federal income tax return using a fiscal year, you must file your North Carolina tax return on a Form D-400 for the year in which the fiscal year begins. For example, a 2024 D-400 must be used for a fiscal year that begins in 2024.

**Form D-400 Schedule S, 2024 N.C. Adjustments for Individuals.** Complete this form if you are required to add certain N.C. adjustments to federal adjusted gross income, or if you are entitled to deduct certain N.C. adjustments from federal adjusted gross income. (*For more information, see page 17.*)

**Form D-400 Schedule A, 2024 N.C. Itemized Deductions.** Complete this form if you choose to itemize North Carolina deductions. (*For more information, see page 20.*)

**Form D-400 Schedule PN, 2024 Part-Year Resident and Nonresident Schedule.** If you are a part-year resident or nonresident who received income from North Carolina sources during tax year 2024, complete this form to determine what percent of your total income is from North Carolina sources. (*For more information, see page 21.*)

**Form D-400 Schedule PN-1, 2024 Other Additions and Other Deductions.** If you complete Form D-400 Schedule PN, you may be required to complete this form to report North Carolina additions and deductions that relate to gross income not specifically listed on Form D-400 Schedule PN. *(For more information, see page 21.)*

**Form D-400TC, 2024 Individual Income Tax Credits; Form NC-478, 2024 Summary of Tax Credits Limited to 50% of Tax; NC-Rehab, 2024 Historic Rehabilitation Tax Credits.** Complete these forms to claim various North Carolina tax credits. *(For more information, see page 22.)*

**Form NC-NOL, 2024 Net Operating Loss Worksheet.** Complete this form to determine the amount of N.C. net operating loss ("NOL") for tax year 2024 and to determine the amount of N.C. NOL deduction for tax year 2024. *(Form NC-NOL is available on the Department's website.)*

**Form D-400 Schedule AM, North Carolina Amended Schedule.** Complete this form if you need to amend your North Carolina individual income tax return. **Enter the calendar year or other tax period (beginning and end dates) to be amended at the top of Form D-400 Schedule AM.** You must also fill in the circle on the top right hand corner of Form D-400. *(For more information, see page 24.)*

**Important:** Any facsimile or substitute form must be approved by the Department of Revenue prior to its use. If you use computer-generated returns, the software company is responsible for requesting approval and receiving an assigned identification number. The Department publishes a list of software developers who have received approval on our website. Photocopies of the return are not acceptable. **Returns that cannot be processed by the Department's imaging and scanning equipment will be returned to the taxpayer with instructions to refile on an acceptable form.**

## When Must I File?

If you file your return on a calendar year basis, the 2024 return is due on or before **April 15th, 2025**. A fiscal year return is due on the 15th day of the 4th month following the end of the taxable year.

When the due date falls on a Saturday, Sunday, or legal holiday, your return will be considered timely filed so long as you file the return on the next succeeding day which is not a Saturday, Sunday, or a legal holiday. *(For more information on timely mailing North Carolina tax returns, see "Directive TA-18-1" available on the Department's website.)*

**Out of the Country.** If you are out of the country on the original due date of the return, you are granted an automatic four month extension to file your North Carolina individual income tax return if you fill in the circle on page 1 of Form D-400. "Out of the Country" means you live outside the United States and Puerto Rico and your main place of work is outside the United States and Puerto Rico, or you are in military service outside the United States and Puerto Rico. The time for payment of the tax is also extended; however, interest is due on any unpaid tax from the original due date of the return until the tax is paid.

**Nonresident Aliens.** Nonresident aliens are required to file returns at the same time they are required to file their federal returns. *(For a definition of nonresident alien, see page 5.)*

## What is the Tax Rate?

For tax year 2024, the individual income tax rate is 4.5%. To calculate your North Carolina tax liability, multiply your North Carolina taxable income by 4.5% (0.0450).

## Can I Get an Extension to File?

A taxpayer who receives an automatic extension to file a federal individual income tax return will be granted an automatic state extension to file their N.C. individual income tax return. In order to receive the automatic state extension, you **MUST** fill in the "Federal Extension" circle on page 1 of Form D-400.

If you did not receive an automatic state extension to file your N.C. individual income tax return, you may still request an extension of time to file your return by filing Form D-410, Application for Extension for Filing Individual Income Tax Return, by the original due date of the N.C. tax return. Without a valid state extension, a N.C. individual income tax return filed after the original due date is delinquent and is subject to interest and all applicable penalties provided by law. **Important:** Although you are not required to make a payment of the tax



you estimate as due with Form D-410, an extension of time to file a state tax return does not extend the time to pay the tax. If you do not pay all of the tax you owe by the original due date, you will owe interest on the remaining balance. You may also be charged penalties. *(For more information on interest and penalties, see "Will I Owe Interest and Penalties?" on page 8 of these instructions or the Department's website.)*

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## Where Do I File?

If you are due a refund and you choose not to e-file your return, mail your North Carolina individual income tax return to the following address:

**N.C. DEPARTMENT OF REVENUE  
P.O. BOX R  
RALEIGH, NC 27634-0001**

If you are not due a refund and you choose not to e-file your return, mail your North Carolina individual income tax return, any payment due, and Form D-400V to the following address:

**N.C. DEPARTMENT OF REVENUE  
P.O. BOX 25000  
RALEIGH, NC 27640-0640**

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## How Can I Pay?

If you owe additional tax, you can pay online by bank draft (free), or credit or debit card using Mastercard or Visa (\$2 convenience fee for every \$100 paid). This online service is secure and convenient. For details, visit the Department's website.

You can also pay by check or money order. **Do not send cash.** The Department will not accept a check, money order, or cashier's check unless it is drawn on a U.S. (domestic) bank and the funds are payable in U.S. dollars. Make your check or money order payable to the N.C. Department of Revenue for the full amount due. Write "2024 D-400" and your name, address, and the last 4 digits of your Social Security number on your payment. If you are filing a joint return, write the last 4 digits of both Social Security numbers on your payment in the order that they appear on the return.

If you do not pay online, you must visit the Department's website and generate a personalized D-400V, Individual Income Tax Payment Voucher. Submit the payment voucher with your return and payment, and mail to the following address:

**N.C. DEPARTMENT OF REVENUE  
P.O. BOX 25000  
RALEIGH, NC 27640-0640**

If you use tax software to prepare your return, be sure to include Form D-400V and payment with your return generated by the software package. **Important:** If you owe additional tax on a 2024 amended return, see "Instructions for Form D-400 Schedule AM," on page 24. In addition, Form D-400V Amended should be used when making a payment for a 2024 amended return.

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## Will I Owe Interest and Penalties?

**Interest.** If you do not pay the total amount of tax you owe, the Department is required to charge interest on any unpaid tax. Interest is computed at the applicable rate from the original due date to the date of payment, whether or not you have been granted an extension. For most taxpayers the original due date is April 15th. To obtain the current interest rate, visit the Department's website.

If you pay your tax after the original due date, compute the amount of interest due and include the interest on Form D-400, Line 26c.

**Interest on the Underpayment of Estimated Income Tax.** If the total tax shown due on your 2024 N.C. tax return minus tax credits and the amount paid through North Carolina income tax withholding is \$1,000 or more, you may owe interest on the underpayment of estimated income tax. To see if you owe interest, you should complete Form D-422, Underpayment of Estimated Tax by Individuals. Form D-422 is available on the Department's website.

If interest on the underpayment of estimated income tax is applicable, compute the amount of interest due and include the interest on Form D-400, Line 26e. If a refund is



due, subtract the amount of the interest due from the refund. *(For more information on interest on the underpayment of estimated income tax, see G.S. 105-163.15 or visit the Department's website.)*

**Failure to File Penalty.** Returns filed after the original due date without a valid extension are subject to a penalty of five percent (5%) of the net tax due for each month, or part of a month, the return is late (maximum twenty-five percent (25%)). If you file your return late, include this penalty on Form D-400, Line 26b.

**Failure to Pay Penalty.** Returns filed after the original due date with a balance due are subject to a penalty of five percent (5%) of the net tax due, regardless of how late the tax is paid.

Generally, the failure to pay penalty applies to any tax not paid by the original due date. However, if you received an extension to file your N.C. individual income tax return and you paid at least ninety percent (90%) of the tax due by the original due date, you will not be automatically penalized for late payment. If the 90% rule is met, any remaining balance due, including interest, must be paid with the income tax return on or before the extended due date to avoid the late payment penalty. If your payment is late, calculate the amount of penalty due and include it on Form D-400, Line 26b.

On an amended return, the late payment penalty will not be assessed if the amount shown due on the amended return is paid when the return is filed. A proposed assessment of additional tax due is subject to the late payment penalty if payment of the tax is not received within 45 days of the date of the notice of proposed assessment.

**Other Penalties.** North Carolina law provides for other penalties for negligence, filing a frivolous return, and fraud. Criminal penalties also apply for fraud with intent to evade or defeat the tax and for willful failure to file a return, supply information, or pay the tax. *(For more information on penalties, see G.S. 105-236(a) or visit the Department's website.)*

**What if I Owe More than One Penalty?** If you owe more than one penalty, compute the amount of each penalty owed and enter the total amount on Form D-400, Line 26b.

**Collection Assistance Fee.** Any tax, penalty, and interest not paid within 60 days after a Notice of Collection is mailed will be assessed a 20 percent (20%) collection assistance fee. The fee does not apply if the tax debt is paid in full or an installment payment agreement is established with the Department before the fee is assessed.

## What if I am an Innocent Spouse?

Generally, both spouses are jointly and severally liable for the full amount of tax due on a joint N.C. tax return. Thus, both spouses on a married filing jointly return are generally held responsible for all the tax due even if one spouse earned all the income or claimed improper deductions or tax credits. However, a spouse will be allowed relief from a joint state income tax liability if the spouse qualifies for federal innocent spouse relief under Internal Revenue Code section 6015. *(For more information on when a spouse may be relieved of a federal tax liability, see federal publication 971, Innocent Spouse Relief.)*

## Do I Need to Pay Estimated Income Tax?

You are required to pay estimated income tax if the tax shown due on your return, reduced by your North Carolina tax withheld and allowable tax credits, is \$1,000 or more regardless of the amount of income you have that is not subject to withholding. Each payment of estimated income tax must be accompanied by Form NC-40, North Carolina Individual Estimated Income Tax. You can also pay your estimated income tax online. *(For more information on estimated income tax, see the Department's website.)*

You should figure your estimated income tax carefully to avoid having to pay a large amount of tax when you file your return and to avoid owing interest on the underpayment of estimated income tax. Payment of estimated income tax does not relieve you of your responsibility for filing a return if one is due.

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## What is a Refund Setoff?

If you owe another state or local agency, the amount you owe may be deducted from your refund. If you have an outstanding federal income tax liability, the Internal Revenue Service may claim your North Carolina refund. **Note:** The application of a refund against debts owed to state agencies, local agencies, or the Internal Revenue Service is not subject to Departmental review.

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## Need to Call Us About Your Refund?

You can check the status of your refund at the Department's website. The automated refund inquiry line 1-877-252-4052 (toll-free) will also give you the status of your current refund. You can also obtain amended return refund information. Service is available 24 hours a day, seven days a week. You will need your Social Security number and the amount of refund shown on your return when you call. *(If you are married filing jointly, you will need the Social Security number of the primary taxpayer.)*

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## What is the Statute of Limitations for Refunds?

Generally, to receive a refund, your return must be filed within three years from the date the return was due or within two years after the tax was paid, whichever date is later. However, special rules extending the statute of limitations for refunds beyond the normal three-year statute of limitations apply to overpayments attributable to: (1) federal determinations, (2) worthless debts or securities, (3) capital loss carrybacks, (4) net operating loss carrybacks, and (5) contingent events. *(For more information on the statute of limitations for refunds, see G.S. 105-241.6 or visit the Department's website.)*

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## When Must I File an Amended Return?

Generally, an amended return on which you owe additional tax is required to be filed and the tax paid within three years after the date you filed your return or within three years from the date required by law for filing the return, whichever is later.

If the Internal Revenue Service makes changes to an individual's federal return, the individual must report the changes to the state by filing an amended return within six months from the date the report from the Internal Revenue Service is received. If an individual does not amend the state return to reflect the federal changes and the Department of Revenue receives the report from the Internal Revenue Service, an assessment may be made by the Department within three years from the date of receipt of the report, and the individual's right to any refund which might have been due by reason of the change is forfeited.

In addition, if an individual voluntarily files an amended federal return that increases the amount of state tax payable, the individual must file an amended North Carolina return within six months of filing the amended federal return. If the amended federal return contains an adjustment that would decrease the amount of state tax payable, the individual may file an amended North Carolina return within the general statute of limitations for obtaining a refund. If an individual does not amend the state return to report the federal changes, an assessment may be made by the Department within three years after the date the federal amended return was filed with the Internal Revenue Service, and the individual's rights to any refund which might have been due by reason of the amended return is forfeited.

For more information on how to amend your North Carolina individual income tax return, see "Instructions for Form D-400 Schedule AM" on page 24. *(For more information on federal determinations and amended returns, see G.S. 105-159, G.S. 105-241.8, or visit the Department's website.)*

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## What are My Rights as a North Carolina Taxpayer?

As a taxpayer, you are always entitled to fair, professional, prompt, and courteous service. The Department's goal is to apply the laws of North Carolina consistently and fairly so that your rights are protected and that you pay only your fair share of North Carolina tax. It is your right to have information about your tax history, financial situation, and assessment or reviews kept in strict confidence. Any return information, correspondence, or Departmental discussion concerning your tax situation is confidential. Employees or former employees who violate this confidentiality are subject to criminal prosecution and possible fines. An employee who willfully discloses tax information is also subject to dismissal.

The Department routinely examines returns to ensure taxpayers comply with tax statutes. If the Department examines your return, the Department may ask you to provide information

to verify items on your return. You are entitled to a fair examination and an explanation of any changes the Department proposes to your return.

If you object to a proposed denial of refund or a proposed notice of tax assessment (collectively, "proposed action"), you may request a Departmental review of the proposed action by timely filing a request for Departmental review within 45 days of the date the notice was mailed or delivered to you. A request for Departmental review filed within 45 days of the date the notice was mailed or delivered to you is considered timely filed. If a request for a Departmental review is not timely filed, the proposed action is final and is not subject to further administrative or judicial review. An assessment for an amount shown due on a return but not paid, or the application of a refund against debts owed to state agencies, local agencies, or the Internal Revenue Service is not subject to Departmental review. To obtain a copy of the North Carolina Taxpayers' Bill of Rights, visit the Department's website.

## How Long Should I Maintain My Tax Records?

You should keep canceled checks, receipts, and other documentation, including a copy of your federal return, to verify any amount entered on your tax return until the statute of limitations expires for the return. Usually, this is three years from the due date of the return or three years from the date the return is filed, whichever is later. Lack of adequate records may result in the disallowance of all or part of the deductions. Your canceled check, money order stub, or Departmental receipt showing payment of tax should be kept for at least five years from the due date of the tax return.

## Can I File a Substitute Tax Return With The Department?

Any facsimile or substitute tax form must be approved by the Department of Revenue prior to its use. If you use computer-generated returns, the software company is responsible for requesting approval and receiving an assigned identification number. The Department publishes a list of software developers who have received approval on our website. Photocopies of the return are not acceptable. **Returns that cannot be processed by our imaging and scanning equipment will be returned to the taxpayer with instructions to refile on an acceptable form.**

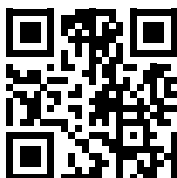
## How Do I File My Individual Income Tax Return Electronically?

Visit [ncdor.gov](http://ncdor.gov) to access eFile for Free - over 70% of North Carolinians will qualify (IRS estimate). Certain eligibility requirements apply. If you don't qualify to eFile for free, visit [ncdor.gov](http://ncdor.gov) to access a NCDOR-approved software provider list, or you can choose to contact a tax professional who offers eFile.

# eFile

- ✓ Make filing taxes easier – choose eFile
- ✓ More convenient and faster than filing paper
- ✓ Pay tax due by bank draft with no convenience fee
- ✓ Schedule quarterly tax payments up to a year out
- ✓ Opt for fast, safe, and efficient direct deposit of your state tax refund

**You may qualify to file for free! Visit the Department's website to get started.**



**Declaración Electrónica (EN ESPAÑOL)**

## Instructions for Form D-400, Individual Income Tax Return

If you are filling out Form D-400 by hand, please use black or blue ink only. Do not use red ink or pencil. Print your letters and numbers neatly. If you do not have an entry for a particular line, leave it blank. Do not use dashes, zeros or other symbols to indicate that you have no entry for that line. *(For more information on how to avoid common mistakes when filing your return, see "Before You Begin" on page 4.)*

**Name, Address, and Social Security Number.** Enter your name, address, and Social Security number in the spaces provided. If you are married filing jointly, enter your spouse's name and Social Security number in the designated space. If you are married filing separately, provide your spouse's name and Social Security number on Line 3. **Important:** Be sure to enter your **entire nine-digit** Social Security number(s) in the appropriate boxes. Disclosing your Social Security number on your tax return is required under Administrative Rule 17 NCAC 06B .0104. Moreover, an incorrect or missing Social Security number can increase your tax, reduce your refund, or delay your refund.

**County.** Enter the first 5 letters of the county in which you resided on the last day of 2024. Your county of residence may be different than the county of your mailing address.

**N.C. Education Endowment Fund Contribution.** You may elect to contribute to the N.C. Education Endowment Fund by making a contribution to the fund. To make a contribution, simply enclose Form NC-EDU and your payment with your Form D-400. If you owe additional income tax on your return and would like to make a contribution to the fund, you may write one check and enclose the check with both Form NC-EDU and Form D-400V. To designate part of your overpayment to the N.C. Education Endowment Fund, see the instructions for Line 31 on page 16.

**Out of the Country.** Fill in the circle if you or, if married filing jointly, your spouse were out of the country on the statutory due date of the return. *(For more information, see "When Must I File" on page 7.)*

**Deceased Taxpayer Information.** If you are a surviving spouse or an executor, administrator, or court-appointed personal representative, (collectively "personal representative") of an individual who died during tax year 2024, you may be required to file a return on the decedent's behalf.

If you are a personal representative and you are filing a tax return for an unmarried individual or a married filing separate return for an individual who died during tax year 2024, enter the name of the deceased and your address in the "Name and Address" section. In the "Deceased Taxpayer Information" section, fill in the circle and enter the taxpayer's date of death. You should also sign the tax return. In addition, attach to the tax return a copy of the certificate that shows your appointment. A refund due on a return filed for a deceased taxpayer by a person other than a spouse or personal representative will be mailed to the Clerk of Superior Court of the county in which the taxpayer resided.

If you are a surviving spouse and you choose to file married filing jointly with your spouse who died during tax year 2024, enter your name, the name of the deceased, and your address in the "Name and Address" section of the return. In the "Deceased Taxpayer Information" section, enter the date of the decedent's death in the space provided. You should also sign the tax return.

If you are a surviving spouse and you choose to file married filing separately for your spouse who died during tax year 2024, enter the name of the deceased taxpayer and your address in the "Name and Address" section of the return. In the "Deceased Taxpayer Information" section, enter the date of the decedent's death in the space provided. You should also sign the tax return.

**Important:** Form D-407, Estates and Trusts Income Tax Return, must be filed for an estate for the period from the date of death to the end of the taxable year if the estate had taxable income from North Carolina sources or income which was for the benefit of a North Carolina resident, and the estate is required to file a federal tax return for estates and trusts.

**Residency Status.** Fill in the applicable circles to indicate whether you and, if married filing jointly, your spouse were residents of North Carolina for the entire year. If married filing separately, do not complete the information for your spouse. *(For more information on determining your residency status, see "Who Must File a North Carolina Individual Income Tax Return?" on page 5.)*

**Important:** If you or your spouse, if married filing jointly, were not full-year residents of North Carolina in tax year 2024, you must complete and attach Form D-400 Schedule PN, 2024 Part-Year Resident and Nonresident Schedule, to determine the percentage of total income from all sources that is subject to N.C. tax. *(For more information on Form D-400 Schedule PN, see page 21.)*

**Veteran Information.** Fill in the applicable circles to indicate whether you and, if married filing jointly, your spouse are veterans. If married filing separately, do not complete the information for your spouse. Veteran information, which is voluntarily reported, is used to compile a report about the number of veterans filing tax returns in North Carolina. No information regarding your tax liability will be shared. Information specific to individual employers or employees shall remain confidential in accordance with G.S. 105-259.

**Federal Extension.** Fill in the circle to certify that you and, if married filing jointly, your spouse were granted an automatic extension to file your 2024 federal income tax return. **Important:** You must certify that you were granted an automatic federal extension. Otherwise, your state return is subject to applicable penalties. *(For more information, see "Will I Owe Interest and Penalties?" on page 8.)*

### Lines 1 through 5 – Filing Status

Fill in the circle next to the same filing status you checked on your federal tax return. If you did not file a federal tax return, you should fill in the circle that corresponds to the filing status you would have been entitled to if you had filed a federal tax return. If your federal return does not reflect a North Carolina address, you **must** attach a copy of your federal tax return to your state tax return.

If you file a joint federal return and your spouse is a nonresident of North Carolina who had no North Carolina taxable income, you may file a joint N.C. tax return or a married filing separately N.C. tax return. If you choose to file a separate N.C. return, you must complete either a federal return as married filing separately reporting only your income and deductions or a schedule showing the computation of your separate income and deductions and attach it to your N.C. tax return.

### Line 6 – Federal Adjusted Gross Income

The starting point for determining North Carolina taxable income is federal adjusted gross income. Therefore, before you begin your

North Carolina tax return, you must determine federal adjusted gross income. If you filed a 2024 federal tax return, enter the federal adjusted gross income from your completed federal return. If you did not file a federal income tax return, you must complete a schedule showing the computation of your federal adjusted gross income and deductions. Attach the schedule to your N.C. income tax return.

**Important:** If federal adjusted gross income is negative, enter the amount on Line 6 and fill in the circle next to the line to indicate the amount is negative.

**Line 7 – Additions to Federal Adjusted Gross Income**

In calculating North Carolina taxable income, a taxpayer **MUST** add to federal adjusted gross income certain items that were not included in the taxpayer’s federal adjusted gross income. Before making this entry, complete Part A of Form D-400 Schedule S. (For more information, see “Additions to Federal Adjusted Gross Income” on page 17.)

**Line 9 – Deductions from Federal Adjusted Gross Income**

In calculating North Carolina taxable income, a taxpayer may deduct from the taxpayer’s federal adjusted gross income certain items that were included in the taxpayer’s federal adjusted gross income. Before making this entry, complete Part B of Form D-400 Schedule S. (For more information, see “Deductions from Federal Adjusted Gross Income” on page 18.)

**Line 10 – Child Deduction**

**Line 10a.** Enter the number of qualifying children for whom you were allowed a federal child tax credit for tax year 2024. **Important: If you do not have a qualifying child as defined under Internal Revenue Code (“IRC”) section 24, you cannot claim the child deduction.** (For more information on determining whether your child is a qualifying child for federal tax purposes, see the instructions for federal Schedule 8812, Credits for Qualifying Children and Other Dependents.)

**Line 10b.** Enter the amount of the child deduction. To compute the child deduction, complete the “Child Deduction Worksheet,” below.

Child Deduction Worksheet	
1. Filing status (From D-400, Lines 1 through 5).....	1. _____
2. Federal adjusted gross income (From D-400, Line 6).....	2. _____
3. Number of qualifying children for whom a federal tax credit was claimed.....	3. _____
<b>Enter the amount from Line 3 above on Form D-400, Line 10a.</b>	
4. Deduction amount per qualifying child from the “Child Deduction Table”.....	4. _____
5. Child deduction (Multiply Line 3 by Line 4).....	5. _____
<b>Enter the amount from Line 5 above on Form D-400, Line 10b.</b>	

Child Deduction Table		
Filing Status	Federal Adjusted Gross Income	Deduction Amount Per Qualifying Child
Married Filing Jointly/Qualifying Widow(er)/Surviving Spouse	Up to \$40,000	\$3,000
	Over \$40,000 - Up to \$60,000	\$2,500
	Over \$60,000 - Up to \$80,000	\$2,000
	Over \$80,000 - Up to \$100,000	\$1,500
	Over \$100,000 - Up to \$120,000	\$1,000
	Over \$120,000 - Up to \$140,000	\$500
	Over \$140,000	\$0
Head of Household	Up to \$30,000	\$3,000
	Over \$30,000 - Up to \$45,000	\$2,500
	Over \$45,000 - Up to \$60,000	\$2,000
	Over \$60,000 - Up to \$75,000	\$1,500
	Over \$75,000 - Up to \$90,000	\$1,000
	Over \$90,000 - Up to \$105,000	\$500
	Over \$105,000	\$0
Single/Married Filing Separately	Up to \$20,000	\$3,000
	Over \$20,000 - Up to \$30,000	\$2,500
	Over \$30,000 - Up to \$40,000	\$2,000
	Over \$40,000 - Up to \$50,000	\$1,500
	Over \$50,000 - Up to \$60,000	\$1,000
	Over \$60,000 - Up to \$70,000	\$500
	Over \$70,000	\$0

## Line 11 – N.C. Standard Deduction or N.C. Itemized Deductions

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

On Line 11, enter either the N.C. standard deduction or N.C. 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. The N.C. standard deduction and the N.C. itemized deductions are not identical to the federal amounts and are subject to certain North Carolina limitations. In addition, there is no additional N.C. standard deduction amount for taxpayers who are age 65 or older or blind.

**N.C. Standard Deduction.** Use the chart below to determine the amount of your N.C. standard deduction based on your filing status:

N.C. Standard Deduction Chart	
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	
If spouse does not claim itemized deductions	\$ 12,750
If spouse claims itemized deductions	0
Head of household	\$ 19,125
<b>If you are not eligible for the federal standard deduction, your N.C. standard deduction is ZERO.</b> (For information on who is eligible for the federal standard deduction, see federal publication 501, <i>Dependents, Standard Deduction, and Filing Information</i> .)	

**Important:** If you claim the N.C. standard deduction **DO NOT** complete Form D-400 Schedule A.

**N.C. Itemized Deductions.** To compute North Carolina itemized deductions, complete Form D-400 Schedule A, Lines 1 through 10. (For more information, see “N.C. Itemized Deductions” on page 20.)

## Line 13 – Part-Year Residents and Nonresidents Taxable Percentage

Part-year residents and nonresidents enter the taxable percentage as calculated on Form D-400 Schedule PN. **The taxable percentage must be entered as a decimal amount; round to four decimal places. Note: The resulting percentage may be greater than 100%.** (For more information on completing Form D-400 Schedule PN, see instructions on page 21.)

**Important:** You must attach Form D-400 Schedule PN to Form D-400 if you or, if married filing jointly, your spouse, were either a part-year resident or nonresident and you entered a taxable percentage on Line 13. Include a copy of your federal return if your federal return does not reflect a North Carolina address.

## Line 14 – North Carolina Taxable Income

If you were a resident of North Carolina for the entire year, enter the amount from Line 12b on Line 14. If you were a part-year resident or nonresident, multiply the amount from Line 12b by the taxable percentage on Line 13.

**Important:** If North Carolina taxable income is negative, enter the amount on Line 14 and fill in the circle next to the line to indicate the amount is negative.

## Line 15 – North Carolina Income Tax

To calculate your North Carolina income tax, multiply Line 14 by the income tax rate of 4.5% (0.0450). If North Carolina taxable income is zero or less, enter a zero on Line 15.

## Line 16 – Tax Credits

If you claim income tax credits on Line 16, you must complete Form D-400TC. (For more information on completing Form D-400TC, see page 22.) **Important: Failure to substantiate a tax credit may result in the disallowance of the tax credit.**

## Line 18 – Consumer Use Tax

You must pay consumer use tax if you purchased, leased, or rented items inside or outside this State for storage, use, or consumption in North Carolina and did not pay the applicable sales and use tax at the time of purchase. Items subject to North Carolina use tax include tangible personal property, certain digital property and taxable services. **You must pay use tax to the Department when retailers, remote sellers, or facilitators fail to collect sales or use tax on taxable transactions.**

Use Line 18 to report all consumer use tax that you owe on purchases other than purchases of a boat, an aircraft, or food subject to the 2% rate of tax. You must report consumer use tax due on the purchase of a boat or an aircraft on Form E-555. You must report consumer use tax due on the purchase of food on Form E-554.

To determine the amount of consumer use tax due you owe for tax year 2024, use the appropriate worksheet found on page 26 of these instructions. Note: If you certify that no consumer use tax is due, fill in the circle in the space provided. (For additional information about consumer use tax, see G.S. 105-164.6 or visit the Department's website.)

## Lines 20a and 20b – N.C. Income Tax Withheld

Enter your North Carolina income tax withheld on Line 20a. If you are married filing jointly, enter your North Carolina income tax withholding on Line 20a and your spouse's North Carolina income tax withholding on Line 20b. **Do not include any income tax withheld from a state other than North Carolina.**

**Important:** Be sure to attach to your return a copy of all federal Form W-2 statements, 1099 statements, and any other tax statements that report North Carolina income tax withheld for tax year 2024. It is not necessary to attach a 1099 statement on which no North Carolina income tax withheld is reported unless you are claiming a **Bailey** retirement deduction or a U.S. Uniformed Services retirement deduction. (See Form D-400 Schedule S, Part B, Line 20 and Line 21.) **Federal Form W-2 or other 1099 statements generated by tax software programs cannot be used to verify North Carolina tax withholding.**



## Line 21 – Other Tax Payments

- 2024 Estimated Tax.** Enter any estimated income tax payments for tax year 2024 (including any portion of your 2023 refund that was applied to your 2024 estimated income tax).
- Paid with Extension.** If you applied for a N.C. extension (Form D-410), enter the amount of North Carolina income tax paid with the extension.
- Partnership.** If you are a nonresident partner in a partnership doing business in North Carolina, enter your share of the income tax paid to North Carolina by the manager of the partnership on your distributive share of the partnership income. Include with your return a copy of Form NC K-1 for Form D-403 provided by the partnership to verify the amount claimed.
- S Corporation.** If you are a nonresident shareholder of an S Corporation doing business in North Carolina, enter your share of the income tax paid to North Carolina by the S Corporation on your distributive share of the S Corporation income. Include with your return a copy of Form NC K-1 for Form CD-401S provided by the S Corporation to verify the amount claimed.

## Line 22 – Additional Payments (Amended Returns Only)

Complete Line 22 only if you are amending your 2024 tax return. Enter the amount of tax paid with the original return (Form D-400, Line 27) plus any additional tax paid after the original return was filed. If you did not pay the entire balance due shown on your original return, enter the actual amount that was paid. **Do not include payments of interest or penalties.** (For more information, see “Instructions for Form D-400 Schedule AM,” on page 24.)

## Line 24 – Previous Refunds (Amended Returns Only)

Complete Line 24 only if you are amending your 2024 return. Enter the amount of overpayment, if any, shown on the original return (Form D-400, Line 28). If the overpayment claimed on your original return was previously adjusted by the Department, enter the adjusted overpayment on Line 24. The amount includes any portion that was refunded or applied to any outstanding debt or estimated tax, or was contributed to the N.C. Nongame and Endangered Wildlife Fund, the N.C. Education Endowment Fund, or the N.C. Breast and Cervical Cancer Control Program. **Do not include interest you received on any refund.** (For more information, see “Instructions for Form D-400 Schedule AM,” on page 24.)

## Lines 26a through 26e – Tax, Penalties, and Interest

- Tax Due.** If Line 25 is less than Line 19, you owe additional tax. Subtract Line 25 from Line 19 and enter the result on Line 26a. If Line 25 is negative, treat Line 25 as a positive number, add Lines 19 and 25 and enter the additional tax on Line 26a.
- Penalties.** Returns filed after the original due date without a valid state extension are subject to a **failure to file penalty** of 5% of the tax for each month, or part of a month, the return is late (maximum 25% of the additional tax due). Returns filed after the original due date are subject to a **late payment penalty** of 5% of the net tax due, regardless of how late the

tax is paid. To determine if any penalties apply to you, see “Will I Owe Interest and Penalties?” on page 8.

- Interest.** Interest at the rate established by G.S. 105-241.21 is charged on taxes paid after the original due date even if an extension of time to file is granted. The interest rate on underpayments is the same as the interest rate on overpayments. The rate is established semiannually by the Secretary of Revenue and is listed on the Department’s website.
- Total Penalties and Interest.** Add Lines 26b and 26c and enter the total amount of penalties and interest on Line 26d.
- Interest on the Underpayment of Estimated Income Tax and Exceptions.** You may owe interest if you underpaid your estimated income tax for any payment period. You will not owe interest if you had no tax liability in 2023, or if your 2024 tax liability, minus your tax credits and North Carolina income tax withheld for tax year 2024, is less than \$1,000.

You should complete Form D-422, “Underpayment of Estimated Tax by Individuals,” to determine if you owe interest on the underpayment of estimated income tax for tax year 2024. Enter the correct amount of interest on Line 26e. The interest will increase your tax liability or reduce your overpayment.

**Exceptions to Underpayment of Estimated Income Tax.** In certain cases, you may be able to reduce or eliminate underpayment interest. If any of the following exceptions apply, enter the exception code “E” in the box provided and enter the interest amount on Line 26e.

- Farmers and Fisherman.** If you are a farmer or fisherman and you file your 2024 N.C. income tax return and you pay your tax in full by March 1, 2025, you do not owe interest. You are a farmer or fisherman if you received at least two-thirds of your gross income for the year from farming or fishing.
- Annualized Income.** If your income varied during the year and you completed Form D-422A, Annualized Income Installment Worksheet, enter the amount of interest due on Form D-400, Line 26e.

**Do not attach Form D-422 or D-422A to your completed tax return; however, you should maintain the forms for future reference.**

## Line 27 – Amount Due

Add Lines 26a, 26d, and 26e and enter the total on Line 27. **This is the total tax, penalties, and interest due.** Mail your return and payment to the **North Carolina Department of Revenue, P.O. Box 25000, Raleigh, North Carolina 27640-0640.**

Make your check or money order payable to the “North Carolina Department of Revenue.” The Department will not accept a check or money order unless it is drawn on a U.S. (domestic) bank and the funds are payable in U.S. dollars. **Important:** You can pay any tax due online using the Department’s website. (For more information on payment options, visit the Department’s website.)

**Form D-400V (Individual Income Payment Voucher).** Form D-400V is a personalized payment voucher that you should



send with any balance due. This voucher allows the Department to process payments more accurately and efficiently with fewer errors. To generate a personalized payment voucher, visit the Department's website.

**Form D-400V Amended (Amended Individual Income Payment Voucher).** When filing an amended 2024 tax return, an individual who owes additional tax should include Form D-400V Amended. Form D-400V Amended allows the Department to process amended payments more accurately and efficiently with fewer errors. To generate an amended personalized payment voucher, visit the Department's website.

**Form NC-EDU (N.C. Education Fund Contribution).** Form NC-EDU is a personalized voucher that you must send with any contribution made to the N.C. Education Fund. The voucher allows the Department to process the contribution accurately and efficiently with fewer errors. To generate the N.C. Education Fund personalized payment voucher, visit the Department's website.  
**Note:** If you owe additional tax and would like to make a contribution to the N.C. Education Endowment Fund, you may write one check for the combined amount of tax due plus the contribution. Enclose the check with both Form NC-EDU and Form D-400V.

**The Department strongly encourages the use of personalized payment vouchers.**

### Line 28 – Overpayment

Line 25 is more than Line 19, you have overpaid your tax. Subtract Line 19 (and any amount shown on Line 26e) from Line 25 and enter the amount of the overpayment on Line 28.

### Line 29 – Estimated Income Tax

If you have overpaid your tax, you may elect to have a portion of your overpayment applied to your estimated income tax for the following year by entering the amount to be applied on Line 29. **The election to apply any overpayment to 2025 cannot be changed after the 2024 return is filed.**

The last allowable date for making a 2025 estimated income tax payment is January 15, 2026; therefore, to **apply a portion of your refund to 2025 estimated income tax**, you must file your 2024 return by January 15, 2026.

### Line 30 – N.C. Nongame and Endangered Wildlife Fund

Help keep North Carolina wild by contributing a portion of your refund to the N.C. Nongame and Endangered Wildlife Fund. Your tax deductible contributions are essential to monitoring and managing our wildlife populations, including turtles, flying squirrels, frogs, fish, mussels, salamanders, and hundreds of bird species from terns and pelicans to woodpeckers and warblers. Conserving these species and their habitats is important to our state, our economy, and our quality of life. If wildlife conservation is important to you, please give what you can and help conserve North Carolina's wildlife for future generations to enjoy. If you wish to contribute part or all of your



refund to the N.C. Nongame and Endangered Wildlife Fund, enter the amount of your contribution on Line 30. **Your election to contribute to the N.C. Nongame and Endangered Wildlife Fund cannot be changed after your 2024 return is filed.**

If you are not due a refund, you may still contribute to this Fund by donating online or mailing your donation directly to the North Carolina Wildlife Resources Commission, 1702 Mail Service Center, Raleigh, North Carolina 27699-1702. Checks should be made payable to the NC Wildlife Diversity Endowment Fund. (For more information about the Fund or to donate online, visit [ncwildlife.org/donate](http://ncwildlife.org/donate) and select NC Wildlife Diversity Endowment Fund.)

### Line 31 – N.C. Education Endowment Fund

The North Carolina Education Endowment Fund (N.C. Education Fund) was created to provide additional support and funding for K-12 public schools. If you wish to contribute part or all of your refund to the N.C. Education Fund, enter the amount of the contribution on Line 31. **Your election to contribute to the N.C. Education Fund cannot be changed after your 2024 return is filed.**



If you are not due a refund, you may still contribute to the N.C. Education Fund by: (1) making a contribution with your tax return; or (2) mailing a donation directly to the North Carolina Department of Public Instruction, Cash Collections, 6336 Mail Service Center, Raleigh, N.C. 27699-6336.

### Line 32 – N.C. Breast and Cervical Cancer Control Program

The N.C. Breast and Cervical Cancer Control Program Fund (NC BCCCP) is used for the early detection of breast and cervical cancer through the N.C. Cancer Prevention and Control Branch of the Division of Public Health of the Department of Health and Human Services. The NC BCCCP provides free or low-cost breast and cervical cancer screening and follow-up services to women who meet income and age eligibility and for whom insurance does not cover the full cost of services. If you wish to contribute part or all of your refund to NC BCCCP, enter the amount of your contribution on Line 32. **Your election to contribute to NC BCCCP cannot be changed after your 2024 return is filed.**



If you are not due a refund, you may still contribute to the NC BCCCP by mailing a donation directly to N.C. Cancer Prevention and Control Branch of the Division of Public Health of the Department of Health and Human Services, 1922 Mail Service Center, Raleigh, North Carolina 27699-1922. Checks should be made payable to "North Carolina Department of Health and Human Services" with an indication either on the check or in an attached note that it is a contribution for the N.C. Breast and Cervical Cancer Control Program Fund.

### Line 34 – Amount to be Refunded

Enter the amount of overpayment to be refunded on Line 34. The amount to be refunded cannot exceed Line 28 minus the total of Lines 29, 30, 31, and 32. **Refunds of less than \$1.00 are made only upon request.**

## Signature and Verification

Your return is not considered a valid return unless you sign it. If you are filing a joint return, your spouse must also sign. Be sure to date your return and enter your contact phone number. Providing your contact phone number may help speed the processing of your return. If you answer questions over the phone, we may be able to process your return without mailing you a letter. If you are filing a joint return, you can enter either your or your spouse's contact phone number.

**Paid Preparer.** If you want to allow your paid preparer to discuss certain tax matters with the Department, check the applicable box in the signature area of your return. If you check the box, you and your spouse, if filing a joint return, are authorizing the Department to call the paid preparer to answer any questions that may arise during the processing of your return. You also are authorizing the paid preparer to:

- Give the Department any information that is missing from your return,
- Call the Department for information about the processing of your return or the status of your refund or payment(s),
- Receive copies of notices or transcripts related to your return, upon request, and
- Respond to proposed notices of assessment or notices of adjustment.

**Important:** You are not authorizing the paid preparer to receive any refund check, bind you to anything (including any additional tax liability), or otherwise represent you before the Department regarding audit activity or a request for a Departmental review of proposed assessment or a proposed denial of refund. Those types of matters require a power of attorney to be filed with the Department. Paid preparer authority is extended only to an individual paid preparer, not to employees of a company. *(For more information on Power of Attorney, visit the Department's website.)*

**Your paid preparer must sign and date the tax return. The preparer should also provide their identification number (FEIN, SSN, or PTIN).**

## Instructions for Form D-400 Schedule S, N.C. Adjustments for Individuals

The starting point for North Carolina taxable income is federal adjusted gross income as of January 1, 2023. This means that all changes made to the Internal Revenue Code as of January 1, 2023, apply when calculating North Carolina taxable income for tax year 2024 unless North Carolina specifically does not conform to federal income tax law. For example, North Carolina does not conform to the federal standard deduction amount or to federal itemized deductions. Because there are areas of nonconformity with federal income tax law, taxpayers may need to make modifications to federal adjusted gross income, (collectively "N.C. adjustments").

All taxpayers must determine if a N.C. adjustment applies to their N.C. income tax return. Importantly, Form D-400 Schedule S provides a list of all available N.C. adjustments. *(For information*

*on a specific N.C. adjustment, see the 2024 Personal Taxes Bulletin which is available from the Departments website.)*

**Part A. Additions to Federal Adjusted Gross Income** *(If you have items that are not included in federal adjusted gross income but are taxable to North Carolina, complete Lines 1 through 16.)*

**Line 1. Interest Income from Obligations of States Other than N.C.** Enter the amount of interest received from notes, bonds, and other obligations of states and political subdivisions other than North Carolina if not included in federal adjusted gross income. This includes exempt interest dividends received from regulated investment companies (mutual funds) to the extent such dividends do not represent interest from obligations of North Carolina or its political subdivisions.

**Line 2. Deferred Gains Reinvested into an Opportunity Fund.** North Carolina did not follow the temporary deferral of income for certain gains timely invested in a qualified Opportunity Fund under IRC section 1400Z-2. These gains are not deferred for North Carolina tax purposes and must be included in determining N.C. taxable income.

On Line 2, enter the amount of gain reinvested into a qualified Opportunity Fund under IRC section 1400Z-2 that was excluded from federal AGI. **Note:** If you were required to include a gain in federal adjusted gross income under IRC section 1400Z-2 in tax year 2024, you may deduct the gain to the extent the same income was included in the calculation of N.C. taxable income during a prior year.

**Line 3. Bonus Depreciation.** North Carolina did not adopt the bonus depreciation provisions in IRC sections 168(k) or 168(n) for property placed in service for tax year 2024. You must add 85% of the amount of bonus depreciation deducted on your federal return to your state return.

On Line 3, enter 85% of the amount of bonus depreciation deducted on your federal return. **Note:** If you are required to add back bonus depreciation in tax year 2024, you may deduct 20% of the amount added back in the first five taxable years beginning with tax year 2025. *(For further guidance on bonus depreciation, visit the Department's website.)*

**Line 4. IRC Section 179 Expense.** North Carolina did not conform to the increased federal expense deduction or increased investment limitations for tax year 2024. N.C. dollar and investment limitations are \$25,000 and \$200,000, respectively. You must add 85% of the difference between the IRC section 179 expense deduction using federal limitations and the deduction using N.C. limitations.

On Line 4, enter 85% of the difference between the IRC section 179 expense deduction using federal limitations and the deduction using N.C. limitations. **Note:** If you are required to add back IRC section 179 expenses in tax year 2024, you may deduct 20% of the amount added back in the first five taxable years beginning with tax year 2025. *(For further guidance on IRC section 179, visit the Department's website.)*

**Line 5. S Corporation Shareholder Built-in Gains Tax.** Enter the amount by which a shareholder's share of S Corporation income is reduced under IRC section 1366(f)(2) for the taxable year by the amount of built-in gains tax imposed on the S Corporation under IRC section 1374.

**Line 6. Amount by Which Federal Basis Exceeds State Basis for Property Disposed of in 2024.** If you disposed of property in tax year 2024, enter the amount by which your basis of property under federal law exceeds your basis of property for state purposes.

**Line 7. Federal Net Operating Loss Deduction.** If you utilized a federal net operating loss ("NOL") in tax year 2024, enter the amount of the loss deducted. **Note:** If you are required to add back a federal NOL, you may be able to deduct a N.C. NOL. *(For*

more information, see the instructions for Line 39.)

**Line 8. State, Local, or Foreign Income Tax Deducted by an S Corporation, Partnership, or Estate and Trust.** Enter the amount of a shareholder's, partner's, or beneficiary's share of the amount deducted under section 164 of the Code as state, local, or foreign income tax by an S Corporation, Partnership, or Estate & Trust.

**Line 9. Withdrawal of 529 Plan Contributions Not Used for Permissible Purpose.** Effective for taxable years beginning on or after January 1, 2006, and repealed effective for taxable years beginning on or after January 1, 2014, certain contributions made to North Carolina's National College Savings Program ("N.C. 529 Plan") were deductible for state tax purposes.

If you took a state tax deduction for contributions made to the N.C. 529 Plan while the deduction was in effect, and in tax year 2024, you withdrew funds from the plan, enter the amount you deducted in prior tax years to the extent the funds withdrawn were not used for a purpose allowed under IRC section 529.

**Line 10. Discharge of Qualified Principal Residence Indebtedness.** North Carolina did not adopt the provision of IRC section 108 that allows an individual to exclude from federal gross income the cancellation of qualified principal residence debt. On Line 10, enter the amount of qualified principal residence debt discharged in 2024 excluded from federal gross income under IRC section 108. **Note:** If you are insolvent, refer to the Department's bulletins for individual income tax available on the Department's website.

**Line 11. Qualified Education Loan Payments Paid by Employer.** North Carolina did not conform to the amendment to IRC section 127(c), which temporarily expanded the definition of "educational assistance" to include employer payments of qualified education loans, as defined in IRC section 221(d)(1). On Line 11, enter the amount of payments made by your employer for qualified education loans, as defined in IRC section 221(d)(1), excluded from federal gross income under IRC section 127(c).

**Line 12. Expenses Allocable to Income Exempt or Excluded From Gross Income.** North Carolina law requires a taxpayer to add to federal adjusted gross income all expenses allocable to income that is either wholly excluded from federal gross income or wholly exempt from North Carolina income tax to the extent those expenses are excluded from federal adjusted gross income. On Line 12, enter the amount of expenses allocable to income not subject to North Carolina income tax.

**Line 13. Discharge of Certain Student Loan Debt.** North Carolina did not conform to IRC section 108(f)(5), as amended by the American Rescue Plan Act ("ARPA"), which permits a student loan discharge under certain circumstances to be excluded from federal gross income. Subject to the exceptions provided in G.S. 105-153.5(c)(22), an individual who excluded a student loan discharge from federal adjusted gross income under IRC section 108(f)(5) must add back the amount excluded on Line 13. (For more information, refer to the Department's bulletins for individual income tax available on the Department's website.)

**Line 14. Taxed Pass-Through Entity Loss.** North Carolina law allows partnerships and S Corporations to elect to pay North Carolina income tax on income attributable to North Carolina at the entity level (collectively, a "Taxed PTE"). If you are a partner or a shareholder (collectively, an "Owner") in a Taxed PTE, you are required to add to federal adjusted gross income your distributive share of loss attributable to North Carolina from the Taxed PTE. **Note:** The Taxed PTE will provide the Owner with the amount of loss to include on Line 14 on the applicable Form NC K-1. (See 2024 Form NC K-1 CD-401S, Line 9 OR Form D-403 NC K-1, Line 10.)

**Line 15. Reserved for Future Use.** Do not enter an amount on this line. Leave the line blank.

**Important:** The "Reserved for Future Use" line will be used by

the Department to accommodate future changes to the 2024 tax return, if applicable. **The unauthorized use of this line may prevent the Department from processing your tax return.**

**Line 16. Total Additions.** Add Lines 1 through 15. Enter the total on Line 16 and on Form D-400, Line 7. **Important:** If you enter an amount on Line 16, you must attach Form D-400 Schedule S to Form D-400. If you do not attach Form D-400 Schedule S to Form D-400, the Department may not be able to process your return.

**Part B. Deductions from Federal Adjusted Gross Income**  
(If you have items of income that are included in federal adjusted gross income but are not taxable to North Carolina, complete Lines 17 through 41.)

**Line 17. State or Local Income Tax Refund.** Enter the amount of any state or local income tax refund that is included in federal adjusted gross income.

**Line 18. Interest Income From Obligations of the United States or United States' Possessions.** Enter the amount of interest received from notes, bonds, and other obligations of the United States (such as U.S. savings bonds, treasury notes and bills, etc.) or United States possessions.

**Line 19. Taxable Portion of Social Security and Railroad Retirement Benefits.** Social Security and railroad retirement benefits are not subject to state income tax. Enter any Title 2 Social Security benefits received under the Social Security Act and any Tier 1 or Tier 2 railroad retirement benefits received under the Railroad Retirement Act that were included in federal adjusted gross income. Railroad Retirement Act benefits include railroad unemployment insurance benefits and railroad sickness benefits.

**Line 20. Retirement Benefits Received by Vested N.C. State Government, N.C. Local Government, or Federal Government Retirees, i.e. Bailey Settlement.** As a result of the North Carolina Supreme Court's decision in *Bailey v. State of North Carolina*, North Carolina may not tax certain retirement benefits received by retirees (or by beneficiaries of retirees) of the state of North Carolina and its local governments or by United States government retirees (including military). **The exclusion applies to retirement benefits received from certain defined benefit plans**, such as the North Carolina Teachers' and State Employees' Retirement System, the North Carolina Local Governmental Employees' Retirement System, the North Carolina Consolidated Judicial Retirement System, the Federal Employees' Retirement System, or the United States Civil Service Retirement System, **if the retiree had five or more years of creditable service as of August 12, 1989.** The exclusion also applies to retirement benefits received from the state's §401(k) and §457 plans if the retiree had contributed or contracted to contribute to the plan prior to August 12, 1989. **The exclusion does not apply to local government §457 plans or to §403(b) annuity plans.** Benefits from other state, local, and federal retirement plans may or may not be excluded depending on rulings in the *Bailey* case. **The exclusion does not apply to retirement benefits paid to former teachers and state employees of other states and their political subdivisions.**

A retiree entitled to exclude retirement benefits under *Bailey* from North Carolina income tax should claim a deduction on Line 20 for the amount of retirement benefits included in federal adjusted gross income. Even if all your retirement is excludable under *Bailey*, you must still file a North Carolina return if you meet the minimum gross income filing requirements on page 6. A copy of Form 1099-R or Form W-2 received from the payer must be attached to the return to support the deduction.

**Line 21. Certain Retirement Benefits Received by a Retired Member of the United States Uniformed Services Not Deducted on Line 20.** A retired member of the United States Uniformed Services or their eligible beneficiary may deduct the following payments received from the United States government in 2024:

- Uniformed Service retirement payments received by a retired member who served at least 20 years in the Uniformed Service or who was medically retired from the Uniformed Service. **Note:** The deduction does not apply to severance payments received by a person due to separation under 10 U.S.C. Chapter 61.
- Payments from the Survivor Benefit Plan to a beneficiary of a retired member who served at least 20 years in the Uniformed Services or who was medically retired from the Uniformed Services.

**Important:** Retirees of the United States Uniformed Services who deducted retirement income on Line 20 under **Bailey** may not deduct the same retirement income on Line 21.

**Line 22. Bonus Asset Basis.** In the event of an actual or deemed transfer of an asset occurring on or after January 1, 2013, wherein the tax basis of the asset carries over from the transferor to the transferee for federal income tax purposes, the transferee must add any remaining bonus depreciation deductions allowed to the basis of the transferred asset and depreciate the adjusted basis over any remaining life of the asset. The transferor is not allowed any future bonus depreciation deductions. *(For more information, see G.S. 105-153.6(e) and (f), as well as the Department's website.)*

**Line 23. Bonus Depreciation.** You may deduct an amount equal to 20% of the bonus depreciation deduction added to federal adjusted gross income on your 2019, 2020, 2021, 2022, and 2023 state tax returns. Enter the sum of bonus depreciation deduction claimed on lines 23a through 23e on line 23f.

**Line 24. IRC Section 179 Expense.** You may deduct an amount equal to 20% of the IRC section 179 expense deduction added to federal adjusted gross income on your 2019, 2020, 2021, 2022, and 2023 state tax returns. Enter the sum of IRC section 179 expense deduction claimed on lines 24a through 24e on line 24f.

**Line 25. Recognized IRC Section 1400Z-2 Gain.** You may deduct a gain included in federal adjusted gross income under IRC section 1400Z-2 to the extent the same amount was included in the calculation of N.C. taxable income in a prior tax year.

**Line 26. Gain From the Disposition of Exempt N.C. Obligations Issued Before July 1, 1995.** You may deduct the gain from the sale or disposition of North Carolina obligations issued before July 1, 1995, from adjusted gross income if the law under which the obligations were issued specifically exempts the gain.

**Line 27. Exempt Income Earned or Received by a Member of a Federally Recognized Indian Tribe.** You may deduct the income that meets both of the following requirements:

- Is earned or received by an enrolled member of any federally recognized Indian tribe.
- Is derived from activities on any federally recognized Indian reservation while the member resides on the reservation. Income from intangibles having a situs on the reservation and retirement income associated with activities on the reservation are considered income derived from activities on the reservation.

**Line 28. Amount by Which State Basis Exceeds Federal Basis for Property Disposed of in 2024.** If you disposed of property in tax year 2024, you may deduct the amount by which your basis of the property for state tax purposes exceeds your basis of the property for federal tax purposes.

**Line 29. Ordinary and Necessary Business Expense Reduced or not Allowed Due to Claiming a Federal Tax Credit in Lieu of a Deduction.** If you claimed a federal tax credit against your federal income tax liability, or if you claimed the federal Employee Retention Credit against your federal payroll tax, you may deduct the amount

of qualified business expenses not deducted on your federal return that would have been allowed had you not taken the federal credit. **This deduction is allowed only to the extent North Carolina does not allow a similar credit for the amount.**

**Line 30. Personal Education Student Account Deposits.** You may deduct the amount deposited during the taxable year to a personal education savings account ("PESA") under Article 41 of Chapter 115C of the General Statutes **to the extent the deposit is included in calculating federal adjusted gross income.**

**Line 31. Certain State Emergency Response and Disaster Relief Reserve Fund Payments.** You may deduct the amount paid from the State Emergency Response and Disaster Relief Reserve Fund for hurricane relief assistance **to the extent this amount is included in federal adjusted gross income.** This amount does not include amounts paid to you from the State Emergency Response and Disaster Relief Fund for goods or services provided by you.

**Line 32. Certain Economic Incentive Payments.** You may deduct the amount received as an economic incentive payment pursuant to G.S. 143B-437.012 or Part 2G or Part 2H of Article 10 of G.S. 143B **to the extent this amount is included in federal adjusted gross income.**

**Line 33. Certain N.C. Grant Payments.** You may deduct the amount of grant payment received from the following North Carolina COVID-19 relief programs **to the extent the payment is included federal adjusted gross income:**

- Business Recovery Grant ("BRG") program
- ReTOOLNC program
- Specific rent and utility assistance programs *(For more information, see S.L. 2020-97.)*

**Line 34. Certain Net Operating Loss Carrybacks.** You may deduct an amount equal to 20% of the net operating loss carryback added to federal adjusted gross income under G.S. 105-153.5(c2) (8), (9), or (10) on your 2013 through 2019 state tax return.

**Line 35. Excess Net Operating Loss Carryforward.** You may deduct an amount equal to 20% of the excess net operating loss carryforward deduction added to federal adjusted gross income on your 2019 and 2020 state tax return.

**Line 36. Excess Business Loss.** You may deduct an amount equal to 20% of the excess business loss added to federal adjusted gross income on your 2018, 2019, and 2020 state tax return.

**Line 37. Business Interest Limitation.** You may deduct an amount equal to 20% of the business interest limitation added to federal adjusted gross income on your 2019 and 2020 state tax return.

**Line 38. Taxed Pass-Through Entity Income.** If you are a partner or a shareholder (collectively, an "Owner") in a pass-through entity (a "PTE"), you may be eligible to deduct certain income earned by a PTE from your federal adjusted gross income. For more information on what type of income is deductible, see G.S. 105-153.5(c3) and the explanation below.

**Line 38a. N.C. Sourced.** North Carolina law allows eligible PTEs to elect to pay North Carolina income tax on income **attributable to North Carolina** at the entity level (collectively, a "Taxed PTE"). If you are an Owner in a Taxed PTE, you may deduct from federal adjusted gross income your distributive share of income attributable to North Carolina from the Taxed PTE. **Note:** The Taxed PTE will provide the Owner with the amount of the deduction to take on Line 38a on the applicable Form NC K-1. *(See 2024 Form CD-401S NC K-1, Line 10, OR Form D-403 NC K-1, Line 11.)*

**Line 38b. Non-N.C. Sourced.** North Carolina law also allows a **resident owner** a deduction from federal adjusted gross income for the Owner's distributive share of the PTE's income **not attributable to North Carolina.** In order to be deductible, the income must both be included in the PTE's taxable income reported to another state



or the District of Columbia and subject to an entity-level income tax. **Note:** Because this deduction is based on income not attributable to North Carolina, the PTE will not provide the Owner with the amount of the deduction on the applicable Form NC K-1. However, using an alternative method, the PTE must provide the Owner with the amount of the deduction to take on Line 38b.

**Line 38c.** Add Lines 38a and 38b. Enter the total on Line 38c.

**Line 39. N.C. Net Operating Loss.** North Carolina no longer conforms to the federal net operating loss deduction. If your deductions for tax year 2024 are more than your income for tax year 2024, you may have an N.C. net operating loss. To compute your N.C. net operating loss, use Form NC-NOL, which is available on the Department's website. *(For more information, see the NC NOL Instructions, which are available from the Department's website.)*

**Line 40. Reserved for Future Use.** Do not enter an amount on this line. **Leave the line blank.**

**Important:** The "Reserved for Future Use" line will be used by the Department to accommodate future changes to the 2024 tax return, if applicable. **The unauthorized use of this line may prevent the Department from processing your tax return.**

**Line 41. Total Deductions.** Add Lines 17 through 22, 23f, 24f, 25 through 37, 38c, 39, and 40. Enter the total on Line 41 and on Form D-400, Line 9. **Important:** If you enter an amount on Line 41, you must attach Form D-400 Schedule S to Form D-400. If you do not attach Form D-400 Schedule S to Form D-400, the Department may not be able to process your return.

## Instructions for Form D-400 Schedule A, N.C. Itemized Deductions

You may deduct from federal adjusted gross income **either** the N.C. standard deduction or N.C. itemized deductions even if you did not claim itemized deductions on your federal return. In most cases, your state income tax will be less if you take the larger of your N.C. itemized deductions or your N.C. standard deduction. *(If you choose to claim North Carolina itemized deductions, complete Lines 1 through 10.)*

**N.C. Standard Deduction.** The standard deduction for most individuals can be obtained from the N.C. Standard Deduction Chart on page 14 of these instructions or from the N.C. Standard Deduction Chart printed on Form D-400 Schedule A.

**N.C. Itemized Deductions.** North Carolina itemized deductions are not identical to federal itemized deductions. To determine the amount of N.C. itemized deductions, complete Lines 1 through 10. **Important:** If you deduct N.C. itemized deductions, you must include Form D-400 Schedule A with Form D-400.

**Line 1. Home Mortgage Interest.** Enter the amount allowed as a deduction for interest paid or accrued during tax year 2024 under section 163(h) of the Code with respect to any qualified residence. *(For a definition of qualified residence, see federal publication 936, Home Mortgage Interest Deduction.)*

**Line 2. Real Estate Property Taxes.** Enter the amount allowable as a deduction for property taxes paid or accrued on real estate under IRC section 164 for tax year 2024. An individual that files a joint return, single return, or as head of household may not deduct more than \$10,000 of real estate property taxes while married individuals filing separately may not deduct more than \$5,000.

**Line 3. Home Mortgage Interest and Real Estate Property Taxes**

**before Limitation.** Add Lines 1 and 2 and enter the result on Line 3.

**Line 4. Home Mortgage Interest and Real Estate Property Taxes Limitation.** Statutorily, the sum of qualified mortgage interest and real estate property taxes claimed may not exceed \$20,000. For spouses filing as married filing separately or married filing jointly, the total mortgage interest and real estate property 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 property taxes, the deduction for these items is allowable to the spouse who actually paid them. If the amount of home mortgage interest and real estate property taxes paid by both spouses exceeds twenty thousand dollars (\$20,000), the 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.

**Line 5. Home Mortgage Interest and Real Estate Property Taxes after Limitation.** Compare Line 3 with Line 4 and enter the smaller amount.

**Line 6. Charitable Contributions.** Enter the amount allowed as a deduction for charitable contributions under IRC section 170 for tax year 2024.

**Line 7a. Medical and Dental Expense Before Limitation.** Enter the amount allowed as a deduction for medical and dental expenses under IRC section 213. Do not include on Line 7a items that are not included in federal adjusted gross income. For example, do not include insurance premiums paid by your employer.

**Line 7b. Enter the Amount from Form D-400, Line 6.** If the amount on Line 6 is negative, fill in the circle next to the line to indicate the amount is negative.

**Line 7c. Multiply Line 7b by 7.5% (0.075).** If this amount is zero or less, enter a zero on Line 7c.

**Line 7d. Medical and Dental Expenses after Limitation.** Subtract Line 7c from Line 7a. If Line 7c is more than Line 7a, enter a zero on Line 7d.

**Line 8. Repayment of Claim of Right Income.** You may be entitled to a deduction for the repayment of income included in federal adjusted gross income in an earlier tax year because it appeared that you had an unrestricted right to such income, to the extent the repayment is not deducted in arriving at federal adjusted gross income in 2024. If the repayment is more than \$3,000, the deduction is the amount of repayment. **Note:** If you claimed itemized deductions on your 2024 federal income tax return, enter the amount claimed on federal Schedule A, Line 16. If the repayment is \$3,000 or less, refer to the worksheet below to calculate your deduction.

### Repayment of Claim of Right Worksheet

#### Repayment of amounts under a claim of right if \$3,000 or less:

1. Enter the amount of claim of right income repaid during 2024.....1. \_\_\_\_\_
2. Enter amount from D-400 Line 6, federal adjusted gross income.....2. \_\_\_\_\_
3. Multiply Line 2 by 2% (0.02) (If negative, enter the number zero).....3. \_\_\_\_\_
4. Subtract Line 3 from Line 1. Enter amount on Form D-400, Schedule A, Line 8.....4. \_\_\_\_\_

**Line 9. Reserved for Future Use.** Do not enter an amount on this line. **Leave the line blank.**

**Important:** The "Reserved for Future Use" line will be used by the Department to accommodate future changes to the 2024 tax return, if applicable. **The unauthorized use of this line may prevent the Department from processing your tax return.**

**Line 10. Total N.C. Itemized Deductions.** Add Lines 5, 6, 7d, 8, and 9. This is the amount of North Carolina itemized deductions that you may deduct on Form D-400, Line 11.

**If you claim N.C. itemized deductions, you must attach Form D-400 Schedule A to Form D-400. If you do not attach Form D-400 Schedule A to Form D-400, the Department may not be able to process your return.**

## Instructions for Form D-400 Schedule PN, Part-Year Resident and Nonresident Schedule

If you or your spouse, if married filing jointly, were not a full-year resident of North Carolina during tax year 2024, you must complete Form D-400 PN to determine what percent of your federal gross income, as adjusted, is subject to North Carolina income tax. You are a **"part-year resident"** if you moved to North Carolina and became a resident during the tax year, or you moved out of North Carolina and became a resident of another state during the tax year. You are a **"nonresident"** if you were not a resident of North Carolina at any time during the tax year. (For more information, see "Who Must File a North Carolina Individual Income Tax Return?" on page 5.)

### Part A. Residency Status

You and your spouse, if married filing jointly, must fill in the applicable circle(s) indicating your residency status for tax year 2024. Part-year residents must also enter the dates of North Carolina residency in the boxes provided.

### Part B. Allocation of Income for Part-Year Residents and Nonresidents

**Lines 1 through 15.** In Column A, Lines 1 through 15, enter the income you received from all sources during tax year 2024. (If you filed a 2024 federal income tax return, enter the amounts reported on your federal return.) If married filing jointly, you must include the total income from all sources of both spouses, even if only one spouse is a resident. In Column B, enter the amount of Column A received from North Carolina sources or income received while a resident of North Carolina.

**NOTE:** A part-year resident must include all income received while a resident of North Carolina. This would include income from another state if this income was received while a resident of North Carolina. In addition, a part-year resident receiving partnership income from a partnership doing business in North Carolina and in one or more other states must prorate the partner's share of the partnership's income attributable and not attributable to North Carolina between the partner's periods of residence and non-residence in accordance with the number of days in each period.

**Line 16. Total Income.** For Column A and Column B, add Lines 1 through 15. Enter the total of each column on Line 16.

**Lines 17a through Line 17e. North Carolina Additions to Federal Adjusted Gross Income.** In Column A, enter the amounts entered on Form D-400 Schedule S, Part A, that relate to gross income. In Column B, enter the amount of Column A that is applicable to North Carolina. **Important:** Lines 17a through 17d specifically list N.C. adjustments that are required to be added back to an individual's federal adjusted gross income, when applicable.

Line 17e is a total of several N.C. adjustments specifically listed on Form D-400 Schedule PN-1. Before making an entry on Line 17e, you must review Part A of Form D-400 Schedule PN-1 to determine if you are required to make additional N.C. adjustments that relate to gross income.

**Example:** If you received interest income from obligations of a state other than N.C. of \$1,200 evenly during the year and you became a North Carolina resident on July 1, you should enter \$1,200 on Line 17a of Column A and \$600 on Line 17a of Column B.

**Line 18. Total Additions.** For Column A and Column B, add Lines 17a through 17e. Enter the total of each column on Line 18.

**Lines 19a through 19h. North Carolina Deductions from Federal Adjusted Gross Income.** In Column A, enter the amounts entered on Form D-400 Schedule S, Part B, that relate to gross income. In Column B, enter the amount of Column A that is applicable to North Carolina. **Important:** Lines 19a through 19g specifically list N.C. adjustments that may be deducted from an individual's federal adjusted gross income, when applicable. Line 19h is a total of several N.C. adjustments specifically listed on Form D-400 Schedule PN-1. Before making an entry on Line 19h, you should review Part B of Form D-400 Schedule PN-1, to determine if you are allowed to make additional N.C. adjustments that relate to gross income.

**Line 20. Total Deductions.** For Column A and Column B, add Lines 19a through 19h. Enter the total of each column on Line 20.

**Line 21. Total Income Modified by N.C. Adjustments.** For Column A and Column B, add Line 16 plus Line 18 minus Line 20.

### Part C. Part-Year Residents and Nonresidents Taxable Percentage

**Line 22.** Enter the amount from Column B, Line 21. If the amount on Line 22 is negative, fill in the circle next to the Line to indicate the amount is negative.

**Line 23.** Enter the amount from Column A, Line 21. If the amount on Line 23 is negative, fill in the circle next to the Line to indicate the amount is negative.

**Line 24.** Divide Line 22 by Line 23. This is the percentage of your federal adjusted gross income, as adjusted, that is subject to North Carolina income tax. The resulting percentage may be greater than 100%. Enter the result as a decimal amount; round to four decimal places on Form D-400, Line 13.

**If you enter an amount on Form D-400, Line 13, you MUST attach Form D-400, Schedule PN to Form D-400. If you do not, the Department may be unable to process your return.**

## Instructions for Form D-400 Schedule PN-1, Other Additions and Other Deductions

If you or your spouse, if married filing jointly, are required to file Form D-400 Schedule PN, you must review Form D-400 Schedule PN-1 to determine if you need to report N.C. adjustments that relate to gross income that were not specifically listed on Form D-400 Schedule PN. N.C. adjustments that relate to gross income for tax year 2024 that do not have a designated line on Form D-400 Schedule PN for tax year 2024 are listed on Form D-400 Schedule PN-1 for tax year 2024.

### Part A. Other Additions to Federal Adjusted Gross Income That Relate to Gross Income

**Lines 1 through 11.** In Column A, enter the amount entered on Form D-400 Schedule S, Part A. In Column B, enter the amount of Column A that is applicable to North Carolina. **Important:** Do not enter an amount on Column A, Line 11, or Column B, Line 11. **Leave these lines blank.** These lines will be used by the Department to accommodate future changes to the 2024 tax return, if applicable. **The unauthorized use of these lines may prevent the Department from processing your tax return.**

**Line 12. Total Other Additions.** For Column A and Column B, add Lines 1 through 11. Enter the total of Column A on Line 12 and on Form D-400 Schedule PN, Column A, Line 17e. Enter the total of Column B on Line 12 and Form D-400 Schedule PN, Column B, Line 17e.

### Part B. Other Deductions From Federal Adjusted Gross Income That Relate to Gross Income

**Lines 13 through 29.** In Column A, enter the amount entered on Form D-400 Schedule S, Part B. In Column B, enter the amount of Column A that is applicable to North Carolina. **Important:** Do not enter an amount on Column A, Line 29, or Column B, Line 29. **Leave these lines blank.** These lines will be used by the Department to accommodate future changes to the 2024 tax return, if applicable. **The unauthorized use of these lines may prevent the Department from processing your tax return.**

**Line 30. Total Other Deductions.** For Column A and Column B, add Lines 13 through 29. Enter the total of Column A on Line 30 and on Form D-400 Schedule PN, Column A, Line 19h. Enter the total of Column B on Line 30 and on Form D-400 Schedule PN, Column B, Line 19h.

**If you enter an amount on Form D-400 Schedule PN, Line 17e or Line 19h, you MUST attach Form D-400, Schedule PN-1 to Form D-400. If you do not, the Department may be unable to process your return. Failure to substantiate a tax deduction may result in the disallowance of the deduction.**

## Instructions for Form D-400TC, Individual Income Tax Credits

Form D-400TC and, if applicable, Form NC-478, and Form NC-Rehab must be filed for any taxable year in which you are eligible to claim a tax credit or an installment of a tax credit against your tax liability. This requirement applies even if your tax liability is not large enough for you to benefit from the credit. *(For further information on tax credits, refer to the Department's bulletins for individual income tax available on the Department's website.)*

**If you claim a tax credit on Form D-400, Line 16, you MUST attach Form D-400TC to Form D-400. If you do not, the Department may be unable to process your return. Failure to substantiate a tax credit may result in the disallowance of that credit. For more information on tax credits, see the Department's website.**

### Part 1. Credit for Income Tax Paid to Another State or Country – N.C. Residents Only

When income is taxed by North Carolina for a period during which you were a legal resident of North Carolina and the same income is also taxed by another state or country because it was earned in or derived from sources within that state or country, a tax credit may be claimed, but not on the basis of a withholding statement alone. **Important:** No credit is allowed for income taxes paid to a city, county, or other political subdivision of a state or country or to the federal government. **Nonresidents are not entitled to this tax credit.**

North Carolina residents must complete Form D-400 and calculate North Carolina income tax. Then, complete Part 1 of Form D-400TC to determine the amount of allowable tax credit. **Note:** If you wish to claim a tax credit for taxes paid to more than one state or country, do not complete Lines 1 through 6. Instead, use the "Out-of-State Tax Credit Worksheet" on page 23 to determine the amount of allowable tax credit for each state or country.

**Line 1. Total Income from All Sources while a Resident of N.C. Modified by N.C. Adjustments to Federal Adjusted Gross Income.** Enter on Line 1 the total amount of income from all sources you received while a resident of North Carolina, adjusted by the applicable additions and deductions to federal adjusted gross income that relate to gross income that you listed on Form D-400 Schedule S, Parts A and B. **Important:** If the amount on Line 1 is negative, enter the amount and fill in the circle located next to Line 1 to indicate the amount is negative.

**Line 2. Portion of Line 1 that was Taxed by Another State or Country.** Enter on Line 2 the portion of total income from all sources you received while a resident of North Carolina, adjusted by the applicable additions and deductions to federal adjusted gross income that relate to gross income (from Line 1, above), that was taxed by another state or country. Include on Line 2 your share of any S Corporation income that is attributable to and taxed by another state, whether or not the other state taxed the income at the individual or corporate level.

**Line 3.** Divide Line 2 by Line 1. Enter the result as a decimal amount; round to four decimal places.

**Line 4. Total North Carolina Income Tax.** Enter the amount from Form D-400, Line 15.



**Line 5.** Multiply Line 4 by Line 3

**Line 6. Amount of Net Tax Paid to the Other State or Country on the Income Shown on Line 2.** Enter on Line 6 only the amount of **net tax paid** to another state or country shown on Line 2. The amount of **net tax paid** is any prepayment of tax (tax withheld, estimated income tax payments, amount paid with an extension, etc.) plus any additional tax paid **less any refunds** received or expected to be received. Include on Line 6 the net tax you paid to another state on your share of S Corporation income or your pro rata share of the net corporate tax paid by the S Corporation to another state that taxes the corporation rather than the shareholder. Attach a schedule showing the total amount of tax paid to the other state by the S Corporation, and how your pro rata share of the tax was determined. **Important:** You must attach a copy of the tax return filed with the other state or country and a copy of your check, receipt or other proof showing payment of income tax paid to the other state or country.

**Line 7a. Credit for Income Tax Paid To Another State or Country.** Enter the lesser of Line 5 or Line 6. This is the amount of tax credit for income tax paid to another state or country.

<b>Out-of-State Tax Credit Worksheet</b> <i>(Use a separate worksheet to determine the separate credit for each state or country.)</i>	
1. <b>Total income (loss) from all sources while a resident of N.C.</b> modified by N.C. adjustments to federal gross income .....	1. _____
2. The portion of Line 1 that was taxed by the other state or country .....	2. _____
3. Divide Line 2 by Line 1 and enter the result as a decimal amount <i>(Round to four decimal places)</i> .....	3. _____
4. Enter total North Carolina income tax <i>(From Form D-400, Line 15)</i> .....	4. _____
5. Multiply Line 4 by Line 3 .....	5. _____
6. Amount of net tax paid to the other state or country on the income shown on Line 2 <i>(See above for definition of net tax paid.)</i> .....	6. _____
7. Enter the lesser of Line 5 or Line 6. To determine the total amount of credit for income tax paid to another state or country, add the amount of Line 7 on each worksheet and enter the total on Form D-400TC, Line 7a. <b>On Line 7b, be sure to enter the number of states or countries for which a credit is claimed.</b> .....	7. _____

**Part 2. Credits for Rehabilitating Historic Structures**

**Article 3D - Historic Rehabilitation Tax Credits.** This Article expired for qualified rehabilitation expenditures and rehabilitation expenses incurred by January 1, 2023. *(For additional information on Article 3D credits, see G.S. 105-129.35, G.S. 105-129.36, and the Department's website.)*

**Line 8.** Enter the installment amount of the tax credit for rehabilitating an income-producing historic structure.

**Line 9.** Enter the installment amount of the tax credit for rehabilitating a nonincome-producing historic structure.

**Article 3H - Mill Rehabilitation Tax Credit.** To claim a tax credit for rehabilitating a historic mill facility, an application for an eligibility certification must have been submitted to the State Historic Preservation Officer. *(For additional information on Article 3H credits, see G.S. 105-129.71, G.S. 105-129.72, and the Department's website.)*

**Line 10a.** Enter the amount of qualified rehabilitation expenditures with respect to an income-producing historic mill facility placed in service during tax year 2024. **Important:** Enter the amount of qualifying expenditures only in the first year the credit is taken.

**Line 10b.** Enter the total amount of tax credit for rehabilitating an income-producing historic mill facility.

**Line 11a.** Enter the amount of qualified rehabilitation expenditures with respect to a nonincome-producing historic mill facility placed in service during tax year 2024. **Important:** Enter the amount of qualifying expenditures only in the first year the credit is taken.

**Line 11b.** Enter the installment amount of the tax credit for rehabilitating a nonincome-producing historic mill facility.

**Article 3L - Historic Rehabilitation Tax Credits Investment Program.** Article 3L replaced the historic rehabilitation tax credits generally available under Article 3D. To claim a tax credit under Article 3L, qualified rehabilitation expenditures and expenses must be placed in service during tax year 2024. *(For additional information on Article 3L, see G.S. 105-129.105, G.S. 105-129.106, and the Department's website.)* **Important:** To claim a credit under Article 3L, you must complete Form NC-Rehab and attach Form NC-Rehab to the front of Form D-400.

**Line 12.** Enter the total amount of tax credit for rehabilitating an income-producing historic structure. *(From Form NC-Rehab, Part 4.)*

**Line 13.** Enter the total amount of the tax credit for rehabilitating a nonincome-producing historic structure. *(From Form NC-Rehab, Part 4.)*

### Part 3. Computation of Total Tax Credits to be Taken in Tax Year 2024

**Line 14.** Enter the amount of tax credits carried over from previous tax years. **Important:** Do not include any carryover of income tax credits taken on Form NC-478 or Form NC-Rehab.

**Line 15. Leave the line blank.** This line will be used by the Department to accommodate future changes to the 2024 tax return, if applicable. **The unauthorized use of this line may prevent the Department from processing your tax return.**

**Line 16.** Add Lines 7a, 8, 9, 10b, 11b, 12, 13, 14, and 15.

**Line 17.** Enter the amount of North Carolina income tax (From Form D-400, Line 15).

**Line 18.** Enter the lesser amount of Line 16 or Line 17.

**Line 19.** Enter the total amount of business incentive and energy tax credits taken in 2024. *(Attach Form NC-478 and any required supporting schedules to the front on Form D-400.)*

**Note:** Many of the business incentive and energy tax credits available to individuals are repealed or are designated for sunset. Please refer to each specific Article for details. A taxpayer that qualified for a tax credit that has expired or sunset may continue to take any remaining installments or carryovers in 2024 if the taxpayer continues to meet the statutory eligibility requirements previously required of each particular tax credit. In most cases, the Form NC-478 series is used to calculate and report business incentive and energy tax credits, less the sum of all other credits that the taxpayer claims. *(For additional information on tax credits and to obtain Form NC-478 tax forms, see the Department's website.)*

**Line 20.** Add Lines 18 and 19. **This is the total amount of tax credits to be taken for tax year 2024.** Enter the amount of Line 20 on Form D-400, Line 16. The amount of Line 20 cannot exceed the tax shown due on Form D-400, Line 15.

**The tax credits described in these instructions cannot exceed the tax liability for the tax year, reduced by other tax credits.**

## Instructions for Form D-400 Schedule AM, North Carolina Amended Schedule

### General Instructions

You must file an amended 2024 tax return if:

- (1) You made an error or received additional information after you filed your original 2024 North Carolina income tax return.
- (2) You need to report a N.C. net operating loss.
- (3) The Internal Revenue Service ("IRS") made changes to your 2024 federal return. You must report the changes to the state by filing an amended return within six months from the date you receive a report from the IRS. If you do not amend your state return to reflect the federal changes and the Department receives a report from the IRS, an assessment may be made by the Department within three years from the date of receipt of the report. You also forfeit your right to any refund, which might have been due because of the federal changes.
- (4) You voluntarily filed an amended 2024 federal income tax return with the Internal Revenue Service ("IRS") and the return contains adjustments that increase the amount of your state tax payable. The North Carolina amended return must be filed within six months of filing the federal amended return. If you file the North Carolina amended return within the time required by law, the period for the Department to propose an assessment against you for any tax due is one year after the state amended return is filed or three years after the original return was filed or due to be filed, whichever is later. If you do not file the North Carolina amended return within the time period required by law, the period for the Department to propose an assessment against you for any tax due is three years after the date the federal amended return was filed with the IRS. **Note:** If you voluntarily file an amended federal return with the IRS and the return contains adjustments that decrease the amount of your state tax payable, the state amended return must be filed within the general statute of limitations for refunds. The general statute of limitations for obtaining a refund of an overpayment is the later of the following: (1) three years after the due date of the return, or (2) two years after the payment of the tax. If a valid extension is filed, a refund claimed on an amended return may be filed within three years from the extended due date.

When filing an amended North Carolina individual income tax return, fill in the "Amended Return" circle located at the top right of Form

D-400. Attach Form D-400 Schedule AM to the front of Form D-400. You must attach the following information to your amended return, when applicable, as documentation to support the changes:

- A copy of a federal audit report.
- A copy of federal Form 1040X and supporting federal schedules and forms if changes are also applicable to your federal return.
- W-2 and 1099 statements to verify a change in income tax withheld.
- NC K-1 to verify tax payments made by a pass-through entity.
- Form NC-NOL, Federal Form 1040X or Form 1045, including Schedule A and B, if amending as a result of a N.C. net operating loss.
- Any other required schedule or supporting form.

**If you filed forms D-400 Schedule S, D-400 Schedule A, D-400 Schedule PN, D-400 Schedule PN-1, or D-400TC with your original return, you MUST file these forms with your amended return, even if there are no changes to these forms.**

### Specific Line Instructions

**Form D-400 Schedule AM.** Enter the calendar or other tax year being amended, your name, address, and Social Security number in black or blue ink only. In addition, if you are married filing jointly, enter your spouse's name and Social Security number. If your mailing address has changed since you filed your original 2024 North Carolina income tax return, fill in the applicable circle.

Fill in the circle(s) indicating the reasons you are amending your return and explain in detail the reason for each change. Attach the completed D-400 Schedule AM to Form D-400.

**Form D-400, Lines 1 through 21.** Fill in the appropriate circle indicating the return is an amended return. Make any necessary changes to the original Form D-400 by showing the corrected amounts on Lines 1 through 21.

**Form D-400, Line 22.** Include on Line 22 the amount paid with the original return (Form D-400, line 27) plus the additional tax paid since your original return was filed. If you did not pay the entire balance due shown on your original return, enter the actual amount that was paid. Do not include payments of penalties or interest.

**Form D-400, Line 24.** Include on Line 24 the overpayment, if any, shown on the original return (Form D-400, Line 28). If the overpayment claimed on your original return was previously adjusted by the Department, enter the adjusted overpayment on Line 24. This amount includes any portion that was refunded, applied to any outstanding debt, or to estimated income tax, or contributed to the N.C. Nongame and Endangered Wildlife Fund, the N.C. Education Endowment Fund, or the N.C. Breast and Cervical Cancer Program. **Important:** Do not include interest you received on any refunds.

**Form D-400, Line 29.** If you elected to have your original refund applied to your estimated income tax, do not enter this amount again on Line 29. However, you may elect to have an overpayment from your 2024 amended return applied to your 2025 estimated income tax if your amended return is filed by January 15, 2026.

**Form D-400, Lines 30, 31, and 32.** If you wish to contribute part or all of your overpayment from your 2024 amended return to: (1) the N.C. Nongame and Endangered Wildlife Fund, (2) the N.C. Education Endowment Fund, or (3) the N.C. Breast and Cervical Cancer Program, enter the amount of the contribution on Lines 30 through 32 as applicable. **Important:** If you previously elected to have your original refund applied to the N.C. Nongame and Endangered Wildlife Fund, the N.C. Education Endowment Fund, or the N.C. Breast and Cervical Cancer Program, **do not** enter these amounts again on Lines 30 through 32 since these amounts have already been deducted from your original refund.

**Amended Return Payment Options.** When filing an amended return, individuals that owe additional tax can pay the additional tax due using one of the following options:

- **Pay Online** - You can pay your tax online by bank draft (free), MasterCard or Visa (\$2 convenience fee for every \$100 paid). *(For more information, see the Department's website.)*
- **Payment Voucher** - If you do not pay your tax online, you must **generate a personalized D-400V Amended payment voucher**. The personalized payment voucher is located on the Department's website. The voucher allows the Department to process the amended return payment more accurately and efficiently with fewer errors. Enclose the completed voucher and payment with your amended return. **Do not send cash.** Write your name, address, and the last four digits of your Social Security number(s) on your payment.

## Consumer Use Tax for Taxpayers Who Do Not Have Complete Records of Out-Of-State Purchases

Taxpayers who owe consumer use tax and who do not have any records of out-of-state purchases for tax year 2024 may use the table below to estimate the amount of consumer use tax due for tax year 2024.

If Line 14, D-400 is:			If Line 14, D-400 is:			If Line 14, D-400 is:		
<u>At Least</u>	<u>But Less Than</u>	<u>Use Tax Amount is</u>	<u>At Least</u>	<u>But Less Than</u>	<u>Use Tax Amount is</u>	<u>At Least</u>	<u>But Less Than</u>	<u>Use Tax Amount is</u>
\$ 0	- 2,200	..... \$ 1	\$ 15,600	- 17,000	..... \$ 11	\$ 30,400	- 31,900	..... \$ 21
2,200	- 3,700	..... 2	17,000	- 18,500	..... 12	31,900	- 33,300	..... 22
3,700	- 5,200	..... 3	18,500	- 20,000	..... 13	33,300	- 34,800	..... 23
5,200	- 6,700	..... 4	20,000	- 21,500	..... 14	34,800	- 36,300	..... 24
6,700	- 8,100	..... 5	21,500	- 23,000	..... 15	36,300	- 37,800	..... 25
8,100	- 9,600	..... 6	23,000	- 24,400	..... 16	37,800	- 39,300	..... 26
9,600	- 11,100	..... 7	24,400	- 25,900	..... 17	39,300	- 40,700	..... 27
11,100	- 12,600	..... 8	25,900	- 27,400	..... 18	40,700	- 42,200	..... 28
12,600	- 14,100	..... 9	27,400	- 28,900	..... 19	42,200	- 43,700	..... 29
14,100	- 15,600	..... 10	28,900	- 30,400	..... 20	43,700	- 45,200	..... 30
						45,200 and over		..... Line 14 x .000675

## Consumer Use Worksheet for Taxpayers Who Have Complete Records of Out-of-State Purchases

Taxpayers who owe consumer use tax and who have records of out-of-state purchases for tax year 2024 may use the worksheet below to determine the amount of consumer use tax due for tax year 2024.

- Enter the total amount of out-of-state purchases, including delivery charges, for 1/1/2024 through 6/30/2024..... 1. \_\_\_\_\_
- Multiply Line 1 by 7.5% (.075) in Durham and Orange Counties; 7.25% (.0725) in Mecklenburg and Wake Counties; 7% (.07) in Alexander, Alleghany, Anson, Ashe, Bertie, Buncombe, Cabarrus, Catawba, Chatham, Cherokee, Clay, Cumberland, Davidson, Duplin, Edgecombe, Forsyth, Gaston, Graham, Greene, Halifax, Harnett, Haywood, Hertford, Jackson, Jones, Lee, Lincoln, Madison, Martin, Montgomery, Moore, New Hanover, Onslow, Pasquotank, Pitt, Randolph, Robeson, Rockingham, Rowan, Rutherford, Sampson, Stanly, Surry, Swain, and Wilkes Counties; and 6.75% (.0675) in all other counties, and enter the amount..... 2. \_\_\_\_\_
- Enter the total amount of out-of-state purchases, including delivery charges, for 7/1/2024 through 12/31/2024..... 3. \_\_\_\_\_
- Multiply Line 3 by 7.5% (.075) in Durham and Orange Counties; 7.25% (.0725) in Mecklenburg and Wake Counties; 7% (.07) in Alexander, Alleghany, Anson, Ashe, Bertie, Buncombe, Cabarrus, Catawba, Chatham, Cherokee, Clay, Cumberland, Davidson, Duplin, Edgecombe, Forsyth, Gaston, Graham, Greene, Halifax, Harnett, Haywood, Hertford, Jackson, Jones, Lee, Lincoln, Madison, Martin, Montgomery, Moore, New Hanover, Onslow, Pasquotank, Pitt, Randolph, Robeson, Rockingham, Rowan, Rutherford, Sampson, Stanly, Surry, Swain, Washington, and Wilkes Counties; and 6.75% (.0675) in all other counties, and enter the amount ..... 4. \_\_\_\_\_
- Enter the amount of sales tax legally and properly paid to another state on the purchases. This amount may not exceed the total of Lines 2 and 4 ..... 5. \_\_\_\_\_
- Add Lines 2 and 4, then subtract Line 5 and enter the result, rounded to the nearest whole dollar, here and on Form D-400, Line 18 ..... 6. \_\_\_\_\_

### Mailing Address

#### For Original Returns Only:

If you are due a refund: ⇒ N.C. Department of Revenue  
P.O. Box R  
Raleigh, NC 27634-0001

If you are not due a refund: ⇒ N.C. Department of Revenue  
P.O. Box 25000  
Raleigh, NC 27640-0640

#### For Amended Returns Only:

N.C. Department of Revenue, P.O. Box 25000, Raleigh, NC 27640-0640

### Property for Sale

Looking for a bargain on good used vehicles, furniture, appliances, tools, and jewelry? Visit [ncdor.gov/seized-property-auctions-collection-division](http://ncdor.gov/seized-property-auctions-collection-division) and click on **Vehicles and Property Available for Auction.**

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