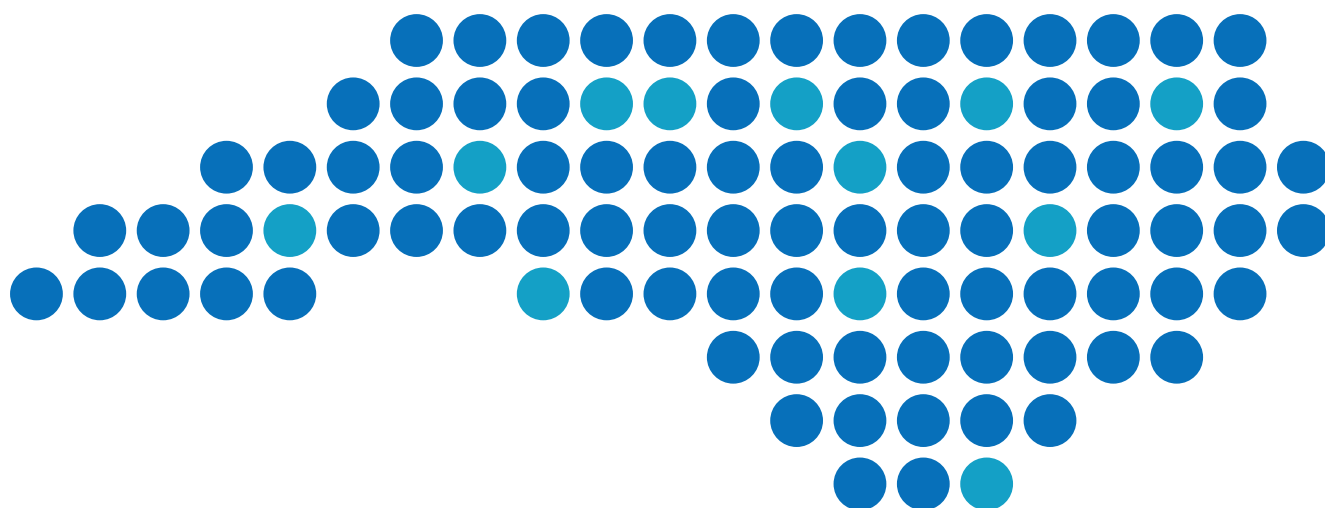


2014 Individual Income Tax Instructions for Form D-400

NCDOR

NORTH
CAROLINA
DEPARTMENT
OF REVENUE



Make it Easy on Yourself...
File Your Return Electronically!

Declaración Electrónica (EN ESPAÑOL)

2014 Tax Changes

See **WHAT'S NEW** in these instructions



N.C. DEPARTMENT OF REVENUE, P.O. BOX 25000, RALEIGH, NC 27640-0100

www.dornc.com

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Our website offers e-file options and a list of approved e-file vendors. The list is located at www.dornc.com/electronic/e-file.html.



Join over 3.5 million taxpayers that filed their North Carolina income taxes electronically last year – it improves processing, saves time, and reduces cost.

New E-File Payment Options for Taxpayers!

Individual income taxpayers can e-file returns and pay taxes electronically with an approved e-file vendor product. Bank draft payments for D-400V can now be made when you e-file your return. You also have the ability to schedule NC-40 estimated payments and file and/or pay D-410 extensions.

Friendly and Confidential Customer Service

For assistance in e-filing your returns, utilize the "Help" features that are provided by each software product.



Convenience of Direct Deposit

Electronic filing offers the option of having your refund deposited directly into your bank account, thereby, eliminating the possibility of your refund check being lost, stolen, or returned due to an incomplete/incorrect address. The direct deposit option is available only if you e-file your return. **(Please be sure to verify that your bank account information is accurate prior to submitting your return. Incorrect banking information may delay your refund and/or result in you receiving a paper check)**

Safe and Confidential

The Department complies with IRS security standards to safeguard your tax data.



Avoid Long Lines at the Post Office

Why wait in long lines at the post office? If you e-file your return, you will receive electronic confirmation that your return has been received.



More Accurate than Paper Returns

Computerized calculations are automatic and lower the chance of errors on the return.



Make it easy on yourself... File your return electronically!

N.C. income tax filers are encouraged to file returns and pay taxes electronically through approved tax software or online at www.dornnc.com



Safe and Secure E-Filing Options for Individuals:

Free File... You may be eligible to e-file for FREE!!!

To find out if you qualify for Free File, please review the Quick Guide to Eligibility Requirements for Free File and Low Cost by clicking on the NCfreefile logo located on our website at <http://www.dornnc.com/electronic/e-file.html>

Low Cost

If you do not qualify for free electronic filing, you may be eligible to electronically file your Federal and State returns at a low cost. The software prices are listed from lowest to highest on our website. To access the list of Low Cost options, click on the NCfreefile logo located on our website at <http://www.dornnc.com/electronic/e-file.html>

VITA/TCE

Volunteer Income Tax Assistance/Tax Counseling for the Elderly (VITA/TCE) programs offer free Federal and State tax preparation and electronic filing for taxpayers with low or moderate income, disabilities, non-English speaking, or the elderly. Call the IRS at 1-800-829-1040 for a location.

How Do I E-File?

Use Your Computer

Visit our website at www.dornnc.com to access E-File services available at no cost to eligible taxpayers or use a commercial tax preparation software for a modest fee. A link to approved software products sites is located on our website.

Ask Your Tax Preparer to File Your Federal and State Returns Electronically

"Where's My Refund?" and Other E-Services

www.dornnc.com

Click **E-Services** and select **Individuals**.

Where's My Refund?

Track the status of your current individual income tax refund, amended returns and prior year returns filed late.

D-400V Individual Income Payment Voucher

Pay your current year individual income tax.

Bills and Notices

Make a payment on a bill or notice that you received from the Department of Revenue.

NC-40 Individual Estimated Income Tax

Pay your individual estimated income tax payments online.

D-410 Application for Extension for Filing Individual Income Tax Return

File your individual income tax extension and pay the tax electronically.

D-400V Amended Individual Income Payment Voucher

Pay the tax on your individual income tax amended return.

E-Alerts

Join our Tax Updates Mailing List. Mailings through this list will include bulletins, directives, and other important notices about law changes and related tax matters.

Before You Begin

The forms in this booklet are designed for electronic scanning that permits faster processing with fewer errors. To avoid unnecessary delays caused by manual processing, please follow the guidelines below:

Important: You must enter your social security number(s) in the appropriate boxes on the forms. Otherwise, we may be unable to process your return.

- Be sure to enter your complete address on your return, including your apartment number, if applicable.
- Make sure you have received all of your W-2s, 1099s, and other tax documents that you need to prepare your return.
- **Do not** submit photocopies of the return. Submit original forms only. **Do not** use any prior year forms.
- **Use black or blue ink only. Do not use red ink or pencil.**
- Write your numbers in the boxes like this:

		1	7	3	6	0	0	0
--	--	---	---	---	---	---	---	---
- **Do not** use dollar signs (\$), commas, decimal points, or other punctuation marks like this:

		\$	1	1	7	,	3	6	0	.	0	0
--	--	----	---	---	---	---	---	---	---	---	---	---
- **Do not** use brackets to indicate negative numbers. Negative numbers are indicated by filling in the circle next to the number.
- **Do not** enter zeros or draw lines in boxes where no data is required.
- Round off to the nearest whole dollar. Drop amounts under 50 cents and increase amounts from 50 cents to 99 cents to the next whole dollar.
- Use capital letters.
- Print letters and numbers like this:

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

0	1	2	3	4	5	6	7	8	9
---	---	---	---	---	---	---	---	---	---

- Fill in applicable circles completely.

Example: ☒ Yes ☐ No

What's New

For information about any additional changes to the 2014 tax law or any other developments affecting Form D-400 or its instructions, go to www.dornc.com.

Session Law 2013-316, House Bill 998, An Act to Simplify the North Carolina Tax Structure and to Reduce Individual and Business Tax Rates, was signed into law on July 23, 2013. The individual income tax rate was reduced, the N.C. standard deduction was increased, and many deductions and tax credits are no longer available for tax years beginning on or after January 1, 2014.

Change in tax rate. The individual income tax rate is reduced to a flat 5.8 percent for tax years beginning on or after January 1, 2014 and to 5.75 percent for tax years beginning on or after January 1, 2015.

N.C. Standard Deduction or N.C. Itemized Deductions. You may continue to claim either the N.C. standard deduction or N.C. itemized deductions, however, both have changed. (See Page 8)

- N.C. standard deduction has increased for each filing status,
- No additional standard deduction is available for taxpayers age 65 or older, or blind.
- N.C. itemized deductions are no longer identical to federal itemized deductions and are subject to certain limitations.

N.C. Standard Deduction Amounts for Most Taxpayers:

<u>Filing Status</u>	<u>Standard Deduction</u>
Single	\$ 7,500
Married Filing Jointly/Qualifying Widow(er)	\$15,000
Married Filing Separately	\$ 7,500
Head of Household	\$12,000

(See Page 8 for exceptions)

N.C. Itemized Deductions.

- Qualified home mortgage interest and real estate property taxes are allowed as deductions. The sum of those deductions cannot exceed \$20,000,
- Charitable contributions allowed as a deduction on the federal return are allowed without limitation.

Deduction for Other Retirement Benefits. There are no longer deductions available to certain taxpayers for up to \$4,000 for federal, state, or local government retirement benefits or up to \$2,000 for private retirement benefits.

Deduction for Net Business Income that is Not Considered Passive Income. There is no longer a deduction available to certain taxpayers for up to \$50,000 of net business income included in federal adjusted gross income.

Deduction for Contributions to N.C. College Savings Program. There is no longer a deduction for contributions made during the taxable year to an account in the Parental Savings Trust Fund of the State Education Assistance Authority (North Carolina's National College Savings Program - N.C. 529 Plan).

N.C. Personal Exemption Allowance. You may no longer claim a personal exemption for yourself, your spouse, children, or any other qualifying dependents.

Credit for Children. Amounts are increased from \$100 to \$125 per qualifying child for some taxpayers. If you are allowed a federal child tax credit under section 24 of the Code you are allowed a tax credit for each dependent child for whom a federal credit was allowed. The credit amount is based on your filing status and adjusted gross income, as calculated under the Code. (See Page 15)

Child and Dependent Care Credit. North Carolina no longer allows a tax credit for child and dependent care expenses.

Earned Income Tax Credit. North Carolina no longer has a State earned income tax credit.

N.C. Education Endowment Fund: Contribute to the N.C. Education Endowment Fund by making a contribution or designating some or all of your overpayment to the Fund. (See instructions for information about the Fund on Pages 7 and 11.)

Line Instructions for Filing Form D-400 Schedule S, Part D**Part-Year Resident/Nonresident Worksheet***Please retain this worksheet with your records.***Column A**Income as Shown on
Federal Return**Column B**Income Subject to
North Carolina Tax**Income**

1. Wages	1.		
2. Taxable interest	2.		
3. Taxable dividends	3.		
4. State and local income tax refunds	4.		
5. Alimony received	5.		
6. Schedule C or C-EZ business income or (loss)	6.		
7. Schedule D capital gain or (loss)	7.		
8. Other gains or (losses)	8.		
9. Taxable amount of IRA distributions	9.		
10. Taxable amount of pensions and annuities	10.		
11. Schedule E - Rents, royalties, partnerships, S-Corps estates, trusts, etc.	11.		
12. Schedule F - Farm income or (loss)	12.		
13. Unemployment compensation	13.		
14. Taxable amount of Social Security or Railroad Retirement benefits	14.		
15. Other income	15.		
16. Add lines 1 through 15.	16.		

North Carolina Additions To Federal Adjusted Gross Income*(See Form D-400 Schedule S, Part A)*

17. Interest income from obligations of states other than NC	17.		
18. Other additions to federal adjusted gross income that relate to gross income	18.		
19. Add Lines 16, 17, and 18.	19.		

North Carolina Deductions From Federal Adjusted Gross Income*(See Form D-400 Schedule S, Part B)*

20. State and local income tax refund (from Line 4 above)	20.		
21. Interest from obligations of the United States or United States' possessions	21.		
22. Taxable portion of Social Security or Railroad Retirement benefits	22.		
23. Bailey retirement benefits (Enter in Col. A the total of the amount on Line 8, Form D-400 Schedule S)	23.		
24. Adjustment for bonus depreciation (Enter in Col. A the total of the amount on Line 9f, Form D-400 Schedule S)	24.		
25. Adjustment for 179 expense deduction (Enter in Col. A the amount from Line 10e, Form D-400 Schedule S)	25.		
26. Other deductions from federal adjusted gross income that relate to gross income	26.		
27. Add lines 20 through 26.	27.		
28. Line 19 minus line 27.	28.		

- Enter the amount from **Column B, Line 28** on Form D-400 Schedule S, Part D, Line 20.
- Enter the amount from **Column A, Line 28** on Form D-400 Schedule S, Part D, Line 21.

↑
(Enter this amount on Form D400
Schedule S, Part D, Line 21)

↑
(Enter this amount on Form D400
Schedule S, Part D, Line 20)

General Information for Claiming Tax Credits - Form D-400TC**► Credit for Tax Paid to Another State or Country**

When income is taxed by North Carolina for a period during which you were a legal resident of North Carolina and the same income is also taxed by another state or country because it was earned in or derived from sources within that state or country, a tax credit may be claimed, but not on the basis of a withholding statement alone. 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.

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. Complete Part 1 of Form D-400TC to determine the allowable tax credit. **The amount entered on Line 1, Part 1 of Form D-400TC is total income from all sources received while a resident of North Carolina**, adjusted by the applicable additions and/or deductions to federal adjusted gross income that relate to gross income that you listed on Form D-400 Schedule S, Parts A and B. The amount of **net tax paid** on Line 6 is any 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. Attach a copy of the tax return filed with the other state and proof of the payment.

Include on Line 2, Part 1 of Form D-400TC your share of any S Corporation income that is attributable to and taxed by another state, whether or not the other state taxed the income at the individual or corporate level. Include on Line 6, Part 1, Form D-400TC the net tax you paid another state on your share of S Corporation income or your pro rata share of the net corporate tax paid by the S Corporation to another state that taxes the corporation rather than the shareholder. Attach a schedule to your return showing the total amount of tax paid to the other state by the S Corporation, and how your pro rata share of the tax was determined.

If you claim credit for tax paid to more than one state or country, use the worksheet on Page 15 to determine the tax credit allowable for each state or country. Determine the total credits for all states by adding the amount on Line 7 of each worksheet and enter the total on Form D-400TC, Line 7a. Be sure to use separate worksheets to determine the separate credits for each state or country.

Nonresidents are not entitled to this tax credit.

Out-of-State Tax Credit Worksheet

1. **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 deductions shown on Lines 5 through 10e of Form D-400 Schedule S, Parts A and B. Do not make any adjustment for any portion of Lines 3 or 11 of Form D-400 Schedule S, Parts A and B that does not relate to gross income. 1. _____
2. The portion of Line 1 that was taxed by the other state or country 2. _____
3. Divide Line 2 by Line 1 and enter the result as a decimal amount (Round to four decimal places) 3. _____
4. Enter total North Carolina income tax (From Form D-400, Line 15) 4. _____
5. Multiply Line 3 by Line 4 5. _____
6. Amount of net tax paid to the other state or country on the income shown on Line 2 (See instructions on Page 14 for definition of net tax paid) 6. _____
7. Enter the lesser of Line 5 or Line 6 7. _____

► Credit for Children

For tax year 2014, the amount of credit has increased from \$100 to \$125 per qualifying child for some taxpayers.

You may claim a child tax credit on your 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 your 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.

Please refer to the chart below and complete the **Credit for Children Worksheet** to determine the amount of allowable credit. You must enter the number of dependent children for whom you were allowed a federal tax credit and the amount of the credit on Form D-400TC, Part 2, Line 8.

Credit for Children

<u>Filing Status</u>	<u>AGI</u>	<u>Credit Amount per Qualifying Child</u>
<u>Married Filing Jointly/Qualifying Widow(er)</u>	Up to \$40,000	\$125
	Over \$40,000 and up to \$100,000	\$100
	Over \$100,000	\$0
<u>Head of Household</u>	Up to \$32,000	\$125
	Over \$32,000 and up to \$80,000	\$100
	Over \$80,000	\$0
<u>Single or Married Filing Separately</u>	Up to \$20,000	\$125
	Over \$20,000 and up to \$50,000	\$100
	Over \$50,000	\$0

Credit for Children Worksheet

1. Multiply the number of children for whom you are entitled to claim the federal child tax credit by \$100 or \$125 and enter the result here. (**Full-year residents enter this amount here and on Line 3 below.**) 1. _____
2. **Part-year residents and nonresidents** multiply the amount on Line 1 by the decimal amount from Form D-400, Line 13 and enter the result here and on Line 3 below. If Line 13 of Form D-400 is more than 1.0000, enter the amount from Line 1 here and on Line 3 below. 2. _____
3. Credit for children (Include the amount on this line in the total on Form D-400TC, Part 2, Line 8.) 3. _____

► Credit for Qualified Business Investments (Repealed effective for investments made on or after January 1, 2014)

A tax credit is allowed for qualifying investments in the equity securities or subordinated debt of a qualified business venture, qualified grantee business, or a qualified licensee business. The credit is 25% of the amount invested or \$50,000, whichever is less. The tax credit is not allowed for the year in which the investment is made but is allowed for the taxable year beginning during the calendar year following the calendar year in which the investment was made. Any unused credit may be carried forward for the next succeeding five years. Your basis in the equity securities or subordinated debt acquired as a result of your investment must be reduced by the amount of allowable credit.

General Information for Claiming Tax Credits - Form D-400TC

To be eligible for the credit, you must file Form D-499, Application for Tax Credit for Qualified Business Investments, with the Secretary of Revenue. The application should be filed on or before April 15 and no later than October 15 of the year following the calendar year in which the investment was made. An application filed after October 15 will not be accepted. See Page 2 of Form D-499 for additional rules and regulations for claiming the credit. The allowable credit should be shown on Form D-400TC, Line 10. You must attach a copy of the qualified business tax credit approval letter from the Department of Revenue to verify the credit claimed on the return.

► Credit for Rehabilitating Historic Structure

Income-producing – Generally, a taxpayer who is allowed a federal income tax credit under section 47 of the Internal Revenue Code for making rehabilitation expenditures for a certified historic structure located in North Carolina is allowed a credit equal to 20% of the expenditures that qualify for the federal credit (40% of expenditures if the facility at one time served as a State training school for juvenile offenders).

Nonincome-producing – Generally, a taxpayer who is not allowed a federal income tax credit under section 47 of the Internal Revenue Code and who makes rehabilitation expenses for a State-certified historic structure located in North Carolina is allowed a credit equal to 30% of the rehabilitation expenses (40% of expenditures if the facility at one time served as a State training school for juvenile offenders). To qualify for the credit, the rehabilitation expenses must exceed \$25,000 within a 24-month period. You must attach to the return a copy of the certification obtained from the State Historic Preservation Officer verifying that the historic structure has been rehabilitated in accordance with the Secretary of the Interior's Standards for Rehabilitation.

Important: The credit for rehabilitating a historic structure must be claimed in five equal installments beginning with the taxable year in which the property is placed in service. Any unused portion of the credit may be carried forward for the succeeding five years.

► Credit for Rehabilitating Historic Mill Facility

A tax credit is also allowed for rehabilitating a historic mill facility. The amount of credit depends on the location of the facility and whether it was renovated as income producing or nonincome producing property. Contact the Department of Revenue for additional information about the credit.

► Business Incentive and Energy Tax Credits (*Limited to 50% of Tax Liability*)

The following tax credits are available as incentives to new and expanding businesses or for investing in renewable energy property or low-income housing. If you believe you are entitled to one or more of the tax credits, contact the Department for Form NC-478 Series or you may download the forms from our website at www.dornc.com. Form NC-478 Series is used to calculate and report tax credits that are limited to 50% of your tax less the sum of all other tax credits that you claim. Complete the form and attach it to the front of your income tax return.

Do not enter a qualified business investment tax credit on Line 19. Tax credits for qualified business investments are claimed on Line 10. If you are entitled to one of the following tax credits, enter the amount of the credit on Form D-400TC, Line 19.

- Credit for investing in machinery and equipment *
- Credit for creating jobs *
- Credit for business property *
- Credit for real property *
- Credit for research and development
- Credit for interactive digital media *
- Credit for investing in central office or aircraft facility property *
- Credit for technology commercialization *
- Credit for renewable fuel facility
- Credit for investing in low-income housing *
- Credit for use of North Carolina ports *
- Credit for investing in renewable energy property
- Credit for work opportunity *
- Credit for constructing a railroad intermodal facility
- Credit for small business employee health benefits *
- Credit for biodiesel producers *
- Credit for donating funds to a nonprofit organization to enable the nonprofit to acquire renewable energy property.
- Credit for renewable energy property facility *

These credits have expired and are only available for future installments and unused carryforwards. *

► Sunset for Tax Credits - Effect on Future Installments and Carryforwards

For tax year 2014, various tax credits have been repealed. Taxpayers that qualified for these tax credits may continue to take any remaining installments and carryforwards of the tax credits after the sunset date if the taxpayer continues to meet the statutory eligibility requirements for each particular tax credit.

For example, the Article 3J credit for creating jobs is repealed for business activities that occur on or after January 1, 2014. In tax year 2013, a taxpayer, who met all eligibility requirements set out in N.C. Gen. Stat. § 105-129.83 and satisfied the threshold requirement for job creation, created jobs in this State. The taxpayer claimed the jobs credit by filing Form NC-478A (the applicable NC-478 series form) and by paying the fee of \$500.00 with the 2013 tax return on April 15, 2014. The taxpayer is allowed to take the first installment of the 2013 jobs credit on its 2014 tax return. Any unused portion of the first installment may be carried forward for the succeeding five years. The taxpayer is allowed to continue to take remaining installments as long as the taxpayer continues to meet the requirements of N.C. Gen. Stat. § 105-129.83 and N.C. Gen. Stat. § 105-129.87. If the taxpayer fails to maintain eligibility requirements, remaining installments are forfeited and only the carryforward amount of a previously accrued installment may be taken, subject to the carry forward provisions of N.C. Gen. Stat. § 105-129.84.

Important: Unless otherwise stated, the tax credits described in these instructions may not exceed the tax liability for the tax year, reduced by other tax credits.

Tax Rate - 5.8% (.058)

Important Reminders

- Do not submit photocopies of the return. Submit original forms only. Do not use any prior year forms to file a current year return.
- Double-check your figures, including your social security number. Accuracy speeds processing of your tax return.
- Claim the same filing status you claimed on your federal return. (Nonresidents see instructions on Page 8.) If you do not fill in the applicable circle to indicate your filing status, processing of your return will be delayed.
- Sign and date your return on Page 2. If you file a joint tax return, both you and your spouse must sign the return. Staple the originals or copies of the original State wage and tax statements in the lower left-hand corner of the return.
- You must include a copy of your federal return with your North Carolina return unless your federal return reflects a North Carolina address or you file electronically.
- If you owe additional tax, you can now pay by bank draft using an approved e-file software product. You may also pay your tax online by bank draft, credit or debit card (Visa or Mastercard) through the NCDOR website at www.dornc.com. Click on E-Services for details. If you do not pay your tax online, go to our website and generate a personalized payment voucher Form D-400V. Enclose the voucher with your return and payment, and mail to the address listed on Page 2 of Form D-400. If you do not pay online or by payment voucher, mail a check or money order with your return for the full amount due. Please write "2014 D-400", and your name, address, and social security number on the payment. If filing a joint return, write both social security numbers on your payment in the order that they appear on the return. **Note:** 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.

What you should send us...

- ✓ Your North Carolina income tax return (Form D-400)
- ✓ Form D-400 Schedule S if claiming additions to income on Line 7, deductions from income on Line 9, N.C. itemized deductions on Line 11 or computation of North Carolina taxable income for part-year residents and nonresidents on Line 13.
- ✓ Form D-400TC if you claimed a tax credit
- ✓ W-2s and 1099s showing North Carolina tax withheld and a 1099R if you claimed a **Bailey** retirement deduction
- ✓ A check or money order payable to "N.C. Department of Revenue" if you have a balance due. (**Note:** 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.)
- ✓ Other North Carolina forms or supporting schedules that are required according to the instructions (Please do not send copies of completed worksheets from the instruction booklet or other unnecessary attachments.)
- ✓ A copy of the tax return you filed in the other state if you are claiming a tax credit for tax paid to another state

Assemble your North Carolina return for mailing in the order shown

Other Supporting Schedules (If required)

D-400TC (If required)

D-400 Sch S (If required)

D-400 Individual Income Tax Return 2014 Pgs. 1 & 2

W-2s

one staple

Note: If you are filing Form NC-478 series, be sure to attach the form to the front of your income tax return.

Important: If you owe tax, do not staple, tape, or otherwise attach your check or voucher to your return or to each other. Instead, just put them loose in the envelope.

Important Toll Free Telephone Numbers

Automated Refund Inquiry Line..... 1-877-252-4052
 Taxpayer Assistance and Forms..... 1-877-252-3052

Tax Assistance

Information about individual income tax and tax forms may be obtained from our website at www.dornc.com. You may also call the Taxpayer Assistance and Collection Center at 1-877-252-3052 (toll free) for additional assistance in completing your tax forms or to request forms.

Property for Sale

Looking for a bargain on good used vehicles, furniture, appliances, tools, and jewelry? Go to www.dornc.com/taxes/usub/ and click on **Items Available Through State Surplus Property Agency** or call (919) 854-2160.

Maintaining Records

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

Important Notice Regarding Substitute Returns

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

Federal Privacy Act Notice

Disclosing your social security number on your return is required by regulations issued by the Secretary of Revenue under G.S. 105-152, 155, 251, and 252. Social security numbers are used in the administration of the State's tax laws and to exchange tax information with other states and the Internal Revenue Service. Always list your social security number on any attachments to your return and on any correspondence to the Department of Revenue.

Assistance For Disabled, Low Income, and Senior Citizen Taxpayers

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

Tax Fraud Hotline 1-800-232-4939

(919) 707-7597 in Wake County

The Department of Revenue provides a toll free number for citizens who wish to report instances of tax fraud. The number is 1-800-232-4939 (8:00 a.m. to 5:00 p.m., Monday through Friday, except holidays) and should be called **only** to report instances of fraud.

Mailing Addresses

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

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