Dear Volunteer,

I would like to take this opportunity to express my gratitude for your service to the Volunteer Income Tax Assistance and the Tax Counseling for the Elderly programs for the 2015 tax season. The time and energy you provide in meeting the needs of North Carolina’s elderly, handicapped, and low to moderate income citizens are essential as many of these individuals are unable to afford a paid preparer.

The North Carolina Department of Revenue is committed to the volunteer tax assistance program. We could not accomplish our goal without your unselfish efforts. I commend your willingness to help those in need and trust that you will find the experience rewarding.

On behalf of the Department of Revenue, thank you for serving as a volunteer during the tax season. You are appreciated!

Very truly yours,

Lyons Gray
Secretary
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Note
The information contained in this manual is to be used as a guide in the preparation of a North Carolina individual income tax return and is not intended to cover all provisions of the law.

Purpose
This manual is designed to teach you how to complete the 2015 North Carolina individual income tax return, Form D-400. It will guide you step by step through the return. This should also serve as a reference guide once you begin offering volunteer assistance to taxpayers.

For volunteers participating in the VITA (Volunteer Income Tax Assistance) and the TCE (Tax Counseling for the Elderly) programs, it is very important for you to assist only with returns and supporting schedules and forms for which you have been trained. Refer taxpayers with difficult returns or portions of returns that are beyond the scope of your training to the nearest North Carolina Department of Revenue office.

Confidentiality and Integrity
As a volunteer tax assistor, you have a special public trust to maintain the integrity of our tax system. The public places a high level of confidence in you; therefore, you MUST NOT disclose any tax return information you learn as a result of the assistance provided.

Quality
Providing quality service to taxpayers is our goal. Therefore, accuracy in completing tax returns is essential. The following list suggests some ways to ensure that each return is prepared correctly:

✔ Use a calculator to verify your math.
✔ Refer to your training manual and job aids for help with complicated topics.
✔ Use the checklists and worksheets provided.
✔ Consult with other, more experienced, volunteers at your site.
✔ Call the Department of Revenue’s taxpayer assistance number at 1-877-252-3052.

Forms
The Department of Revenue VITA/TCE coordinator for your area will provide all the forms needed for your site at the beginning of the filing season. Call your coordinator if additional forms are needed. Please contact Jonetta Appling at (336) 487-0203 for the name of the Department of Revenue VITA/TCE coordinator in your area.
Change in Tax Rate - The individual income tax rate is reduced to a flat 5.75 percent for tax years beginning on or after January 1, 2015.

New Deduction for Compensation Received from the Eugenics Sterilization Compensation Fund - A deduction may be claimed for the amount of compensation received from the Eugenics Sterilization Compensation Fund as compensation received under the Eugenics Asexualization and Sterilization Compensation Program, to the extent the compensation is included in federal adjusted gross income. The deduction is claimed on Form D-400 Schedule S, Part B, Line 11, Other Deductions from Federal Adjusted Gross Income.

Changes to N.C. Itemized Deductions – N.C. itemized deductions now include medical and dental expenses.

New for Tax Year 2015 – An amended return indicator has been added to Form D-400. To amend your 2015 individual income tax return, you must use Form D-400 for tax year 2015, fill in the circle indicating Amended Return, and complete and attach Form D-400 Schedule AM, 2015 North Carolina Amended Schedule, to the front of Form D-400. Note: Beginning with the tax year 2015, you no longer use a separate tax form (Form D-400X) to amend your original return. All changes will be made on Form D-400. For further information, see Page 17 of Form D-401, Instructions for Filing 2015 Amended Returns.
This section will discuss general information as to who should file a North Carolina income tax return, residency requirements, which tax forms to use as well as when tax returns are due and other general information.

**Who should file a North Carolina 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 has its own standard deduction and no longer allows a personal exemption allowance.

The following individuals are required to file a North Carolina individual income tax return:

a. Every resident of North Carolina whose income for the taxable year exceeds the amount for his filing status shown in the Filing Requirements Chart on the following page.

b. Every part-year resident who received income while a resident of North Carolina or who received income while a nonresident attributable to the ownership of any interest in real or tangible personal property in North Carolina or derived from a business, trade, profession, or occupation carried on in North Carolina, or is derived from gambling activities in North Carolina and whose total income for the taxable year exceeds the amount for his filing status shown in the Filing Requirements Chart on the following page.

c. Every nonresident who received income for the taxable year from North Carolina sources that was attributable to the ownership of any interest in real or tangible personal property in North Carolina or derived from a business, trade, profession, or occupation carried on in North Carolina, or is derived from gambling activities in North Carolina and whose total income from all sources both inside and outside of North Carolina exceeds the amount for his filing status shown in the Filing Requirements Chart on the following page.

d. If a taxpayer had North Carolina income tax withheld during 2015, but his income is below the amount required for filing as shown in the Filing Requirements Chart, the taxpayer must still file a return to receive a refund of the tax withheld.

Note: There is no additional N. C. standard deduction available for taxpayers age 65 or older or blind. Also, there is no longer a separate chart for children and other dependents.

If an individual was not required to file a federal income tax return but had gross income inside and outside North Carolina that exceeds the amount for his filing status shown in the Filing Requirements Chart, a federal return must be completed and attached to the North Carolina return to show how the negative federal adjusted gross income was determined.

Gross income means all income a taxpayer received in the form of money, goods, property, and services that is not exempt from tax. It also includes income from sources outside the United States.

When using this chart, do not include social security benefits as gross income.
Is the taxpayer a resident or a nonresident?
The taxpayer is a North Carolina resident, even if he lives outside North Carolina, when:

1) The taxpayer thinks of North Carolina as his permanent home; AND
2) North Carolina is the center of the taxpayer’s financial, social and family life; AND
3) North Carolina is the place to which the taxpayer intends to return when the taxpayer is away.

The taxpayer is a nonresident if the taxpayer’s permanent home is outside North Carolina all year and none of the above applies to the taxpayer.

Listed below are some of the tests or factors to be considered in determining the legal residence of an individual for income tax purposes. Some factors are more important than others, and fulfilling a few does not necessarily mean a change in domicile has occurred. As implied by the list of factors below, an individual's legal state of residence is reflected more by the routine events of life than by events such as voting or getting a driver's license which may occur only every four or eight years.

1. Place of birth of the taxpayer, the taxpayer’s spouse, and the taxpayer’s children.
2. Permanent residence of the taxpayer’s parents.
3. Family connections and close friends.
4. Address used for federal tax returns, military purposes, passports, driver’s license, vehicle registrations, insurance policies, professional licenses or certificates, subscriptions for newspapers, magazines, and other publications, and monthly statements for credit cards, utilities, bank accounts, loans, insurance, or any other bill or item that requires a response.
5. Civic ties, such as church membership, club membership, or lodge membership.
6. Professional ties, such as licensure by a licensing agency or membership in a business association.
7. Payment of state income taxes.
8. Place of employment or, if self-employed, place where business is conducted.
9. Location of healthcare providers, such as doctors, dentists, veterinarians, and pharmacists.
10. Voter registration and ballots cast, whether in person or by absentee ballot.
11. Occasional visits or spending one’s leave “at home” if a member of the armed services.
12. Ownership of a home, insuring a home as a primary residence, or deferring gain on the sale of a home as a primary residence.
13. Location of pets.
14. Attendance of the taxpayer or the taxpayer’s children at State supported colleges or universities on a basis of residence – taking advantage of lower tuition fees.
15. Location of activities for everyday “hometown” living, such as grocery shopping, haircuts, video rentals, dry cleaning, fueling vehicles, and automated banking transactions.

16. Utility usage, including electricity, gas, telecommunications, and cable television.

**What is the taxpayer’s status if he moves into or out of North Carolina during 2015?**

The taxpayer would be considered a part-year resident. As a part-year resident, the taxpayer must complete Lines 21 through 23 on Form D-400 Schedule S, Part D.

Listed below are some of the events indicating when residency changes:

1. Selling a house and buying a new one.
2. Directing the U.S. Postal Service to forward mail to a new address.
3. Notifying senders of statements, bills, subscriptions, and similar items of a new address.
4. Transferring family medical records to a new healthcare provider.
5. Registering a vehicle in a new jurisdiction.
6. Transferring memberships for church, a health club, a lodge, or a similar activity.
7. Applying for professional certifications in a new jurisdiction.

**The taxpayer is a full-year North Carolina resident but the spouse is not. How should they file?**

In the case of a taxpayer who filed a joint federal return but whose spouse is a nonresident of North Carolina and had no North Carolina taxable income, you may prepare a joint State return for the taxpayer. However, the taxpayer still has the option of filing the State return as married filing separately.

Once taxpayers file a joint return, they cannot choose to file separate returns for the same tax year after the due date of the return. If the taxpayer chooses to file a separate North Carolina return you must complete either a federal return as married filing separately reporting only the taxpayer’s income and deductions or a schedule showing the computation of the taxpayer’s separate income and deductions and attach it to the taxpayer’s North Carolina return. You must also include a copy of the taxpayer’s joint federal return unless the federal return reflects a North Carolina address.

**What is the residency status of a taxpayer who is in the armed forces?**

A legal resident of North Carolina serving in the United States Armed Forces is liable for North Carolina income tax and North Carolina income tax should be withheld from the taxpayer’s military pay whether the taxpayer is stationed in this State or in some other state or country.

An individual who enters military service while a resident of North Carolina is presumed to be a resident of this State for income tax purposes. Residency in this State is not abandoned until a definite residence is established elsewhere. To change residency, the serviceman must not only be present in the new location with the intention of making it his domicile, but must also factually establish that he has done so.

A member of the armed forces who is a legal resident of another state stationed in North Carolina by virtue of military orders is not subject to North Carolina income tax on his service pay, but other income from employment, a business, or tangible property in North Carolina is subject to North Carolina income tax.
The taxpayer is in the armed forces and the taxpayer and spouse are nonresidents. Will the spouse’s North Carolina income be taxed in North Carolina?

The Military Spouses Residency Relief Act of 2009 prohibits North Carolina from taxing the income earned for services performed in North Carolina by a spouse of a service member stationed in North Carolina if (1) the service member is present in North Carolina solely in compliance with military orders; (2) the spouse is in North Carolina solely to be with the service member; and (3) the spouse is domiciled in the same state as the service member. If all three of the conditions are met, an employer is not required to withhold North Carolina tax from wages paid to such military spouses. The spouse’s income earned in North Carolina will be taxed by his/her state of residency.

What form should the taxpayer use?

All taxpayers (including part-year residents and nonresidents) must file their income tax return on Form D-400. If a taxpayer has additions to or deductions from federal adjusted gross income, or claiming N.C. itemized deductions, or computing North Carolina taxable income for part-year residents/nonresidents, complete and attach Schedule S, North Carolina Supplemental Schedule to Form D-400. When taxpayers claim a tax credit on Line 16 of their North Carolina income tax return, be sure to include Form D-400TC.

When must the tax return be filed?

Returns filed on a calendar year basis are due on or before April 15 of the following year. However, for tax year 2015, returns for calendar year 2015 are due Monday, April 18, 2016, because April 15 is the Emancipation Day holiday observed in the District of Columbia.

Returns for fiscal year tax periods are due on or before the 15th day of the fourth month following the close of the taxpayer’s tax year. When the due date falls on a Saturday, Sunday, or holiday, the return is due on or before the next business day. Identify the fiscal year at the top of Form D-400 in the space provided. Taxpayers filing on a fiscal year basis should use a form for the tax year in which their fiscal year begins.

What if the taxpayer needs more time to file?

If the taxpayer needs more time to file the North Carolina return, an automatic six-month extension of time to file the return will be granted if you do the following:

- Properly estimate the taxpayer’s 2015 tax liability using the information available to you,
- Enter the tax liability on Line 1 of Form D-410, AND
- File Form D-410 by the regular due date of the taxpayer’s return. (Federal Extension Form 4868 is NOT acceptable.)

The taxpayer is not required to send a payment of the tax estimated to be due with the extension form. However, because an extension of time to file the return does not extend the time for paying the tax, it will benefit the taxpayer to pay as much as he can. If the tax due is not paid by the original due date, interest will be due on the unpaid amount. A late-payment penalty may also be charged if an additional payment is required. To avoid the penalty, the taxpayer must:

1) Pay at least 90 percent of the tax by April 18, 2016, AND
2) Pay the additional balance, if any, with the return within the extended time period.
**When should an amended North Carolina return be filed?**

The taxpayer may file an amended return to correct his North Carolina return. Generally, if the taxpayer amends his federal return, he will need to amend his State return. A taxpayer may amend his return by filing Form D-400 and filling in the circle indicating Amended Return and also completing Form D-400 Schedule AM, 2015 North Carolina Amended Schedule.

The taxpayer may apply for a refund on an amended return within three years after the date the original return was due to be filed or within two years after the tax was paid, whichever is later. However, if the taxpayer filed a valid extension with the Department of Revenue, that individual may apply for a refund on an amended return within three years of the extended due date.

Special rules extend the time for filing refund claims beyond the normal three-year statute of limitations for overpayments attributable to (1) federal determination, (2) worthless debts or securities, (3) capital loss carrybacks, (4) net operating loss carrybacks, or (5) contingent events or an event or condition other than a contingent event. If a taxpayer files a timely return reflecting a federal determination, the period of time for requesting a refund is one year after the return reflecting the federal determination is filed or three years after the original return was filed or due to be filed, whichever is later. For overpayments resulting from worthless debts or securities, the period of time for requesting an overpayment is seven years; for overpayments resulting from capital loss or net operating loss carrybacks, the period of time is three years from the due date of the return for the year in which the loss was incurred rather than three years from the due date of the return for the year to which the loss is carried back. If an individual is subject to a contingent event or an event or condition other than a contingent event and files notice with the Secretary of Revenue, the period to request a refund of an overpayment is six months after the event concludes. For more specific guidance regarding exceptions to the General Statute of Limitations for certain events, please refer to our website at: [http://www.dornc.com/taxes/certainevents.html](http://www.dornc.com/taxes/certainevents.html). Amended returns showing additional tax due should be filed and the tax and interest paid as soon as the additional tax is determined to avoid additional interest charges.

A refund will not be issued for requests not received within the time prescribed.

**What if the taxpayer moves?**

If the taxpayer moves, the taxpayer should notify the North Carolina Department of Revenue of the new address by writing to:

N. C. Department of Revenue  
Customer Service  
Post Office Box 1168  
Raleigh, NC  27602-1168

The taxpayer should include his name, social security number and new address. This will ensure that the taxpayer receives a timely refund.

**What if the taxpayer dies?**

The spouse or personal representative of an individual who died prior to filing a return may be required to file a return on the decedent’s behalf. If so, enter the date of death in the applicable box on Page 1 of Form D-400 to indicate the return is being filed for a deceased individual. If a court-appointed representative is filing the return, attach a copy of the certificate that shows the appointment. A refund due on a return filed for a deceased taxpayer by a person other than a surviving spouse, executor, administrator or a court-appointed representative will be mailed to the Clerk of Superior Court of the county in which the taxpayer resided.
This section of the manual explains how to complete certain sections of the North Carolina individual income tax return as well as what to do when the return is completed. The following information applies to ALL North Carolina individual income tax returns.

**IMPORTANT:** The taxpayer’s federal return must be completed before beginning the North Carolina return.

**Name, address and social security number**
After completing the taxpayer’s federal return, print the taxpayer’s name, address, and social security number in the appropriate boxes.

Please pay special attention to the questions regarding a deceased taxpayer or taxpayer’s spouse and residency status. Indicate in the “Deceased Taxpayer Information” section if the return is being filed for a deceased taxpayer or the taxpayer's deceased spouse. Please fill in the circle if the return is filed and signed by an executor or administrator. Please also indicate the taxpayer’s residency status in the “Residency Status” section.

**N.C. Education Endowment Fund**
The taxpayer may contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all of his overpayment to the Fund. To make a contribution, simply enclose Form NC-EDU with the taxpayer’s payment. If the taxpayer owes additional tax due on his return and would also like to make a contribution to the fund, he may write one check and enclose the check with both Form NC-EDU and Form D-400V. The taxpayer’s election to contribute to the Fund cannot be changed after he files his return. Additional contributions to the Fund may be made by mailing the contribution directly to the North Carolina Department of Public Instruction, Cash Collections, 6331 Mail Service Center, Raleigh, North Carolina 27699-6331. Checks should be made payable to “North Carolina Department of Public Instruction” with an indication either on the check or in an attached note that it is a contribution for the NC Education Endowment Fund.

**Filing status**
Generally, the taxpayer must claim the same filing status that is claimed on the taxpayer’s federal return. Be sure to fill in only one circle.

**Exception:** In the case of a taxpayer who filed a joint federal return but whose spouse is a nonresident of North Carolina and had no North Carolina taxable income, they may file a joint State return. The taxpayer still has the option of filing the State return as married filing separately. If the taxpayer chooses to file the return as married filing separately, you must complete either a federal return as married filing separately reporting only the taxpayer’s income and deductions or a schedule showing the computation of the taxpayer’s separate income and deductions and attach it to the North Carolina return. You must also include a copy of the taxpayers’ joint federal return unless the federal return reflects a North Carolina address.

If the taxpayer is married and filing a joint return, be sure to include the spouse’s name and social security number on the return. If the taxpayer is married and filing a separate return, enter only the taxpayer’s name, address, and social security number at the top of the return and enter the spouse’s name
and social security number in the space provided in the “Filing Status” section of the return next to Line 3, “Married Filing Separately”.

**Rounding off cents to the nearest whole dollar**
North Carolina requires you to round off cents to the nearest whole dollar. You must drop amounts less than 50 cents and increase amounts of 50 to 99 cents to the next dollar.

Examples:
- $2.15 would be decreased to $2.00
- $4.75 would be increased to $5.00
- $3.50 would be increased to $4.00

**Signing the return**
The taxpayer must sign and date the return on page 2 of Form D-400. If the taxpayer is filing a joint return, the spouse must also sign the return even if only one of them had income. The spouse whose name appears on the return first should sign the return in the first space. The order of entering the taxpayers’ names at the top of the return is not important, but make sure the social security numbers correspond with the names and that the taxpayers sign in the correct order. Please include the taxpayer’s home phone number in the space provided under the signature. This will facilitate contact with the taxpayer if the Department of Revenue has questions regarding the return.

**Preparer’s signature**
Generally, individuals who are paid to prepare income tax returns are required by law to sign and date the return and to provide a taxpayer identification number. Individuals participating in the VITA or TCE program should indicate in bold letters VITA or TCE, date the return, and also identify the site where the return was prepared in the “Preparer’s Signature” section of the tax return.

**Assembling the return**
Staple the State’s copy of all original, or a copy of the original, wage and tax statements (W-2s), 1099 statements, or other statements verifying North Carolina income tax withheld, and a 1099-R verifying the Bailey retirement deduction, if applicable, in the bottom left margin of the return as indicated. Be sure to include Form D-400TC if any tax credits are claimed.

If a payment is due, do not staple, tape, paperclip, or otherwise attach the payment or voucher to the return or to each other. For additional information regarding a payment due, please see “How to pay the tax” on the next page.

**On-site quality review**
The volunteer should review the return for accuracy and completeness. Properly reviewed returns will help prevent taxpayers from receiving an error notice from the Department of Revenue. The following checklist should be used as a guideline for your review of the return.

- ✗ Are the name(s), address, social security number(s), county, and telephone number of the taxpayer(s) properly reflected on the return?
- ✗ Are the questions answered correctly in the circles under the name and address section?
- ✗ Is the filing status the same as the one checked on the federal return (unless the exception applies)?
- ✗ Has the federal adjusted gross income from the federal return been correctly transferred?
✓ Has the correct North Carolina tax been determined?

✓ Has the North Carolina withholding tax been correctly transferred from the W-2 form(s) or 1099 statement(s)?

✓ Is the refund or balance due calculated correctly?

✓ Did the taxpayer(s) sign and date the return?

✓ Did the volunteer indicate the return was prepared by VITA or TCE, date the return, and identify the VITA site?

✓ Are all required forms and/or schedules attached to the return?

How to pay the tax
The taxpayer can pay the tax by check or money order, payable in U.S. currency to the North Carolina Department of Revenue. The taxpayer should not send cash by mail. 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 taxpayer should also indicate his social security number and the type of return being filed, such as “2015 Form D-400,” on the payment. The taxpayer’s name and address should be included on the payment. If the taxpayer is filing a joint return, the payment should include both social security numbers in the order they appear on the return. To generate a personalized payment voucher Form D-400V, go to the Department’s website at www.dornc.com and click on eServices. Enclose the voucher with the return and payment. The taxpayer can also pay online by bank draft or credit or debit card using Visa or MasterCard.

Mailing the return
After the State tax return has been completed and reviewed, return it to the taxpayer for signing and mailing. YOU MUST NOT BE RESPONSIBLE FOR MAILING ANY TAXPAYER’S RETURN.

Please advise the taxpayer to make a copy of the completed return along with all supporting documents before mailing and to keep the copy for at least three years. Advise the taxpayer to mail the original forms. Photocopies are not acceptable.

Also remind the taxpayer that the return (or application for an extension) must be mailed no later than April 18, 2016.

Inform the taxpayer to mail the return to one of the following addresses:

**Refunds:**
North Carolina Department of Revenue  
P.O. Box R  
Raleigh, NC  27634-0001

**All Other Returns:**
North Carolina Department of Revenue  
P.O. Box 25000  
Raleigh, NC  27640-0640
Refunds
Taxpayers may inquire about their refund by calling the Department toll-free at 1-877-252-4052. This automated telephone service is available 24 hours a day seven days a week. The taxpayer will need to know the first social security number and the exact amount of refund shown on the return when calling. Taxpayers may also check the status of their refund at www.dornic.com.
North Carolina Individual Income Tax Return

Generally, you will check the same filing status you checked on the federal return. Above the “Filing Status” section there is a circle that you should fill in to indicate if the taxpayer(s) was a resident of North Carolina for the entire 2015 tax year. If the taxpayer(s) was not a resident for the entire tax year, you must complete Lines 21 through 23 of Part D on Form D-400 Schedule S, 2015 North Carolina Supplemental Schedule.

**Line 6  Federal Adjusted Gross Income**
Enter the taxpayers’ federal adjusted gross income from their federal return. If the federal adjusted gross income is a negative amount, enter the negative amount and fill in the circle to indicate the amount is negative.

**Line 7  Additions to Federal Adjusted Gross Income**
Lines 1 through 4 of Form D-400, Schedule S, 2015 North Carolina Supplemental Schedule should be completed if applicable. Enter the total additions from Line 4, Form D-400, Schedule S on Line 7.

**Line 8  Add Lines 6 and 7.**

**Line 9  Deductions from Federal Adjusted Gross Income**
Lines 5 through 12, of Form D-400, Schedule S, 2015 North Carolina Supplemental Schedule should be completed if applicable. Enter the total deductions from Line 12, Form D-400, Schedule S on Line 9.

**Line 10  Subtract Line 9 from Line 8.**

**Line 11  N.C. Standard Deduction or N.C. Itemized Deduction**
A taxpayer may deduct either the N.C. standard deduction amount for that taxpayer’s filing status or the N.C. itemized deductions amount. If the taxpayer is (1) married filing a separate return for North Carolina income tax purposes and the spouse itemizes deductions, (2) a nonresident alien, or (3) filing a short-year return because of a change in the taxpayer’s accounting period, the taxpayer is not entitled to the N. C. standard deduction.
North Carolina Standard Deduction
Use the chart below to determine the taxpayer’s North Carolina standard deduction to be entered on Line 11.

<table>
<thead>
<tr>
<th>N. C. STANDARD DEDUCTION CHART</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>If the taxpayer’s filing status is:</strong></td>
</tr>
<tr>
<td>• Single</td>
</tr>
<tr>
<td>• Head of household</td>
</tr>
<tr>
<td>• Qualifying widow(er)</td>
</tr>
<tr>
<td>• Married filing jointly</td>
</tr>
<tr>
<td>• Married filing separately:</td>
</tr>
<tr>
<td>If taxpayer’s spouse does not claim itemized deductions</td>
</tr>
<tr>
<td>If taxpayer’s spouse claims itemized deductions</td>
</tr>
</tbody>
</table>

North Carolina Itemized Deductions (See Form D-400, Schedule S, 2015 North Carolina Supplemental Schedule)
No itemized deductions included on federal Form 1040 (Schedule A) are allowed as N.C. itemized deductions except qualified home mortgage interest, real estate property taxes, charitable contributions, and medical and dental expenses.

The sum of qualified home mortgage interest and real estate property taxes claimed, under sections 163(h) and 164 of the Code, respectively, may not exceed twenty thousand dollars ($20,000). For spouses filing as married filing separately or married filing jointly, the total home mortgage interest and real estate taxes claimed by both spouses combined may not exceed twenty thousand dollars ($20,000). For spouses filing as married filing separately with a joint obligation for home mortgage interest and real estate taxes, the deduction for these items is allowable to the spouse who actually paid them. If the amount of the home mortgage interest and real estate taxes paid by both spouses exceeds twenty thousand dollars ($20,000), these deductions must be prorated based on the percentage paid by each spouse. For joint obligations paid from joint accounts, the proration is based on the income reported by each spouse for that taxable year. Charitable contributions allowed as a deduction under section 170 of the Code are allowed without limitation. Medical and dental expenses allowed as a deduction under section 213 of the Code are deductible (from Line 4 of Schedule A, federal Form 1040).

The N.C. itemized deductions are not subject to the overall limitation on itemized deductions under section 68 of the Code.

**Line 12** Subtract Line 11 from Line 10.
Part-year Residents and Nonresidents (See Part D of Form D-400, Schedule S, 2015 North Carolina Supplemental Schedule)

Part-year residents and nonresidents receiving income from North Carolina sources must determine the portion of their federal gross income that is subject to North Carolina income tax. Complete Lines 21 through 23 from Part D of Form D-400, Schedule S, 2015 North Carolina Supplemental Schedule and enter the decimal amount (rounded to four decimal places) from Line 23 on Line 13.

**Line 14 North Carolina Taxable Income**

Full-year residents enter the amount from Line 12 on Line 14.

Part-year residents and nonresidents must multiply the amount on Line 12 by the decimal amount on Line 13 and enter the result on Line 14.

**Line 15 North Carolina Income Tax**

To calculate your tax, multiply your North Carolina taxable income on Line 14 by 5.75% (0.0575).

**Line 16 Tax Credits**

Enter amount from Line 19, Part 3, of Form D-400TC, 2015 Individual Tax Credits.

**Line 17 Subtract Line 16 from Line 15.**

**Line 18 Consumer Use Tax**

The use tax is to be reported on the income tax return if the taxpayer made purchases outside the state for use inside the state. See page 9 of the individual income tax instruction booklet for instructions on how to compute the consumer use tax. If the taxpayer certifies that no consumer use tax is due, the circle on Line 18, Form D-400 must be filled in.

**Line 19 Add Lines 17 and 18**

**Line 20 North Carolina Income Tax Withheld**

The North Carolina income tax withheld from wages is reflected on the taxpayer’s wage and tax statement, Form W-2, under “State Income Tax”. State withholding on pension income is reflected on Form 1099-R. Enter the total North Carolina tax withheld on Lines 20a and 20b. If completing a joint return, enter the tax withheld on Lines 20a and 20b in the same order as the names are listed in the name and address section. If the taxpayer was a nonresident who received compensation for personal services in North Carolina, you should enter the North Carolina income tax withheld shown in Box 2 of Form NC-1099PS on Lines 20a and 20b.

Do not include income tax withheld for a state other than North Carolina or any other amounts that were withheld, such as social security tax or federal income tax withheld.

Be sure to attach all original wage and tax statements, 1099 statements, or other statements to verify the amount of North Carolina withholding tax claimed on Lines 20a and 20b.

**Line 21 Other Tax Payments**

a) If the taxpayer prepaid his 2015 income tax by making estimated tax payments, enter on this line the total estimated tax payments the taxpayer made for 2015, including any portion of the 2014 refund that was applied to estimated tax for 2015.
b) Paid with Extension - If the taxpayer requested an extension of time to file the return, enter on this line any amount paid with the extension.

c) Partnership - If the taxpayer was a nonresident partner, enter the share of tax paid to North Carolina by the manager of the partnership on the taxpayer’s distributive share of the partnership’s income. Include with the return a copy of Form NC K-1 for Form D-403 provided by the partnership to verify the amount claimed.

d) S Corporation - If the taxpayer was a nonresident shareholder in an S corporation, enter the tax paid to North Carolina by the S corporation on the taxpayer’s distributive share of the S corporation’s income. Include with the return a copy of Form NC K-1 for Form CD-401S provided by the S corporation to verify the amount claimed.

**Line 22 Amended Returns Only – Previous Payments**

Only complete this line if amending the 2015 return. Please see Amended Returns in the instructions, Form D-401.

**Line 23 Total Payments**

Add Lines 20a through 22 and enter the total on Line 23.

**Line 24 Amended Returns Only – Previous Refunds**

Only complete this line if amending the 2015 return. Please see Amended Returns in the instructions, Form D-401.

**Line 25 Subtract Line 24 from Line 23**

**Line 26a** If Line 19 is more than Line 25, subtract and enter the result.

**Line 26b and 26c Penalties and Interest**

See Penalties and Interest beginning on page 6 of the individual income tax instruction booklet to determine if any penalties apply to the taxpayer or if the taxpayer owes interest.

**Line 26d** Add Lines 26b and 26c and enter the total on Line 26d.

**Line 26e Interest on the Underpayment of Estimated Income Tax**

The taxpayer may owe interest if he underpaid his estimated tax for any payment period. The taxpayer will not owe underpayment interest if he had no tax liability in the prior year or if this year’s tax liability, less any amount withheld, is less than $1,000. Nor will he owe the underpayment interest if he is a farmer or fisherman and pays the tax due by March 1, 2016. Complete Form D-422 to see if the taxpayer owes this interest. Enter the interest on Line 26e. The underpayment interest will increase the taxpayer’s tax liability or reduce his overpayment.

**Exception to Underpayment of Estimated Tax**

- Enter an “F” in the box labeled Exception to underpayment of estimated tax if the taxpayer is a farmer or fisherman. The taxpayer is a farmer or fisherman if he received at least two-thirds of his gross income for the year from farming or fishing.
- Enter an “A” in the box if the taxpayer completed Form D-422A, Annualized Income Installment Worksheet, in determining the amount to enter on Line 26e.
**Line 27  Pay this Amount**
Add Lines 26a, 26d, and 26e and enter the total on Line 27. This is the total tax, penalties, and interest due.

**Line 28  Overpayment**
If Line 19 is less than Line 25, subtract and enter the overpayment.

**Line 29  2016 Estimated Income Tax**
The taxpayer may elect to apply all or any portion of the 2015 overpayment on line 28 to the 2016 estimated tax account. Enter the amount on this line. The election cannot be changed after the return is filed.

**Line 30  N. C. Nongame and Endangered Wildlife Fund**
If the taxpayer elects to contribute all or a portion of the overpayment to the North Carolina Nongame and Endangered Wildlife Fund, enter the amount of the contribution. The election to contribute to the Fund cannot be changed after the return is filed. If the taxpayer is not due a refund, he may still contribute to this Fund by donating online or mailing his 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 Nongame & Endangered Wildlife Fund. For more information about the Fund or to donate online, check out [www.ncwildlife.org/give](http://www.ncwildlife.org/give).

**Line 31  N. C. Education Endowment Fund**
If the taxpayer wishes to contribute all or part of his refund to the N.C. Education Endowment Fund, enter the amount of his contribution on Line 31. The election to contribute to the Fund cannot be changed after the return is filed. Additional contributions to the Fund may be made by mailing the contribution directly to the North Carolina Department of Public Instruction, Cash Collections, 6331 Mail Service Center, Raleigh, North Carolina 27699-6331. Checks should be made payable to “North Carolina Department of Public Instruction” with an indication either on the check or in an attached note that it is a contribution for the NC Education Endowment Fund.

**Line 32  Add Lines 29, 30, and 31 and enter the total.**

**Line 33  Amount to be Refunded**
Subtract Line 32 from Line 28 and enter the amount to be refunded.
FORM D-400 SCHEDULE S NORTH CAROLINA
SUPPLEMENTAL SCHEDULE

Form D-400, Schedule S, North Carolina Supplemental Schedule contains four Parts: Part A, Additions to Federal Adjusted Gross Income; Part B, Deductions from Federal Adjusted Gross Income; Part C, N.C. Itemized Deductions; and, Part D, Computation of North Carolina Taxable Income for Part-Year Residents and Nonresidents. If the taxpayer has no additions to or deductions from federal adjusted gross income, is not claiming N.C. itemized deductions, and is not computing North Carolina taxable income for part-year residents and nonresidents, do not complete or attach Form D-400, Schedule S to the D-400. If an amount is entered on Line 7, 9, 11 (if claiming N.C. itemized deductions), or 13 of the D-400, the Schedule S must be attached to the Form D-400, Individual Income Tax Return.

Part A - Additions to Federal Adjusted Gross Income (Lines 1 through 4)

Line 1  Interest Income
Interest income from obligations of states and political subdivisions other than North Carolina must be added to federal adjusted gross income if not already included. This includes exempt interest dividends from mutual funds to the extent such dividends do not represent interest from obligations of North Carolina or its political subdivisions. Enter the amount of taxable interest income from such obligations on this line.

Line 2  Adjustment for Domestic Production Activities
North Carolina does not allow the domestic production activities deduction. Therefore, if the taxpayer claimed this deduction on Line 35 of the federal Form 1040, the amount claimed must be added to federal adjusted gross income.

Line 3  Other Additions to Federal Adjusted Gross Income
The amount by which the taxpayer’s basis of property under federal law exceeds his basis of property for State purposes must be added to adjusted gross income in the year that the taxpayer disposes of the property.

Line 4  Total Additions
Add Lines 1 through 3 and enter the total here and on Line 7 of Form D-400.

Part B - Deductions from Federal Adjusted Gross Income (Lines 5 through 12)

Line 5  State Income Tax Refund
A refund of state and local income taxes is not taxable under North Carolina income tax law. Enter the amount of any state or local income tax refund the taxpayer included on Line 10 of the federal return, Form 1040.

Line 6  Interest Income from United States Obligations
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 its possessions if included in federal adjusted gross income. Also include interest received on obligations of the State of North Carolina, its political subdivisions, and nonprofit educational institutions organized or chartered under North Carolina law if included in federal adjusted gross income.

**Examples of Exempt Interest**

Federal adjusted gross income must be decreased by the following items to the extent the amounts are included in the taxpayer’s federal adjusted gross income:

1. **Interest on direct obligations of the United States and its possessions.**

   Interest earned from obligations that are merely backed or guaranteed by the United States Government will not qualify for deduction from a taxpayer’s income. The deduction from income will not apply to distributions which represent gain from the sale or other disposition of the securities, nor to interest paid in connection with repurchase agreements issued by banks and savings and loan associations. The deduction will not apply to any portion of a distribution from an individual retirement account (IRA).

   Interest on bonds, notes, or other obligations must be deducted from federal adjusted gross income, if such bonds, notes, or other obligations are direct obligations of the United States and its possessions. Refer to the Department’s website for more information.

2. **Interest on bonds, notes, or other obligations of the State of North Carolina, its political subdivisions, and nonprofit educational institutions organized or chartered under North Carolina law.**

   The gain from the sale or disposition of such obligations may qualify as other deductions from federal adjusted gross income on line 11, Part B of Form D-400 Schedule S, North Carolina Supplemental Schedule. Refer to the Department’s website for more information.

**Line 7 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 II 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 8 Retirement Benefits Received by Vested Government Retirees (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. This exclusion does not apply to local government §457 or §401(k) 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 from North Carolina tax should claim a deduction on Line 8 for the amount of excludable retirement benefits included in federal adjusted gross income. A copy of Form 1099-R received from the payer must be attached to the return to support the deduction.

See page 12 of the individual income tax instruction booklet.

See page 12 of the individual income tax instruction booklet.

Line 11 Other Deductions From Federal Adjusted Gross Income
Since the following deductions apply to only a few people, they are not fully explained in this booklet. If you encounter one of these situations, DO NOT attempt to complete the tax return but refer the taxpayer to the nearest North Carolina Department of Revenue field office or to the taxpayer assistance number provided in the back of this booklet. Some other deductions from federal adjusted gross income include:

- The gain from the sale or disposition of North Carolina obligations issued before July 1, 1995, is deducted from adjusted gross income if the law under which the obligations were issued specifically exempts the gain.

- The amount by which your basis of property for State purposes exceeds your basis of property for federal purposes must be deducted from your adjusted gross income in the year that you dispose of the property.

- Income that meets both of the following requirements:
  a. Is earned or received by an enrolled member of a federally recognized Indian tribe.
  b. Is derived from activities on a 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.

- The amount received from the Eugenics Sterilization Compensation Fund as compensation received under the Eugenics Asexualization and Sterilization Compensation Program may be deducted to the extent it is included in federal adjusted gross income.

Line 12 Total Deductions
Add Lines 5 through 8, Lines 9f, 10f, and 11 and enter the total here and on Line 9 of Form D-400.
Part C – N.C. Itemized Deductions (Lines 13 through 20)

No itemized deductions included on federal Schedule A (Form 1040) are allowed as N.C. itemized deductions except qualified home mortgage interest, real estate property taxes, charitable contributions, and medical and dental expenses.

The sum of qualified home mortgage interest and real estate property taxes claimed, respectively, under sections 163(h) and 164 of the Code may not exceed twenty thousand dollars ($20,000). For spouses filing as married filing separately or married filing jointly, the total home mortgage interest and real estate property taxes claimed by both spouses combined may not exceed twenty thousand dollars ($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 tax year 2015.

Charitable contributions allowed as a deduction under section 170 of the Code are allowed without limitation.

Medical and dental expenses allowed as a deduction under section 213 of the Code are deductible (from Line 4 of Schedule A, federal Form 1040).

The itemized deductions are not subject to the overall limitation on itemized deductions under section 68 of the Code.

Part D – Computation of North Carolina Taxable Income for Part-Year Residents and Nonresidents (Lines 21 through 23)

If the taxpayer was a part-year resident of North Carolina during the taxable year 2015 OR if the taxpayer was a nonresident and received income from North Carolina sources, you must complete the worksheet on the following page to determine the portion of federal gross income, as adjusted, that is subject to North Carolina income tax. After you complete the worksheet, enter the amount from Column B, Line 28 on Form D-400, Schedule S, Line 21. Enter the amount from Column A, Line 28 on Form D-400, Schedule S, Line 22. Be sure to complete the applicable circles in Part D of Form D-400, Schedule S. Fill in circle(s) if the taxpayer or the taxpayer’s spouse moved into or out of North Carolina during the year and enter the dates of residency in the boxes. Fill in circle(s) if the taxpayer or taxpayer’s spouse were nonresidents of North Carolina for the entire year.
In Column B, enter only the portion of the North Carolina additions and deductions shown in Column A that are applicable to North Carolina. For example, if the taxpayer received interest income from United States obligations of $1,200 evenly during the year and he became a North Carolina resident on July 1, you should enter $1,200 on Line 21 of Column A and $600 on Line 21 of Column B.

### Part-Year Resident/Nonresident Worksheet

<table>
<thead>
<tr>
<th>Income</th>
<th>Column A Income as Shown on Federal Return</th>
<th>Column B Income Subject to North Carolina Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Wages</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Taxable interest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Taxable dividends</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. State and local income tax refunds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Alimony received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Schedule C or C-EZ business income or (loss)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Schedule D capital gain or (loss)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Other gains or (losses)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Taxable amount of IRA distributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Taxable amount of pensions and annuities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Schedule E - Rents, royalties, partnerships, S-Corps estates, trusts, etc</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Schedule F - Farm income or (loss)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13. Unemployment compensation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Taxable amount of Social Security or Railroad Retirement benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Other income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. Add lines 1 through 15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Carolina Additions To Federal Adjusted Gross Income (See Form D-400 Schedule S, Part A)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Interest income from obligations of states other than NC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. Other additions to federal adjusted gross income that relate to gross income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North Carolina Deductions From Federal Adjusted Gross Income (See Form D-400 Schedule S, Part B)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20. State and local income tax refund (from Line 4 above)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21. Interest from obligations of the United States or United States' possessions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22. Taxable portion of Social Security or Railroad Retirement benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23. Bailey retirement benefits</td>
<td>(Enter in Col. A the total of the amount on Line 5, Form D-400 Schedule S)</td>
<td></td>
</tr>
<tr>
<td>24. Adjustment for bonus depreciation</td>
<td>(Enter in Col. A the total of the amount on Line 9, Form D-400 Schedule S)</td>
<td></td>
</tr>
<tr>
<td>25. Adjustment for 179 expense deduction</td>
<td>(Enter in Col. A the amount from Line 10 of Form D-400 Schedule S)</td>
<td></td>
</tr>
<tr>
<td>26. Other deductions from federal adjusted gross income that relate to gross income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27. Add lines 20 through 26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>28. Line 19 minus line 27</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Enter the amount from Column B, Line 28 on Form D-400 Schedule S, Part D, Line 21.
- Enter the amount from Column A, Line 28 on Form D-400 Schedule S, Part D, Line 22.
FORM D-400TC

Individual Tax Credits

Part 1  Credit for Income Tax Paid to Another State or Country - North Carolina residents only (Lines 1 through 7b)

Only a North Carolina resident whose same income is required to be taxed in another state or country and also in North Carolina is allowed to claim a credit for taxes paid to another state or country.

The taxpayer must attach a copy of the return filed with the other state or country and a copy of the check or receipt if a balance of tax was paid with the return. The taxpayer should complete the North Carolina return and include all income both within and outside the State. Compute the tax as though no credit is to be claimed. **If credit is claimed for tax paid to more than one state or country, do not complete Lines 1 through 6, but see page 15 of the individual income tax instruction booklet.**

**Line 1  Total income while a resident of North Carolina**
This amount is determined by taking the total income received by the taxpayer while a resident of North Carolina and adjusting it by the applicable additions and/or deductions. Applicable additions include amounts on Lines 1 and 3, and the deductions on Lines 5 through 11 of Form D-400 Schedule S, 2015 North Carolina Supplemental Schedule, Parts A and B. Do not make an adjustment for any portion of Line 3 or 11 that does not relate to gross income. (If Line 1 is negative, fill in circle.)

**Example:** Mr. B’s total income from Federal Form 1040, Line 22, is $48,000. Mr. B earned $36,000 of the $48,000 while a resident of North Carolina. The North Carolina adjustments are as follows: state refund of $300 and interest from U.S. Bond of $200. In this example, the amount to enter on Line 1 of Form D-400TC is $35,500 ($36,000 - $300 - $200).

**Line 2  Portion of Line 1 taxed by another state or country**
Line 2 of Form D-400TC is the amount of gross income included in Line 1 which was reported to and taxed by another state or country.

**Line 3  Percentage**
This line is the percentage of income taxed by North Carolina which was also taxed by another state or country. The percentage is calculated by dividing the amount on Line 2 by the amount on Line 1. The result is rounded to four decimal places.

**Line 4  Total North Carolina income tax**
Enter the amount of North Carolina tax from Line 15 of Form D-400.

**Line 5  Computed credit**
This amount is calculated by multiplying the decimal amount entered on Line 3 by the amount entered on Line 4.

**Line 6  Net tax paid to the other state or country**
This represents the amount of income tax paid to another state or country when the taxpayer filed the other state or country’s return. Remember, the income tax paid to another state or country does not refer to the tax withheld but to the actual tax computed on the other state or country’s return. The amount
entered on this line is the prepayment of tax (tax withheld, estimated tax payments, amount paid with extension, etc.) plus any additional tax paid or less any refunds received or expected to be received.

**Line 7a  Allowable Credit**
The allowable credit is equal to the lesser of Line 5 (Computed Credit) or Line 6 (Net Tax Paid to the Other State or Country). Enter the amount here and include it in the total on Line 9, Part 3, of Form D-400TC.

**Line 7b**
Enter in the box the number of states for which credits are claimed. If credit is claimed for tax paid to more than one state or country, Lines 1 through 6 should not be completed. See page 15 of the individual income tax instruction booklet.

**Part 2  Credit for Children (Line 8)**
A taxpayer may claim a child tax credit on the State return for each dependent child for whom a federal child tax credit was allowed under section 24 of the Code. The amount of credit allowed for the taxable year is equal to the amount listed in the table below based on the taxpayer’s adjusted gross income, as calculated under the Code (Form D-400, Line 6).

The credit for children can be claimed only for a child who was under 17 years of age on the last day of the year. A part-year resident or nonresident may claim a prorated credit based on the percentage of income that is subject to North Carolina tax.

Complete the **Credit for Children Worksheet** on the next page to determine the amount of allowable credit. You must enter the number of dependent children for whom the taxpayer was allowed a federal tax credit and the amount of the credit on Form D-400TC, Part 2, Line 8.

<table>
<thead>
<tr>
<th>Filing Status</th>
<th>AGI</th>
<th>Credit Amount per Qualifying Child</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married Filing Jointly/Qualifying Widow/</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Up to $40,000</td>
<td>$125</td>
</tr>
<tr>
<td></td>
<td>Over $40,000 and up to $100,000</td>
<td>$100</td>
</tr>
<tr>
<td></td>
<td>Over $100,000</td>
<td>$0</td>
</tr>
<tr>
<td>Head of Household</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Up to $32,000</td>
<td>$125</td>
</tr>
<tr>
<td></td>
<td>Over $32,000 and up to $60,000</td>
<td>$100</td>
</tr>
<tr>
<td></td>
<td>Over $60,000</td>
<td>$0</td>
</tr>
<tr>
<td>Single or Married Filing Separately</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Up to $20,000</td>
<td>$125</td>
</tr>
<tr>
<td></td>
<td>Over $20,000 and up to $50,000</td>
<td>$100</td>
</tr>
<tr>
<td></td>
<td>Over $50,000</td>
<td>$0</td>
</tr>
</tbody>
</table>
Part 3 Other Tax Credits (Limited to the amount of tax)

Line 9  Total of Parts 1 and 2
Add Lines 7a and 8

Line 10  Credit for Rehabilitating an Income-Producing Historic Structure
See page 16 of the individual income tax instruction booklet.

Line 11  Credit for Rehabilitating a Nonincome-Producing Historic Structure
See page 16 of the individual income tax instruction booklet.

Line 12  Credit for Rehabilitating an Income-Producing Historic Mill Facility
See page 16 of the individual income tax instruction booklet.

Line 13  Credit for Rehabilitating a Nonincome-Producing Historic Mill Facility
See page 16 of the individual income tax instruction booklet.

Line 14 Tax Credits carried over from previous year
Do not include any carryover of tax credits claimed on form NC-478.

Line 15 Total
Add Lines 9, 10b, 11b, 12b, 13b, and 14

Line 16 Amount of North Carolina income tax
Enter the amount from Line 15 of Form D-400.

Line 17
Enter the lesser of Line 15 or 16.

Line 18 Business Incentive and Energy Tax Credits
See page 17 of the individual income tax instruction booklet.

Line 19
Add Lines 17 and 18. Enter the total here and on Line 16 of Form D-400. The amount on Line 19 may not exceed the tax shown on Line 15 of Form D-400.
Automated Refund Inquiry Line ..............................................................1-877-252-4052
(Please allow at least 12 weeks before calling.)

Taxpayer Assistance and Forms...............................................................1-877-252-3052

Frequently Asked Questions ................................................................. 1-877-252-3052
(Select option 3 at the main menu)

Tax Fraud Hotline ....................................................................................1-800-232-4939
919-707-7597

Department of Revenue Website.................................................www.dornc.com
## D-400 Individual Income Tax Return 2015

**For calendar year 2015, or fiscal year beginning (MM-DD) □ □ - 1 5 and ending (MM-DD-YY) □ □ - □ □**

**IMPORTANT:** Do not send a photocopy of this form. The original form is printed in pink and black ink.

- Your Social Security Number
- Spouse's Social Security Number

**Your First Name (USE CAPITAL LETTERS FOR YOUR NAME AND ADDRESS)**

<table>
<thead>
<tr>
<th>M.I.</th>
<th>Your Last Name</th>
</tr>
</thead>
</table>

- If a Joint Return, Spouse's First Name

<table>
<thead>
<tr>
<th>M.I.</th>
<th>Spouse’s Last Name</th>
</tr>
</thead>
</table>

**Mailing Address**

- City
- State
- Zip Code
- Country (If not U.S.)
- County (Enter first five letters)

**Spouse’s Last Name**

**Apartment Number**

**Filing Status**

- **Single**
- **Married Filing Jointly**
- **Married Filing Separately**
- **Head of Household**
- **Qualifying Widow(er) with Dependent Child**

**Residency Status**

- Were you a resident of N.C. for the entire year of 2015? □ Yes □ No
- Was your spouse a resident for the entire year? □ Yes □ No

**Deceased Taxpayer Information**

- Fill in circle if return is filed and signed by Executor, Administrator or Court-Appointed Personal Representative.

<table>
<thead>
<tr>
<th>Taxpayer (MM-DD-YY)</th>
<th>Spouse (MM-DD-YY)</th>
</tr>
</thead>
</table>

**N.C. Education Endowment Fund:** You may contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all of your overpayment to the Fund. To make a contribution, enclose Form NC-EDU and your payment of $_________.

To designate your overpayment to the Fund, enter the amount of your designation on Page 2, Line 31. See instructions for information about the Fund.

**Did you claim the standard deduction on your 2015 federal return?** □ Yes □ No

**Filing Status**

1. **Single**
2. **Married Filing Jointly**
3. **Married Filing Separately**
4. **Head of Household**
5. **Qualifying Widow(er) with Dependent Child**

**Enter date of death of deceased taxpayer or deceased spouse.**

**Part-year residents and nonresidents (From Line 23 of Form D-400 Schedule S, Part D)**

- North Carolina Taxable Income
- North Carolina Income Tax

**Part-year residents and nonresidents**

- Full-year residents enter the amount from Line 12.
- Multiply amount on Line 12 by the decimal amount on Line 13.

To calculate your tax, multiply Line 14 by 5.75% (0.0575). If Line 14 is negative, enter -0- on Line 15.

**Fill in one circle only.**

- Enter Whole U.S. Dollars Only

**Print in Black or Blue Ink Only. No Pencil or Red Ink.**

- If amount on Line 6, 8, 10, 12, or 14 is negative, fill in circle.

**Example:**

- Enter Whole U.S. Dollars Only

**Staple All Pages of Your Return Here.**

**Staple W-2s Here.**

**2015**

**DRAFT**

**DRAFT**
### Tax Credits (From Form D-400TC, Part 3, Line 19 - You must attach Form D-400TC if you enter an amount on this line.)

#### North Carolina Income Tax Withheld
- a. Your tax withheld
- b. Spouse’s tax withheld
- c. Partnership

#### Other Tax Payments
- a. 2015 estimated tax
- b. Paid with extension
- c. Partnership
- d. S Corporation

### Amended Returns Only - Previous payments (See Amended Returns in instructions.)

#### Total Payments - Add Lines 20a through 22.

### Amended Returns Only - Previous refunds (See Amended Returns in instructions.)

#### Subtract Line 24 from Line 23.

### Tax Due - If Line 19 is more than Line 25, subtract Line 25 from Line 19.
- If Line 25 is negative, see instructions.

#### a. Tax Due
- b. Penalties
- c. Interest
  - (Add Lines 26b and 26c and enter the total on Line 26d.)
- d. Interest on the underpayment of estimated income tax
  - (See instructions and enter letter in box, if applicable.)

### Pay This Amount - You can pay online. Go to www.dorc.com and click on eServices for details.

### Overpayment - If Line 19 is less than Line 25, subtract Line 19 from Line 25.

### Amount of Line 28 to be applied to 2016 Estimated Income Tax

### Contribution to the N.C. Nongame and Endangered Wildlife Fund

### Contribution of overpayment to the N.C. Education Endowment Fund

### Subtract Line 32 from Line 28. This is the Amount To Be Refunded.

---

**Sign Here**

<table>
<thead>
<tr>
<th>Your Signature</th>
<th>Date</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Spouse's Signature</th>
<th>Date</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Home Telephone Number (Include area code.)</th>
</tr>
</thead>
</table>

---

**Paid Preparer’s Signature**

<table>
<thead>
<tr>
<th>Preparer’s FEIN, SSN, or PTIN</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Preparer’s Telephone Number (Include area code.)</th>
</tr>
</thead>
</table>

---

**If REFUND mail return to:**

<table>
<thead>
<tr>
<th>N.C. DEPT. OF REVENUE</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>P.O. BOX 25000</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>RALEIGH, NC 27640-0640</th>
</tr>
</thead>
</table>

---

**FOR ORIGINAL RETURNS ONLY**

**If you ARE NOT due a refund, mail return, any payment, and D-400V to:**

<table>
<thead>
<tr>
<th>N.C. DEPT. OF REVENUE</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>P.O. BOX 25000</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>RALEIGH, NC 27640-0640</th>
</tr>
</thead>
</table>
### Part A. Additions to Federal Adjusted Gross Income (See Line Instructions.)

1. Interest income from obligations of states other than North Carolina
   - 1. ____________.00
2. Adjustment for domestic production activities (See instructions.)
   - 2. ____________.00
3. Other additions to federal adjusted gross income
   (Attach explanation or schedule.)
   - 3. ____________.00
4. Total additions - Add Lines 1 through 3.
   (Enter the total here and on Form D-400, Line 7.)
   - 4. ____________.00

### Part B. Deductions from Federal Adjusted Gross Income (See Line Instructions.)

5. State or local income tax refund if included on Line 10 of Federal Form 1040
   - 5. ____________.00
6. Interest income from obligations of the United States
   or United States' possessions
   - 6. ____________.00
7. Taxable portion of Social Security and Railroad Retirement Benefits
   included on your federal return
   - 7. ____________.00
8. Retirement benefits received by vested N.C. State government,
   N.C. local government, or federal government retirees
   (Bailey settlement - Important: See instructions.)
   - 8. ____________.00
   (See instructions.)
   - 9a. 2010 ____________.00
   - 9b. 2011 ____________.00
   - 9c. 2012 ____________.00
   - 9d. 2013 ____________.00
   - 9e. 2014 ____________.00
   (Add Lines 9a, 9b, 9c, 9d, and 9e and enter on Line 9f.)
   - 9f. ____________.00
    (See instructions.)
    - 10a. 2010 ____________.00
    - 10b. 2011 ____________.00
    - 10c. 2012 ____________.00
    - 10d. 2013 ____________.00
    - 10e. 2014 ____________.00
    (Add Lines 10a, 10b, 10c, 10d, and 10e and enter on Line 10f.)
    - 10f. ____________.00
11. Other deductions from federal adjusted gross income
    (Attach explanation or schedule.
     Do not include any deduction for retirement benefits on this line.)
    - 11. ____________.00
12. Total deductions - Add Lines 5 through 8 and Lines 9f, 10f, and 11.
    (Enter the total here and on Form D-400, Line 9.)
    - 12. ____________.00
Important: You may deduct from federal adjusted gross income either the N.C. standard deduction or N.C. itemized deductions. If the amount of N.C. standard deduction exceeds the allowable N.C. itemized deductions, do not complete Part C. Enter the appropriate amount for your filing status from the following chart on Form D-400, Line 11. Otherwise, complete Part C, Itemized Deductions.

<table>
<thead>
<tr>
<th>Filing Status</th>
<th>Standard Deduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>$7,500</td>
</tr>
<tr>
<td>Married filing jointly/Qualifying widow(er)</td>
<td>$15,000</td>
</tr>
<tr>
<td>Married filing separately</td>
<td></td>
</tr>
<tr>
<td>If spouse does not claim itemized deductions</td>
<td>$7,500</td>
</tr>
<tr>
<td>If spouse claims itemized deductions</td>
<td>0</td>
</tr>
<tr>
<td>Head of household</td>
<td>$12,000</td>
</tr>
</tbody>
</table>

Note: If you are (1) married filing a separate return for North Carolina income tax purposes and your spouse itemizes deductions, or (2) a nonresident alien, or (3) filing a short-year return because of a change in your accounting period, you are not entitled to the standard deduction.

Part C. N.C. Itemized Deductions (See Line Instructions.) (Do not complete Part C if N.C. standard deduction is claimed on Form D-400, Line 11.)

Note: No itemized deductions included on Schedule A, Federal Form 1040 are allowed as N.C. itemized deductions except qualified home mortgage interest, real estate property taxes, charitable contributions, and medical and dental expenses.

13. Qualifying home mortgage interest
14. Real estate property taxes
15. Total home mortgage interest and real estate property taxes (Add Lines 13 and 14 and enter result.)
16. Qualifying home mortgage interest and real estate property taxes limitation
17. Allowable home mortgage interest and real estate property taxes (Compare Line 15 and Line 16, and enter whichever is less.)
18. Charitable contributions
19. Medical and dental expenses (From Line 4 of Schedule A, Federal Form 1040)
20. Total N.C. itemized deductions, add Lines 17, 18, and 19 and enter the total here and on Form D-400, Line 11.

Part D. Computation of North Carolina Taxable Income for Part-Year Residents and Nonresidents (See Line Instructions.) Note: Do not complete Lines 21 through 23 if you were a full-year resident.

Fill in circle(s) if you or your spouse moved into or out of North Carolina during the year. Enter the dates of residency in the boxes below.

Fill in circle(s) if you or your spouse were nonresidents of North Carolina for the entire year.

Part-year residents and nonresidents must complete the Part-Year Resident/Nonresident Worksheet in the instructions to determine the amounts to enter on Lines 21 and 22 below.

21. Enter the amount from Column B, Line 28 of the Part-Year Resident/Nonresident Worksheet (See instructions.)
22. Enter the amount from Column A, Line 28 of the Part-Year Resident/Nonresident Worksheet (See instructions.)
23. Divide Line 21 by Line 22. (Enter the result as a decimal amount here and on Form D-400, Line 13; round to four decimal places.)
If you claim a tax credit on Line 16 of Form D-400, you must attach this form to the return. If you do not, the tax credit may be disallowed.

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

You must attach a copy of the return filed with the other state or country and proof of payment.

**Important:** If you claim a tax credit for tax paid to more than one state or country, do not fill in Lines 1 through 6; instead, see instructions.

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Total income from all sources (combined for joint filers) from Federal Form 1040, Line 22; 1040A, Line 15; or 1040EZ, Line 4, while a resident of North Carolina, adjusted by the applicable additions shown on Line 1 and Line 3 and deductions shown on Lines 5 through 11 of Form D-400 Schedule S, Parts A and B. Do not make any adjustment for any portion of Line 3 or 11 that does not relate to gross income. (If Line 1 is negative, fill in circle.)</td>
<td>Enter Whole U.S. Dollars Only</td>
<td>.00</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>The portion of Line 1 that was taxed by another state or country.</td>
<td></td>
<td>.00</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Divide Line 2 by Line 1 and enter the result as a decimal amount. (Round to four decimal places.)</td>
<td></td>
<td>.00</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Total North Carolina income tax (From Form D-400, Line 15)</td>
<td></td>
<td>.00</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Computed credit (Multiply Line 3 by Line 4.)</td>
<td></td>
<td>.00</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Amount of net tax paid to the other state or country on the income shown on Line 2 (See instructions.)</td>
<td></td>
<td>.00</td>
<td></td>
</tr>
</tbody>
</table>

#### 7a. Enter the lesser of Line 5 or Line 6.

#### 7b. Enter in the box the number of states for which credits are claimed.

### Part 2. Credit for Children

(Important: Complete the Credit for Children Worksheet in the instructions.)

#### 8. Credit for Children

(Include the amount on this line in the total on Part 3, Line 9.)

| Number of dependent children for whom you were allowed a federal child tax credit |   | .00 |

### Part 3. Other Tax Credits (Limited to the amount of tax)

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>9.</td>
<td>Total of Parts 1 and 2 (Add Lines 7a and 8.)</td>
<td>Enter expenditures and expenses on Lines 10a, 11a, 12a, and 13a only in the first year the credit is taken.</td>
<td></td>
<td>.00</td>
</tr>
<tr>
<td>10.</td>
<td>Credit for rehabilitating an income-producing historic structure (See instructions.) Enter qualified rehabilitation expenditures.</td>
<td>10a.</td>
<td>Enter installment amount of credit.</td>
<td>.00</td>
</tr>
<tr>
<td>11.</td>
<td>Credit for rehabilitating a nonincome-producing historic structure (See instructions.) Enter rehabilitation expenses.</td>
<td>11a.</td>
<td>Enter installment amount of credit.</td>
<td>.00</td>
</tr>
<tr>
<td>12.</td>
<td>Credit for rehabilitating an income-producing historic mill facility (See instructions.) Enter qualified rehabilitation expenditures.</td>
<td>12a.</td>
<td>Enter amount of credit.</td>
<td>.00</td>
</tr>
<tr>
<td>13.</td>
<td>Credit for rehabilitating a nonincome-producing historic mill facility (See instructions.) Enter rehabilitation expenses.</td>
<td>13a.</td>
<td>Enter installment amount of credit.</td>
<td>.00</td>
</tr>
<tr>
<td>14.</td>
<td>Tax credits carried over from previous year, if any. Do not include any carryover of tax credits claimed on Form NC-478.</td>
<td></td>
<td>.00</td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>Total (Add Lines 9, 10b, 11b, 12b, 13b, and 14.)</td>
<td></td>
<td>.00</td>
<td></td>
</tr>
<tr>
<td>16.</td>
<td>Amount of total North Carolina income tax (From Form D-400, Line 15)</td>
<td></td>
<td>.00</td>
<td></td>
</tr>
<tr>
<td>17.</td>
<td>Enter the lesser of Line 15 or Line 16.</td>
<td></td>
<td>.00</td>
<td></td>
</tr>
<tr>
<td>18.</td>
<td>Business incentive and energy tax credits (See instructions. Attach Form NC-478 and any required supporting schedules to the front of your income tax return.) Fill in circle if NC-478 is attached. Example:</td>
<td></td>
<td>.00</td>
<td></td>
</tr>
<tr>
<td>19.</td>
<td>Add Lines 17 and 18 (Enter the total here and on Form D-400, Line 16.) The amount on this line may not exceed the tax shown on Form D-400, Line 15.</td>
<td></td>
<td>.00</td>
<td></td>
</tr>
</tbody>
</table>
Application for Extension for Filing Individual Income Tax Return

Instructions

**Purpose** - Use Form D-410 to ask for 6 more months to file the North Carolina Individual Income Tax Return, Form D-400.

Even if you do not expect to owe additional tax, you must still apply for an extension and file the return by the extended due date for the return to be considered timely filed. You do not have to explain why you are asking for the extension. You do not have to attach this form to your return.

To receive the extra time you MUST:

1. Properly estimate your tax liability using the information available to you, and enter that amount on Line 1 of Form D-410.
2. File Form D-410 by the regular due date of your tax return. You are not required to send a payment of the tax you estimate as due. However, because an extension of time to file the return does not extend the time for paying the tax, it will benefit you to pay as much as you can.

**If you already had 4 extra months to file because you were “out of the country” (explained later) when your return was due, then use this form to ask for an additional 2 months to file.**

Filing Your Tax Return - You may file the income tax return at any time before the extended due date. But remember, Form D-410 does not extend the time to pay the tax. If you do not pay the amount due by the original due date, you will owe interest. You may also be charged penalties.

Interest - You will owe interest on tax not paid by the original due date of the return. Even if you had a good reason not to pay on time, you will still owe interest.

Late Payment Penalty - The late payment penalty is 10 percent of the tax not paid by the due date of the return. The penalty will apply on any remaining balance due if the tax paid by the original due date of the return is less than 90 percent of the total amount of tax due. If the 90 percent rule is met, any remaining balance due, including interest,

---

### Use blue or black ink to complete this form.

Do not fold, staple, tape, or paper clip the form.

File original form to:

N.C. Department of Revenue, P.O. Box 25000, Raleigh, NC 27640-0635

---

### Application for Extension for Filing Individual Income Tax Return
North Carolina Department of Revenue

<table>
<thead>
<tr>
<th>For calendar year</th>
<th>or other tax year beginning</th>
<th>and ending</th>
<th>Enter Whole U.S. Dollars Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Social Security Number</td>
<td>Your Spouse’s Social Security Number</td>
<td>1. Tax Liability for Year</td>
<td>0.00</td>
</tr>
<tr>
<td>Your First Name (USE CAPITAL LETTERS)</td>
<td>M.I.</td>
<td>Your Last Name</td>
<td></td>
</tr>
<tr>
<td>If a Joint Return, Spouse’s First Name</td>
<td>M.I.</td>
<td>Spouse’s Last Name</td>
<td></td>
</tr>
<tr>
<td>Address</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>State</td>
<td>Zip Code</td>
<td>Country (If not U.S.)</td>
</tr>
</tbody>
</table>

---

Mail to: N.C. Department of Revenue
P.O. Box 25000, Raleigh, N.C. 27640-0635
must be paid with the income tax return on or before the expiration of the extension period to avoid the late payment penalty.

**Late Filing Penalty** - A penalty is usually charged if your return is filed after the due date (including extensions). It is 5 percent of the tax for each month, or part of a month, that your return is late (maximum 25 percent).

If you do not file the application for extension by the original due date of the return, you are subject to both the 5 percent per month late filing penalty and the 10 percent late payment penalty on the remaining tax due.

**How To Claim Credit For Payments Made With This Form** - When you file your return, include the amount paid with this extension on Line 21b of Form D-400. If you and your spouse each file a separate Form D-410, but file a joint return for taxable year, enter the total paid with the two Forms D-410 on Line 21b of your return.

If you and your spouse jointly filed Form D-410, but file separate returns for the taxable year, you may enter the total amount paid with Form D-410 on either of your separate returns. Or, you and your spouse may divide the payment in any agreed amounts. Be sure each separate return has the social security numbers of both spouses.

**Specific Instructions**

**Name, Address, and Social Security Numbers** - Enter your name, address, and social security number and your spouse’s name and social security number if filing a joint return.

**Line 1** - Enter on this line the amount you expect to enter on Line 15 of Form D-400. If you do not expect to owe tax, enter zero.

**Line 2** - Enter on this line any North Carolina income tax withheld, estimated tax payments (including any overpayment applied from the previous year), and any other payments and credits you expect to show on your return.

**Out of the Country** - If you were a U.S. citizen or resident and were out of the country on the due date of your return, you are granted an automatic 4-month extension to file your return. You do not have to file this form on April 15. Instead, fill in the “Out of the Country” circle on page 1 of Form D-400 to indicate you were out of the country on April 15. If you need an additional two months to file your return, fill in the circle located at the bottom right of this form and file the form on or before August 15. For this purpose, “Out of the Country” means either (1) you live outside the United States and Puerto Rico, AND your main place of work is outside the United States and Puerto Rico, or (2) you are in military or naval service outside the United States and Puerto Rico.

**Important:** Do not use this form to request extensions of time for filing partnership, estate, trust, corporate income, or franchise tax returns.
Test Question #1

Facts:

Mary B. Brown is divorced and lives at 101 Maple Street, Hometown, North Carolina 29999. This is in Edgecombe County. She has one daughter, Sally (SSN 333-33-3333) age 4, who lived with her for the entire 2015 tax year.

Ms. Brown’s social security number is 000-00-0004.

She filed her 2015 federal return as head of household and claimed a personal exemption for Sally and herself. She works at Grocery Bag Food Mart where she earned wages of $23,425.00 and had $620.00 in North Carolina tax withheld from her wages. She received interest income of $50.00 from Wachovia Bank & Trust Company.

Ms. Brown does not itemize her deductions. Her federal adjusted gross income reported on Form 1040A, line 21 is $23,475.

Ms. Brown wants to contribute $10.00 of her tax refund to the North Carolina Education Endowment Fund. Ms. Brown did not make any out-of-state purchases during the taxable year 2015.

Please complete Ms. Brown’s 2015 North Carolina income tax return.
Form 1040A  
Department of the Treasury—Internal Revenue Service  
U.S. Individual Income Tax Return (89)  
2015  
IRS Use Only—Do not write or staple in this space.  
OMB No. 1545-0074  

Your first name and initial  
Last name  
Mary B. Brown  

If a joint return, spouse’s first name and initial  
Last name  

Home address (number and street). If you have a P.O. box, see instructions.  
Apt. no.  

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).  

Hometown, NC 29999  

Foreign country name  
Foreign province/state/county  
Foreign postal code  

Filing status  
Check only one box.  

1 Single  
2 Married filing jointly (even if only one had income)  
3  Married filing separately. Enter spouse’s SSN above and full name here.  
4  Head of household (with qualifying person). (See instructions.)  
   If the qualifying person is a child but not your dependent, enter this child’s name here.  
5  Qualifying widower (with dependent child) (see instructions)  

Exemptions  
If someone can claim you as a dependent, do not check box 6a.  

b Spouse  

If more than six dependents, see instructions.  

(1) First name  
(2) Dependent’s social security number  
(3) Dependent’s relationship to you  
(4) if child under age 17 qualifying for child tax credit (see instructions)  

Sally Brown 333-33-3333 Daughter  

Boxes checked on 6a and 6b  
No. of children on 6c who:  
* lived with you  
* did not live with you due to divorce or separation (see instructions)  
Dependents on 6c not entered above  

Add numbers on lines above  

d Total number of exemptions claimed.  

7 Wages, salaries, tips, etc. Attach Form(s) W-2.  

8a Taxable interest. Attach Schedule B if required.  
   b Tax-exempt interest. Do not include on line 8a.  
9a Ordinary dividends. Attach Schedule B if required.  
   b Qualified dividends (see instructions).  
10 Capital gain distributions (see instructions).  

11a IRA distributions.  
   b Taxable amount (see instructions).  
12a Pensions and annuities.  
   b Taxable amount (see instructions).  
13 Unemployment compensation and Alaska Permanent Fund dividends.  
14a Social security benefits.  
   b Taxable amount (see instructions).  
15 Add lines 7 through 14b (far right column). This is your total income.  

Adjusted gross income  

16 Reserved  
17 IRA deduction (see instructions).  
18 Student loan interest deduction (see instructions).  
19 Reserved  
20 Add lines 16 through 19. These are your total adjustments.  

21 Subtract line 20 from line 15. This is your adjusted gross income.  

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.  
Cat. No. 11327A  
Form 1040A (2015)
Form 1040A (2015)  
Page 2

**Tax, credits, and payments**

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>Enter the amount from line 21 (adjusted gross income).</td>
<td>22</td>
<td>23475 00</td>
</tr>
</tbody>
</table>

**Standard Deduction for—**
- People who check any box on line 23a or 23b or who can be claimed as a dependent, see instructions.
- All others: Single or Married filing separately, $6,300
- Married filing jointly or Qualifying widower, $12,600
- Head of household, $9,250

**If you have a qualifying child, attach Schedule EIC.**

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>23a</td>
<td>Check [ ] You were born before January 2, 1951, [ ] Blind</td>
<td>Total boxes checked</td>
<td>23a</td>
</tr>
<tr>
<td></td>
<td>[ ] Spouse was born before January 2, 1951, [ ] Blind</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**24** Enter your standard deduction. | 24     | 9250 00 |

**25** Subtract line 24 from line 22. If line 24 is more than line 22, enter -0-. | 25     | 14225 00 |

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td>Exemptions. Multiply $4,000 by the number on line 6d.</td>
<td>26</td>
<td>8000 00</td>
</tr>
<tr>
<td>27</td>
<td>Subtract line 26 from line 22. If line 26 is more than line 25, enter -0-.</td>
<td>27</td>
<td>6225 00</td>
</tr>
</tbody>
</table>

**28** Tax, including any alternative minimum tax (see instructions). | 28     |        |

**29** Excess advance premium tax credit repayment. Attach Form 8962. | 29     |        |

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>Add lines 28 and 29.</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>Credit for child and dependent care expenses. Attach Form 2441.</td>
<td>31</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>32</td>
<td>Credit for the elderly or the disabled. Attach Schedule R.</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>Education credits from Form 8863, line 19.</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>Retirement savings contributions credit. Attach Form 8880.</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>Child tax credit. Attach Schedule 8812, if required.</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>36</td>
<td>Add lines 31 through 35. These are your total credits.</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>Subtract line 36 from line 30. If line 36 is more than line 30, enter -0-.</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>38</td>
<td>Health care: individual responsibility (see instructions). Full-year coverage</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>Add line 37 and line 38. This is your total tax.</td>
<td>39</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>Federal income tax withheld from Forms W-2 and 1099.</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>2015 estimated tax payments and amount applied from 2014 return.</td>
<td>41</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>42a</td>
<td>Earned income credit (EIC).</td>
<td>42a</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b Nontaxable combat pay election.</td>
<td>42b</td>
<td></td>
</tr>
<tr>
<td></td>
<td>c Type: [ ] Checking [ ] Savings</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>d Account number</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>43</td>
<td>Additional child tax credit. Attach Schedule 8812.</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>44</td>
<td>American opportunity credit from Form 8863, line 8.</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>45</td>
<td>Net premium tax credit. Attach Form 8962.</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>Add lines 40, 41, 42a, 43, 44, and 45. These are your total payments.</td>
<td>46</td>
<td></td>
</tr>
</tbody>
</table>

**Refund**

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>47</td>
<td>If line 46 is more than line 39, subtract line 39 from line 46. This is the amount you overpaid.</td>
<td>47</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>48a</td>
<td>Amount of line 47 you want refunded to you. If Form 8888 is attached, check here</td>
<td>48a</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b Routing number</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>c Type: [ ] Checking [ ] Savings</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>d Account number</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>49</td>
<td>Amount of line 47 you want applied to your 2016 estimated tax.</td>
<td>49</td>
<td></td>
</tr>
</tbody>
</table>

**Amount you owe**

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>Amount you owe. Subtract line 46 from line 39. For details on how to pay, see instructions.</td>
<td>50</td>
<td></td>
</tr>
</tbody>
</table>

**51** Estimated tax penalty (see instructions). | 51     |        |

**Third party designee**

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>52</td>
<td>Do you want to allow another person to discuss this return with the IRS (see instructions)? [ ] Yes. Complete the following. [ ] No</td>
<td>52</td>
<td></td>
</tr>
</tbody>
</table>

**Sign here**

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>53</td>
<td>Your signature</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Your occupation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Daytime phone number</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Spouse's signature. If a joint return, both must sign.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Spouse's occupation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Paid preparer use only**

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Amount</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>56</td>
<td>Print/type preparer's name</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Preparer's signature</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Check [ ] if self-employed</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PTIN</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Firm's name</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Firm's EIN</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Firm's address</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Phone no.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Test Question #2

Facts:

Robert E. and Ellen J. Black were residents of North Carolina during the entire year. Robert is retired from both the federal government (in 1999) and IBM (in 2002). Robert began working for the federal government in 1969. Ellen is retired from the State of North Carolina. Ellen began working for the State in June of 1990 and retired in June of 1997. Robert is age 68 and Ellen is age 62. The Blacks live at 101 Green Road, Anywhere, North Carolina 21111. This is in Washington County. The Blacks want to apply $300 of their refund to their 2016 estimated tax account.

For the tax year 2015, they claimed the standard deduction on their federal return. They claimed itemized deductions on their 2014 federal return.

The taxpayers received income from the following sources:

- Robert SSN: 001-11-2222  
  - Wages from sales position $25,000
  - United States Civil Service annuity $18,000
  - IBM – retirement $5,700

- Ellen SSN: 002-22-3333  
  - State of North Carolina retirement $5,000

- Interest income from First Citizens $1,400
- Taxable state refund reported on the federal return $329

- NC withholding from Robert’s sales position $1,350
- The Blacks paid 2015 North Carolina estimated tax $1,200

The Blacks did not make any out-of-state purchases during the taxable year 2015.

Please complete Mr. and Mrs. Black’s 2015 North Carolina income tax return.
### Filing Status

1. Single  
2. Married filing jointly (even if only one had income)  
3. Married filing separately. Enter spouse's SSN above and full name here.  
4. Head of household (with qualifying person). (See instructions). If the qualifying person is a child but not your dependent, enter this child's name here.  

### Exemptions

<table>
<thead>
<tr>
<th>Exemptions</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>6a. Yourself. If someone can claim you as a dependent, do not check box 6a.</td>
<td>$25000</td>
</tr>
<tr>
<td>6b. Spouse</td>
<td>$1400</td>
</tr>
<tr>
<td>7. Dependent (social security number)</td>
<td>$329</td>
</tr>
<tr>
<td>8. Child (relationship to you)</td>
<td>$28700</td>
</tr>
<tr>
<td>9. Qualifying child (eligible for benefit).</td>
<td>$55429</td>
</tr>
</tbody>
</table>

### Income

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Wages, salaries, tips, etc. Attach Form(s) W-2</td>
<td>$25000</td>
</tr>
<tr>
<td>8a. Taxable interest. Attach Schedule B if required</td>
<td>$1400</td>
</tr>
<tr>
<td>9a. Ordinary dividends. Attach Schedule B if required</td>
<td>$329</td>
</tr>
<tr>
<td>9b. Qualified dividends</td>
<td>$28700</td>
</tr>
<tr>
<td>10. Taxable refunds, credits, or offsets of state and local income taxes</td>
<td>$55429</td>
</tr>
<tr>
<td>11. Alimony received</td>
<td></td>
</tr>
<tr>
<td>12. Business income or (loss). Attach Schedule C or C-EZ</td>
<td></td>
</tr>
<tr>
<td>13. Capital gain or (loss). Attach Schedule D if required. If not required, check box</td>
<td></td>
</tr>
<tr>
<td>14. Other gains or (losses). Attach Form 4797</td>
<td></td>
</tr>
<tr>
<td>15a. IRA distributions</td>
<td></td>
</tr>
<tr>
<td>16a. Pensions and annuities</td>
<td></td>
</tr>
<tr>
<td>17. Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E</td>
<td></td>
</tr>
<tr>
<td>18. Farm income or (loss). Attach Schedule F</td>
<td></td>
</tr>
<tr>
<td>19. Unemployment compensation</td>
<td></td>
</tr>
<tr>
<td>20a. Social security benefits</td>
<td></td>
</tr>
<tr>
<td>21. Other income. List type and amount</td>
<td></td>
</tr>
<tr>
<td>22. Combine the amounts in the far right column for lines 7 through 21. This is your total income</td>
<td></td>
</tr>
</tbody>
</table>

### Adjusted Gross Income

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>23. Reserved</td>
<td></td>
</tr>
<tr>
<td>24. Certain business expenses of reservists, performing artists, and for basic government officials. Attach Form 2106 or 2106 EZ</td>
<td></td>
</tr>
<tr>
<td>25. Health savings account deduction. Attach Form 8889</td>
<td></td>
</tr>
<tr>
<td>26. Moving expenses. Attach Form 3903</td>
<td></td>
</tr>
<tr>
<td>27. Deductible part of self-employment tax. Attach Schedule SE</td>
<td></td>
</tr>
<tr>
<td>28. Self-employed SEP, SIMPLE, and qualified plans</td>
<td></td>
</tr>
<tr>
<td>29. Self-employed health insurance deduction</td>
<td></td>
</tr>
<tr>
<td>30. Penalty on early withdrawal of savings</td>
<td></td>
</tr>
<tr>
<td>31a. Alimony paid</td>
<td></td>
</tr>
<tr>
<td>32. IRA deduction</td>
<td></td>
</tr>
<tr>
<td>33. Student loan interest deduction</td>
<td></td>
</tr>
<tr>
<td>34. Reserved</td>
<td></td>
</tr>
<tr>
<td>36. Add lines 23 through 35</td>
<td></td>
</tr>
<tr>
<td>37. Subtract line 36 from line 22. This is your adjusted gross income</td>
<td></td>
</tr>
</tbody>
</table>
38 Amount from line 37 (adjusted gross income) .............................................. 38 55429 00

Tax and Credits

39a Check □ You were born before January 2, 1951, □ Blind. Total boxes checked □ 39a □ 39b
if: □ Spouse was born before January 2, 1951, □ Blind.
If your spouse itemizes on a separate return or you were a dual-status alien, check here □ 39b

39 Standard Deduction for—
- People who check any box on line 38a or 38b who can be claimed as a dependent, see instructions
- All others: Single or Married filing separately, $6,300
Married filing jointly or Qualifying widow(er), $12,600
Head of household, $9,250

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) .............................................. 40 13850 00
41 Subtract line 40 from line 38 .......................................................... 41 41579 00
42 Exemptions. If line 38 is $154,950 or less, multiply $4,000 by the number on line 6d. Otherwise, see instructions
43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter—0-
44 Tax (see instructions). Check if any from □ Form(s) 8814 □ Form(s) 4972 □
45 Alternative minimum tax (see instructions). Attach Form 6251
46 Excess advance premium tax credit repayment. Attach Form 8962
47 Add lines 44, 45, and 46 .......................................................... 47
48 Self-employment tax. Attach Schedule SE.
49 Unreported social security and Medicare tax from Form: □ 4137 □ 8919
50 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required
51 Retirement savings contributions credit. Attach Form 8889
52 Child tax credit. Attach Schedule 8812, if required
53 Residential energy credit. Attach Form 5695
54 Other credits from Form: □ 3800 □ 8814 □ 8824
55 Add lines 48 through 54. These are your total credits
56 Subtract line 55 from line 47. If line 55 is more than line 47, enter—0-

Other Taxes

57 Federal income tax withheld from Forms W-2 and 1099 .............................................. 57
58 Other income tax payments and amount applied from 2014 return
59 Household employment taxes from Schedule H
60a First-time homebuyer credit repayment. Attach Form 5405 if required
61 Health care: individual responsibility (see instructions) Full-year coverage
62 Taxes from: □ Form 8959 □ Form 8960 □ Instructions; enter code(s)
63 Add lines 56 through 62. This is your total tax

Payments

64 Federal income tax withheld from Forms W-2 and 1099 .............................................. 64
65 2015 estimated tax payments and amount applied from 2014 return
66b Non-taxable combat pay election
66a Earned income credit (EIC)
67 Additional child tax credit. Attach Schedule 8812 .............................................. 67
68 American opportunity credit from Form 8863, line 8 .............................................. 68
69 Net premium tax credit. Attach Form 8862 .............................................. 69
70 Amount paid with request for extension to file
71 Excess social security and tier 1 RRTA tax withheld
72 Credit for federal tax on fuels. Attach Form 4136
73 Credits from Form: □ 2483 □ 8814 □ 8885
74 Add lines 64, 66a, and 67 through 73. These are your total payments

Refund

75 If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid
76a Amount of line 75 you want refunded to you. If Form 8888 is attached, check here
76b Direct deposit? □ b Routing number □ d Account number □
See instructions. □ c Type: □ Checking □ Savings
77 Amount of line 75 you want applied to your 2016 estimated tax
78 Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions
79 Estimated tax penalty (see instructions)

Third Party Designee
Do you want to allow another person to discuss this return with the IRS (see instructions)? □ Yes. Complete below. □ No

Sign Here

Your signature Date Your occupation Daytime phone number
If the IRS sent you an Identity Protection PIN, enter it here (see instructions)

Paid Preparer Use Only
Print/Type preparer’s name □ Preparer’s signature □ Date □ Check if self-employed PTIN
Firm’s name □ Firm’s EIN □ Phone no.
Test Question #3

Facts:

Joe T. and Mary C. Army live at 101 Army Road in Fayetteville, North Carolina 01010 (Cumberland County). Joe is in the Army and his home of record is Florida. Mary is a resident of North Carolina and works at Wells Fargo Bank. They received income from the following sources:

- Wages from US Army – Joe: $22,100.00, NC tax withheld: $0
- Wages from Wells Fargo Bank – Mary: $15,250.00, NC tax withheld: $915.00
- Interest income – Mary: $212.00

Joe’s SSN: 202-00-0000
Mary’s SSN: 303-00-0000

For the tax year 2015, they claimed the standard deduction on the federal return.

They did not make any out-of-state purchases.

Mr. & Mrs. Army chose to file their federal income tax return as married filing jointly. Please complete North Carolina returns using the married filing jointly and married filing separately filing statuses to determine the most beneficial filing for Mr. and Mrs. Army.
Form 1040
Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return

For the year Jan. 1-Dec. 31, 2015, or other tax year beginning ending

Your first and name and initial Last name
Mary C. Army

If a joint return, spouse’s first and name and initial Last name

Home address (number and street). If you have a P.O. box, see instructions.
101 Army Road

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).
Fayetteville, NC 01010

Foreign country name

Foreign province/state/county

Foreign postal code

Filing Status
1 □ Single
2 □ Marital filing jointly (even if only one had income)
3 □ Married filing separately (enter spouse’s SSN above and full name here. ▶ Joe T. Army
4 □ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child’s name here. ▶
5 □ Qualifying widow(er) with dependent child

Check only one box.

Exemptions
6a □ Yourself, if someone can claim you as a dependent, do not check box 6a ▶
6b □ Spouse

(1) First name (2) Last name (3) Dependent’s Social security number (4) Relationship to you (5) Under age 17 qualifying for child tax credit (see instructions)

If more than four dependents, see instructions and check here ▶

Total number of exemptions claimed

Income
7 Wages, salaries, tips, etc. Attach Form(s) W-2
8a Taxable interest. Attach Schedule B if required
8b Tax-exempt interest. Do not include on line 8a
9a Ordinary dividends. Attach Schedule B if required
9b Qualified dividends
10 Taxable refunds, credits, or offsets of state and local income taxes
11 Alimony received
12 Business income or (loss). Attach Schedule C or C-EZ
13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶
14 Other gains or (losses). Attach Form 4797
15a IRA distributions
15b Taxable amount
16a Pensions and annuities
16b Taxable amount
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E
18 Farm income or (loss). Attach Schedule F
19 Unemployment compensation
20a Social security benefits
20b Taxable amount
21 Other income. List type and amount
22 Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶

Adjusted Gross Income
23 Reserved
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2100 or 2100-EZ
25 Health savings account deduction. Attach Form 8889
26 Moving expenses. Attach Form 3903
27 Deductible part of self-employment tax. Attach Schedule SE
28 Self-employed SEP, SIMPLE, and qualified plans
29 Self-employed health insurance deduction
30 Penalty on early withdrawal of savings
31a Alimony paid
31b Recipient’s SSN ▶
32 IRA deduction
33 Student loan interest deduction
34 Reserved
35 Domestic production activities deduction. Attach Form 8903
36 Add lines 23 through 35 ▶
37 Subtract line 36 from line 22. This is your adjusted gross income ▶

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.
Test Question #4

Facts:

Lester L. Scruggs (SSN 123-22-4567) and Gladys W. Scruggs (SSN 234-33-6789) were part-year residents having moved to North Carolina July 1, 2015. Lester works for Lockheed Martin. He received $6,000.00 ($500.00 per month) in retirement from the United States Navy during 2015. He received two separate IRA distributions of $5,000.00 each on April 2 and September 8, 2015. He received interest income each month with a yearly total of $576.00. He also sold stock on December 1, 2015, for a capital gain of $800.00. Gladys is a housewife. They have two children James (SSN 444-55-6666) age 14 and Sue (SSN 777-66-3333) age 18 who is a full-time student. They live at 1313 Not Real Lane, Raleigh, North Carolina 27615, in Wake County.

For the tax year 2015, they claimed itemized deductions on the federal return of $13,950.00.

The taxpayers received income as follows:

Lester:  
- Wages earned in VA before moving to NC $25,000.00
- Wages from Lockheed Martin earned in NC on or after July 1, 2015 $40,000.00
- North Carolina withholding $ 2,800.00

United States Navy Pension (Bailey Vested) $ 6,000.00

Lester received two IRA distributions of $5,000.00 each during 2015 $10,000.00

Interest Income from Coastal Federal Credit Union $ 576.00

Capital gain from sale of stock 12/01/15 $ 800.00

The Scruggs did not make any out-of-state purchases during taxable year 2015.

Please complete Mr. and Mrs. Scruggs 2015 North Carolina income tax return.
**U.S. Individual Income Tax Return**

**Form 1040**

**Year:** 2015

**Name:** Lester L. Scruggs

**Social Security Number:** 1 2 3 3 4 5 6 7

**Spouse's Name:** Gladys W. Scruggs

**Spouse's Social Security Number:** 2 3 4 3 6 7 8 9

**Home Address:** 1313 Not Real Lane, Raleigh, NC 27615

**City, Zip Code:** Raleigh, NC 27615

**Foreign Country Name:**

**Foreign Province/State/County:**

**Foreign Postal Code:**

**Filing Status:**
- [x] Married filing jointly (even if only one had income)
-  [ ] Single

**Check Only One Box:**
- [x] Married filing separately. Enter spouse's SSN above and full name here.

**Exemptions:**
- [x] Yourself. If someone can claim you as a dependent, do not check box 6a.

**Dependent's Name:**
- James Scruggs
  - First Name: James
  - Last Name: Scruggs
  - Social Security Number: 4 4 4 4 5 6 6 6 6
  - Relationship and Social Security Number:
    - Son
    - Qualifying Widow(er) with dependent child

**Income:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages, salaries, tips, etc.</td>
<td>65000</td>
</tr>
<tr>
<td>Taxable interest. Attach Schedule B if required</td>
<td>576</td>
</tr>
<tr>
<td>Tax-exempt interest. Do not include on line 8a</td>
<td>8a</td>
</tr>
<tr>
<td>Ordinary dividends. Attach Schedule B if required</td>
<td>9a</td>
</tr>
<tr>
<td>Qualified dividends</td>
<td>9b</td>
</tr>
<tr>
<td>Taxable refunds, credits, or offsets of state and local income taxes</td>
<td>10</td>
</tr>
<tr>
<td>Alimony received</td>
<td>11</td>
</tr>
<tr>
<td>Business income or (loss). Attach Schedule C or C-EZ</td>
<td>12</td>
</tr>
<tr>
<td>Capital gain or (loss). Attach Schedule D if required. If not required, check here</td>
<td>13</td>
</tr>
<tr>
<td>Other gains or (losses). Attach Form 4797</td>
<td>14</td>
</tr>
<tr>
<td>IRA distributions</td>
<td>15a</td>
</tr>
<tr>
<td>Pensions and annuities</td>
<td>16a</td>
</tr>
<tr>
<td>Social security benefits</td>
<td>20a</td>
</tr>
<tr>
<td>Total income</td>
<td>22</td>
</tr>
</tbody>
</table>

**Adjusted Gross Income:**

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted</td>
<td>23</td>
</tr>
<tr>
<td>Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-E</td>
<td>24</td>
</tr>
<tr>
<td>Health savings account deduction. Attach Form 8889</td>
<td>25</td>
</tr>
<tr>
<td>Moving expenses. Attach Form 3903</td>
<td>26</td>
</tr>
<tr>
<td>Deductible part of self-employment tax. Attach Schedule SE</td>
<td>27</td>
</tr>
<tr>
<td>Self-employed SEP, SIMPLE, and qualified plans</td>
<td>28</td>
</tr>
<tr>
<td>Self-employed health insurance deduction</td>
<td>29</td>
</tr>
<tr>
<td>Penalty on early withdrawal of savings</td>
<td>30</td>
</tr>
<tr>
<td>Alimony paid</td>
<td>31a</td>
</tr>
<tr>
<td>IRA deduction</td>
<td>32</td>
</tr>
<tr>
<td>Student loan interest deduction</td>
<td>33</td>
</tr>
<tr>
<td>Reserved</td>
<td>34</td>
</tr>
<tr>
<td>Domestic production activities deduction. Attach Form 8803</td>
<td>35</td>
</tr>
<tr>
<td>Add lines 23 through 35</td>
<td>36</td>
</tr>
<tr>
<td>Subtract line 36 from line 22. This is your adjusted gross income</td>
<td>37</td>
</tr>
</tbody>
</table>

**Adjusted Gross Income:**

| Amount | 82376 |

**For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.**
46

Test Question #4

Amount from line 37 (adjusted gross income) .......................................................... 38

Check  □  You were born before January 2, 1951,  □  Blind.  Total boxes checked □  39a □

If your spouse itemizes on a separate return or you were a dual-status alien, check here □  39b □

Itemized deductions (from Schedule A) or your standard deduction (see left margin) .......................................................... 40

Exemptions. If line 38 is $154,950 or less, multiply $4,000 by the number on line 6d. Otherwise, see instructions 41

Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-. 42

Tax (see instructions). Check any from. a  □  Form(s) 8814  b  □  Form(s) 9572  c  □  43

Alternative minimum tax (see instructions). Attach Form 6251. 44

Excess advance premium tax credit repayment. Attach Form 6962. 45

Add lines 46 through 54. These are your total credits .......................................................... 47

Add lines 55 through 57. These are your total taxes. 48

Add lines 58 through 66. This is your total tax. 49

Federal income tax withheld from Forms W-2 and 1099 .......................................................... 50

Unreported social security and Medicare tax from Form: a  □  4137  b  □  8919  51

Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required 52

Household employment taxes from Schedule H 53

First-time homebuyer credit repayment. Attach Form 5405 if required 54

Health care: individual responsibility (see instructions). Full-year coverage □  55

Taxes from: a  □  Form 8959  b  □  Form 8960  c  □  Instructions; enter code(s) 56

Add lines 60 through 62. This is your total tax. 57

Additional child tax credit. Attach Schedule 8812. 58

American opportunity credit from Form 8863, line 8 59

Net premium tax credit. Attach Form 8962. 60

Amount paid with request for extension to file 61

Excess social security and tier 1 RTA tax withheld 62

Credit for federal tax on fuels. Attach Form 4136 63

Credits from Form: a  □  2439  b □  Reared  c  □  8885  d  □  64

Add lines 68, 69, 66a, and 67 through 73. These are your total payments 65

If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid 66

Amount of line 75 you want refunded to you. If Form 8888 is attached, check here □  67

Routing number □  68

Account number □  69

Type: □  Checking  □  Savings 6a

Amount of line 75 you want applied to your 2016 estimated tax □  70

Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions □  71

Estimated tax penalty (see instructions) □  72

Where do you want to allow another person to discuss this return with the IRS (see instructions)? □  Yes. Complete below. □  No

Designee’s name □  73

Phone number □  74

Personal identification number (PIN) □  75

Sign Here

Your signature □  76

Date 7a

Your occupation □  77

Daytime phone number □  78

If the IRS sent you an Identity Protection PIN, enter it here (see instructions) □  79

Signature of preparer or preparer’s representative 80

Preparer’s name □  81

Sign here □  82

Preparer’s signature □  83

Date 8a

Check □  if self-employed □

PTIN □  84

Paid Preparer Use Only

Print/Type preparer’s name □  85

Preparer’s signature □  86

Print/Type preparer’s name □  87

Preparer’s signature □  88

Date 8a

Check □  if self-employed □

PTIN □  89

Print/Type preparer’s name □  90

Firm’s name □  91

Preparer’s signature □  92

Firm’s EIN □  93

Print/Type preparer’s name □  94

Firm’s address □  95

Firm’s EIN □  96

Phone number □  97

Itemized Deductions

Caution: Do not include expenses reimbursed or paid by others.

1. Medical and dental expenses (see instructions).
   - Enter amount from Form 1040, line 38.
2. Multiply line 2 by 10% (.10). But if either you or your spouse was born before January 2, 1951, multiply line 2 by 7.5% (.075) instead.
3. Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-.

Taxes You Paid
- State and local Income taxes
- Real estate taxes (see instructions)
- Personal property taxes
- Other taxes. List type and amount
- Add lines 5 through 8.
- 5000

Interest You Paid
- Home mortgage interest and points reported to you on Form 1098
- Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person’s name, identifying no., and address.
- Points not reported to you on Form 1098. See instructions for special rules.
- Investment interest. Attach Form 4952 if required. (See instructions.)
- Add lines 10 through 14.
- 5000

Gifts to Charity
- Gifts by cash or check. If you made any gift of $250 or more, see instructions.
- Other than by cash or check. If any gift of $250 or more, see instructions. You must attach Form 8283 if over $500.
- Carryover from prior year.
- Add lines 16 through 18.
- 4000

Casualty and Theft Losses
- Casualty or theft loss(es). Attach Form 4684. (See instructions.)
- Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.)
- Tax preparation fees.
- Other expenses—investment, safe deposit box, etc. List type and amount.
- Add lines 21 through 23.
- Enter amount from Form 1040, line 38.
- Multiply line 25 by 2% (.02).
- Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-.

Other Miscellaneous Deductions
- Other—from list in instructions. List type and amount.
- Is Form 1040, line 38, over $154,950?
- Yes. Your deduction may be limited. See the Itemized Deductions Worksheet in the instructions to figure the amount to enter.
- If you elect to itemize deductions even though they are less than your standard deduction, check here.

Total Itemized Deductions
- Yes. Your deduction may be limited. See the Itemized Deductions Worksheet in the instructions to figure the amount to enter.
- If you elect to itemize deductions even though they are less than your standard deduction, check here.

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 17145C

Schedule A (Form 1040) 2015

For Paperwork Reduction Act Notice, see Form 1040 instructions.
Test Question #5

Facts:

John R. (SSN 101-55-0001) and Jane S. Smith (SSN 202-66-0002) are full year residents of North Carolina and live at 201 Somewhere Drive, Raleigh, North Carolina 02020, in Wake County. John is a systems analyst with Cisco Systems. During 2015 Cisco assigned John to work for one month in Virginia and two months in Maryland. Jane is a sales associate for a local department store. They have two children, Tim (SSN 111-11-1111) age 3 and Mike (SSN 222-22-2222) age 8.

They claimed itemized deductions of $32,500 on their 2015 federal return.

John and Jane received income from the following sources:

John’s total wages from Cisco Systems $105,000
  Maryland source income $15,000
  Virginia source income $10,000

Jane’s wages $20,000

Interest income from BB&T $300
Virginia municipal bond interest $140

North Carolina withholding – John $5,250
North Carolina withholding – Jane $1,400
Maryland withholding $500
Virginia withholding $0

John owed tax of $450 to the state of Maryland on the income he earned there. Since he had $500 state tax withheld by Maryland, he received a refund of $50.

He paid $340 to the state of Virginia on the income he earned there.

Please complete Mr. and Mrs. Smith’s 2015 North Carolina income tax return.
Form 1040
Department of the Treasury — Internal Revenue Service
U.S. Individual Income Tax Return
2015

For the year Jan. 1–Dec. 31, 2015, or other tax year beginning

See separate instructions.

Your first name and initial
John R.

Last name
Smith

Your social security number
1 0 1 5 0 0 0 1

If a joint return, spouse’s first name and initial
Jane S.

Last name
Smith

Spouse’s social security number
2 0 2 6 0 0 0 2

Home address (number and street). If you have a P.O. box, see instructions.
201 Somewhere Drive
City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).
Raleigh, NC 02020

Foreign country name

Foreign province/state/country

Foreign postal code

Filing Status
1 □ Single
2 □ Married filing jointly (even if only one had income)
3 □ Married filing separately. Enter spouse’s SSN above, and full name here. ▶
4 □ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child’s name here. ▶

Check only one box.

Exemptions
6a □ You yourself. If someone can claim you as a dependent, do not check box 6a. ▶
6b □ Spouse

Number of dependent(s): (1) First name: Last name
Tim Smith

(2) Dependents’ social security number
1 1 1 1 1 1 1 1

(3) Dependents’ relationship to you
Son

(4) □ if child under age 17 qualifying for child tax credit (see instructions)

Boxes checked on 6a and 6b
2

No. of children on 6c who:

lived with you
2

did not live with you due to divorce or separation (see instructions)

No. of dependents on 6c not entered above
4

Total number of exemptions claimed

Add numbers on lines above
4

Income
7 Wages, salaries, tips, etc. Attach Form(s) W-2

8a Taxable interest. Attach Schedule B if required

8b Tax-exempt interest. Do not include on line 8a

9a Ordinary dividends. Attach Schedule B if required

9b Qualified dividends

10 Taxable refunds, credits, or offsets of state and local income taxes

11 Alimony received

12 Business income or (loss). Attach Schedule C or C-EZ

13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶

14 Other gains or (losses). Attach Form 4797

15a IRA distributions

15b Taxable amount

16a Pensions and annuities

16b Taxable amount

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E

18 Farm income or (loss). Attach Schedule F

19 Unemployment compensation

20a Social security benefits

20b Taxable amount

21 Other income. List type and amount

22 Combine the amounts in the far right column for lines 7 through 21. This is your total income ▶

23 Reserved

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ

25 Health savings account deduction. Attach Form 8889

26 Moving expenses. Attach Form 3903

27 Deductible part of self-employment tax. Attach Schedule SE

28 Self-employed SEP, SIMPLE, and qualified plans

29 Self-employed health insurance deduction

30 Penalty on early withdrawal of savings

31a Alimony paid

b Recipient’s SSN ▶

32 IRA deduction

33 Student loan interest deduction

34 Reserved

35 Domestic production activities deduction. Attach Form 8804

36 Add lines 23 through 35

37 Subtract line 36 from line 22. This is your adjusted gross income ▶

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Cal. No. 11320B

Form 1040 (2015)
38 Amount from line 37 (adjusted gross income) .......................................................... 38 125300 00

Tax and Credits

39a Check □ You were born before January 2, 1951, □ Blind. Total boxes checked □ 39a □
If your spouse itemizes on a separate return or you were a dual-status alien, check here □ 39a □

Standard Deduction for—

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) ........... 40 32500 00
41 Subtract line 40 from line 38 ................................................................. 41 92800 00
42 Exemptions. If line 38 is $154,950 or less, multiply $4,000 by the number on line 6d. Otherwise, see instructions □ 42 16000 00
43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- □ 43 76800 00
44 Tax (see instructions). Check if any from: a □ Form(s) 8814 b □ Form 972 c □ 44
tax (see instructions). Check if any from: a □ Form(s) 8814 b □ Form 972 c □
45 Alternative minimum tax (see instructions). Attach Form 6251 ............................................. 45
46 Excess advance premium tax credit repayment. Attach Form 6962 ........................................... 46
47 Add lines 44, 45, and 46 .......................................................... 47
48 Foreign tax credit. Attach Form 1116 if required ................................................................. 48
49 Credit for child and dependent care expenses. Attach Form 2441 ........................................... 49
50 Education credits from Form 8863, line 19 ............................................................................ 50
51 Retirement savings contributions credit. Attach Form 8887 ....................................................... 51
52 Child tax credit. Attach Schedule 8812, if required .................................................................. 52
53 Residential energy credit. Attach Form 5695 .......................................................................... 53
54 Other credits from Form: a □ 8802 b □ 8805 c □ 54
55 Add lines 48 through 54. These are your total credits .................................................................. 55
56 Subtract line 55 from line 47. If line 55 is more than line 47, enter -0- □ 56

Other
Taxes

57 Self-employment tax. Attach Schedule SE .............................................................................. 57
58 Unreported social security and Medicare tax from Form: a □ 4137 b □ 8919 58
59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required 59
60a Household employment taxes from Schedule H ....................................................................... 60a
60b First-time homebuyer credit repayment. Attach Form 5405 if required 60b
61 Health care: individual responsibility (see instructions) Full-year coverage □ 61
62 Taxes from: a □ Form 8959 b □ Form 8960 c □ Instructions; enter code(s) 62
63 Add lines 57 through 62. This is your total tax ........................................................................ 63

Payments

64 Federal income tax withheld from Forms W-2 and 1099 ........................................................ 64
65 2015 estimated tax payments and amount applied from 2014 return 65
66a Earned income credit (EIC) ........................................................................................................ 66a
66b Nonrefundable combat pay election ....................................................................................... 66b
67 Additional child tax credit. Attach Schedule 8812 .................................................................... 67
68 American opportunity credit from Form 8863, line 8 ............................................................... 68
69 Net premium tax credit. Attach Form 8862 ................................................................................ 69
70 Amount paid with request for extension to file ......................................................................... 70
71 Excess social security and tier 1 RRTA tax withheld ................................................................. 71
72 Credit for federal tax on fuels. Attach Form 4136 ..................................................................... 72
73 Credits from Form: a □ 2439 b □ 2431 c □ 8889 d □ 73
74 Add lines 64, 65, 66a, and 67 through 73. These are your total payments .......................... 74

Refund

75 If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid 75
76a Amount of line 75 you wanted refunded to you. If Form 8888 is attached, check here □ 76a
76b Direct deposit? □ b Routing number □ d Account number □ 76b
c Type: □ Checking □ Savings □
77 Amount of line 75 you want applied to your 2016 estimated tax □ 77

Amount You Owe

78 Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions □ 78
79 Estimated tax penalty (see instructions) ..................................................................................... 79

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? □ Yes. Complete below. □ No

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature ....................................... Date ............................................... Your occupation ........................................ Daytime phone number

Joint return? See instructions. Keep a copy for your records.

Spouse’s signature. If a joint return, both must sign. Date ............................................... Spouse’s occupation ........................................

If the IRS sent you an Identity Protection PIN, enter it here (see ins). 

Paid Preparer Use Only

Print/Type preparer’s name □ Preparer’s signature □ Date □ Check □ if self-employed PTIN □

Firm’s name □ Firm’s EIN □
Firm’s address □ Phone no. □

Form 1040 (2015)

www.irs.gov/form1040
<table>
<thead>
<tr>
<th>Itemized Deductions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical and Dental Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>1. Medical and dental expenses (see instructions)</td>
<td>1. 13000 00</td>
</tr>
<tr>
<td>2. Enter amount from Form 1040, line 3B</td>
<td>2. 12500 00</td>
</tr>
<tr>
<td>3. Multiply line 2 by 10% (.10). But if either you or your spouse was born before January 2, 1951, multiply line 2 by 7.5% (.075) instead.</td>
<td>3. 12500 00</td>
</tr>
<tr>
<td>4. Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-.</td>
<td>4. 500 00</td>
</tr>
<tr>
<td><strong>Taxes You Paid</strong></td>
<td></td>
</tr>
<tr>
<td>5. State and local</td>
<td>5. 7150 00</td>
</tr>
<tr>
<td>a. Income taxes</td>
<td>6. 5000 00</td>
</tr>
<tr>
<td>b. Rent</td>
<td></td>
</tr>
<tr>
<td>6. Real estate taxes (see instructions)</td>
<td>6. 5000 00</td>
</tr>
<tr>
<td>7. Personal property taxes</td>
<td>7. 625 00</td>
</tr>
<tr>
<td>8. Other taxes. List type and amount ▶</td>
<td></td>
</tr>
<tr>
<td>9. Add lines 5 through 8</td>
<td>9. 13775 00</td>
</tr>
<tr>
<td><strong>Interest You Paid</strong></td>
<td></td>
</tr>
<tr>
<td>10. Home mortgage interest and points reported to you on Form 1098</td>
<td>10. 14500 00</td>
</tr>
<tr>
<td>11. Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person’s name, identifying no., and address ▶</td>
<td></td>
</tr>
<tr>
<td>12. Points not reported to you on Form 1098. See instructions for special rules</td>
<td>12.</td>
</tr>
<tr>
<td>15. Add lines 10 through 14</td>
<td>15. 14500 00</td>
</tr>
<tr>
<td><strong>Gifts to Charity</strong></td>
<td></td>
</tr>
<tr>
<td>16. Gifts by cash or check. If you made any gift of $250 or more, see instructions</td>
<td>16. 3725 00</td>
</tr>
<tr>
<td>17. Other than by cash or check. If any gift of $250 or more, see instructions. You must attach Form 8283 if over $500</td>
<td>17.</td>
</tr>
<tr>
<td>18. Carryover from prior year</td>
<td>18.</td>
</tr>
<tr>
<td>19. Add lines 16 through 18</td>
<td>19. 3725 00</td>
</tr>
<tr>
<td><strong>Casualty and Theft Losses</strong></td>
<td></td>
</tr>
<tr>
<td>20. Casualty or theft loss(es). Attach Form 4684. (See instructions.)</td>
<td>20.</td>
</tr>
<tr>
<td><strong>Job Expenses and Certain Miscellaneous Deductions</strong></td>
<td></td>
</tr>
<tr>
<td>21. Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions ▶)</td>
<td>21.</td>
</tr>
<tr>
<td>23. Other expenses—investment, safe deposit box, etc. List type and amount ▶</td>
<td>23.</td>
</tr>
<tr>
<td>25. Enter amount from Form 1040, line 3B</td>
<td>25.</td>
</tr>
<tr>
<td>27. Subtract line 26 from line 24. If line 26 is more than line 24, enter -0-</td>
<td>27.</td>
</tr>
<tr>
<td><strong>Other Miscellaneous Deductions</strong></td>
<td></td>
</tr>
<tr>
<td>28. Other—from list in instructions. List type and amount ▶</td>
<td>28.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
<tr>
<td>29. Is Form 1040, line 3B, over $154,950?</td>
<td>29. 32500 00</td>
</tr>
<tr>
<td>❑ No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40.</td>
<td></td>
</tr>
<tr>
<td>❑ Yes. Your deduction may be limited. See the Itemized Deductions Worksheet in the instructions to figure the amount to enter.</td>
<td></td>
</tr>
<tr>
<td>30. If you elect to itemize deductions even though they are less than your standard deduction, check here ▶</td>
<td>30.</td>
</tr>
</tbody>
</table>

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Cat. No. 17145C

Schedule A (Form 1040) 2015