



June 3, 2016

North Carolina’s Reference to the Internal Revenue Code Updated - Impact on 2015 North Carolina Corporate and Individual income Tax Returns

Governor McCrory signed into law Session Law 2016-6 (Senate Bill 726) on June 1, 2016. The legislation updated North Carolina’s reference to the Internal Revenue Code to the Code as enacted as of January 1, 2016. As a result, North Carolina corporate and individual income tax laws generally follow the Protecting Americans From Tax Hikes Act of 2015 (“PATH”), which extended, and in some cases made permanent, several provisions in federal law that had sunset at the end of 2014. The law decouples from (does not follow) PATH in six instances. The table below identifies those instances and describes each difference and which lines on the tax returns are impacted.

	<u>Federal Provision</u>	<u>State Provision for 2015</u>	<u>NC C Corporate Return</u>	<u>NC Individual Return</u>
1	Bonus depreciation is extended to property placed in service in 2015, 2016 and 2017.	Addition required for 85% of bonus depreciation deducted on federal return.	Include on Form CD-405, Schedule H, Line 1.g.	Include on Form D-400 Schedule S, Part A, Line 3.
2	Code section 179 dollar and investment limitations of \$500,000 and \$2,000,000, respectively, extended to 2015. These amounts will increase for inflation beginning with tax year 2016.	NC dollar and investment limitations of \$25,000 and \$200,000, respectively, extended to 2015 and made permanent. Addition required for 85% of the difference between the deduction using federal limitations and the deduction using NC limitations.	Include on Form CD-405, Schedule H, Line 1.g.	Include on Form D-400 Schedule S, Part A, Line 3.
3	The treatment of mortgage insurance premiums as qualified residence interest is extended for 2015 and 2016.	Mortgage insurance premiums are not treated as qualified residence interest.	Not applicable	Exclude from Form D-400 Schedule S, Part C, Line 13.

4	The exclusion from gross income for cancellation of qualified principal residence debt is extended for 2015 and 2016.	Cancellation of qualified principal residence debt is not excluded from gross income.	Not applicable	Include on Form D-400 Schedule S, Part A, Line 3.
5	The exclusion from gross income for qualified charitable distributions from an IRA by a person who has attained age 70 ½ is extended for 2015 and 2016.	Qualified charitable distributions from an IRA by a person who has attained age 70 ½ are not excluded from gross income. The distributions are allowable as a charitable contribution.	Not applicable	Include addition on Form D-400 Schedule S, Part A, Line 3. Deduct contribution on Form D-400 Schedule S, Part C, Line 18 if itemizing
6	The deduction for qualified tuition and related expenses is extended for 2015 and 2016.	Qualified tuition and related expenses are not deductible.	Not applicable	Include addition on Form D-400 Schedule S, Part A, Line 3.

Any person who has already filed a 2015 North Carolina income tax return and whose federal taxable income (C corporation) or federal adjusted gross income (individual) is impacted by the amendments to federal law included in PATH or by the provisions of PATH from which North Carolina has decoupled must file an amended North Carolina return. If the amended return reflects additional tax due, the taxpayer will avoid a late-payment penalty if the additional tax reflected on the amended return is paid when the amended return is filed. If the amended return reflects additional tax due, interest is due on the additional tax from the date the tax was due (April 15, 2016 for calendar year taxpayers; the fifteenth day of the fourth month after the end of the tax year for fiscal year taxpayers) until the additional tax is paid. The interest rate is 5% per year through December 31, 2016. For the interest rate in effect after December 31, 2016, see www.dorncc.com/taxes/rate.html on or after December 1, 2016.

D-400 Individual Income Tax Return 2015

AMENDED RETURN

Fill in circle. (See instructions.)

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

For calendar year **2015**, or fiscal year beginning (MM-DD-YY)

and ending (MM-DD-YY)

Your Social Security Number

Spouse's Social Security Number

← You **must** enter your social security number(s). →

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

M.I.

Your Last Name

If a Joint Return, Spouse's First Name

M.I.

Spouse's Last Name

Mailing Address

Apartment Number

City

State

Zip Code

Country (If not U.S.)

County (Enter first five letters)

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.

Fill in circle if you or your spouse were out of the country on April 15 and a U.S. citizen or resident.

Deceased Taxpayer Information

Enter date of death of deceased taxpayer or deceased spouse.

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

Taxpayer
(MM-DD-YY)

Spouse
(MM-DD-YY)

Residency Status

Were you a resident of N.C. for the entire year of 2015?
Was your spouse a resident for the entire year?

Yes No
 Yes No

If **No**, complete Lines 1 through 12. Then go to Part D of Schedule S. Fill in residency information and complete Lines 21 through 23.

Did you claim the standard deduction on your 2015 federal return?

Yes No

Filing Status

1. **Single** Fill in one circle only. (See instructions.)

2. **Married Filing Jointly**

3. **Married Filing Separately** → (Enter your spouse's full name and Social Security Number.) Name SSN

4. **Head of Household**

5. **Qualifying Widow(er) with Dependent Child** (Year spouse died:) Enter Whole U.S. Dollars Only

6. **Adjusted gross income from your federal return** (If negative, see instructions.) ▶ 6.

7. **Additions to federal adjusted gross income** (From Line 4 of Form D-400 Schedule S, Part A) ▶ 7.

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

9. **Deductions from federal adjusted gross income** (From Line 12 of Form D-400 Schedule S, Part B) ▶ 9.

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

11. **N.C. standard deduction** OR **N.C. itemized deductions** Fill in one circle only. (If itemizing, complete Part C of Form D-400 Schedule S, and enter the amount from Line 20.) ▶ 11.

12. **Subtract** Line 11 from Line 10. 12.

13. **Part-year residents and nonresidents** (From Line 23 of Form D-400 Schedule S, Part D) ▶ 13.

14. **North Carolina Taxable Income** Full-year residents enter the amount from Line 12. Part-year residents and nonresidents multiply amount on Line 12 by the decimal amount on Line 13. ▶ 14.

15. **North Carolina Income Tax** To calculate your tax, multiply Line 14 by 5.75% (0.0575). If Line 14 is negative, enter -0- on Line 15. ▶ 15.



Staple All Pages of Your Return Here. →

Staple W-2s Here. →

Be sure to sign and date your return below.

16. Tax Credits (From Form D-400TC, Part 3, Line 19 - You must attach Form D-400TC if you enter an amount on this line.) 16.

17. Subtract Line 16 from Line 15. 17.

18. Consumer Use Tax (See instructions.) 18.

If you certify that no Consumer Use Tax is due, fill in circle.

19. Add Lines 17 and 18. 19.

20. North Carolina Income Tax Withheld a. Your tax withheld b. Spouse's tax withheld

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

If you claim a partnership payment on Line 21c or S corporation payment on Line 21d, you must attach a copy of the NC K-1.

22. Amended Returns Only - Previous payments (See Amended Returns in instructions.) 22.

23. Total Payments - Add Lines 20a through 22. 23.

24. Amended Returns Only - Previous refunds (See Amended Returns in instructions.) 24.

25. Subtract Line 24 from Line 23. 25.

26. a. Tax Due - If Line 19 is more than Line 25, subtract Line 25 from Line 19. (If Line 25 is negative, see instructions.) 26a.

b. Penalties c. Interest (Add Lines 26b and 26c and enter the total on Line 26d.)

e. Interest on the underpayment of estimated income tax (See instructions and enter letter in box, if applicable.) 26e.

27. Add Lines 26a, 26d, and 26e. Pay This Amount - You can pay online. Go to www.dorn.com and click on eServices for details. 27. \$

Exception to underpayment of estimated tax

28. Overpayment - If Line 19 is less than Line 25, subtract Line 19 from Line 25. 28.

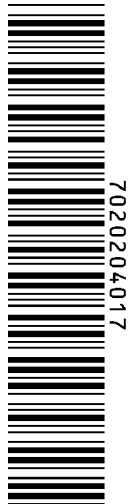
29. Amount of Line 28 to be applied to 2016 Estimated Income Tax 29.

30. Contribution to the N.C. Nongame and Endangered Wildlife Fund 30.

31. Contribution of overpayment to the N.C. Education Endowment Fund 31.

32. Add Lines 29, 30, and 31. 32.

33. Subtract Line 32 from Line 28. This is the Amount To Be Refunded. For direct deposit, file electronically. Go to www.dorn.com and click on eServices. 33.



I certify that, to the best of my knowledge, this return is accurate and complete.

If prepared by a person other than taxpayer, this certification is based on all information of which the preparer has any knowledge.

Sign Here

Your Signature Date

Paid Preparer's Signature Date

Spouse's Signature (If filing joint return, both must sign.) Date

Preparer's FEIN, SSN, or PTIN

Home Telephone Number (Include area code.)

Preparer's Telephone Number (Include area code.)

If REFUND mail return to: N.C. DEPT. OF REVENUE P.O. BOX R RALEIGH, NC 27634-0001

FOR ORIGINAL RETURNS ONLY

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

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