

# Annualized Income Installment Worksheet

# 2013

North Carolina Department of Revenue

Do not file this form with your return. Keep it for your records.

Name(s) shown on tax return

Social Security Number



## Instructions

**Purpose of Form.** - If your income varied during the year because, for example, you operated your business on a seasonal basis, you may be able to lower or eliminate the amount of your required installment for the due dates by using the annualized income installment method. Use **Form D-422A, Annualized Income Installment Worksheet**, to figure the amounts to enter on line 16 of **Form D-422, Underpayment of Estimated Tax by Individuals**. Also enter the letter **A** in the box by line 27d of Form D-400.

If you use the Annualized Income Installment Worksheet for any payment due date, you must use it for all payment due dates. To arrive at the amount of each required installment, the worksheet automatically selects the smaller of the annualized income installment or the regular installment (increased

by the amount saved by using the annualized income installment method in figuring earlier installments). If you use the annualized income installment method, you must enter the amount from line 25 of the worksheet in each column of line 16 of Form D-422 and check the box on that line.

**Important Information for Part-Year Residents and Nonresidents:** Part-year residents and nonresidents should complete only the column(s) for the period(s) in which they had income from North Carolina sources. For example, if the income from North Carolina sources was received in November only, complete only the last column. In addition, part-year residents and nonresidents must multiply any amount(s) on line 15 by the decimal amount shown on line 16 of Form D-400 before determining the tax on line 16.

Annualized Income Installment Worksheet		1-1-13 to 3-31-13	1-1-13 to 5-31-13	1-1-13 to 8-31-13	1-1-13 to 12-31-13
Complete one column through line 25 before completing the next column					
1. Enter your federal adjusted gross income for each period.	1.				
2. Enter the applicable additions to federal adjusted gross income (lines 34 through 38, page 3 of Form D-400) for each period.	2.				
3. Add lines 1 and 2.	3.				
4. Enter the applicable deductions from federal adjusted gross income (lines 40 through 51, page 3 of Form D-400) for each period.	4.				
5. Line 3 minus line 4.	5.				
6. Annualized amounts	6.	4	2.4	1.5	1
7. Annualized Income. Multiply line 5 by line 6.	7.				
8. Enter your itemized deductions from Form D-400, page 1, line 11 for the period shown in each column. If you do not itemize deductions, enter zero and skip to line 11.	8.				
9. Annualized amounts	9.	4	2.4	1.5	1
10. Multiply line 8 by line 9.	10.				
11. Enter the N.C. standard deduction from Form D-400, page 1, line 11.	11.				
12. Enter line 10 or 11, whichever is larger.	12.				
13. Line 7 minus line 12.	13.				
14. Multiply the number of exemptions claimed on your federal return by \$2500 (\$2000 if your federal adjusted gross income equals or exceeds the following amounts for your filing status: \$60,000 - single; \$80,000 - head of household; \$50,000 - married filing separately; or \$100,000 - married filing jointly.)	14.				
15. Line 13 minus line 14.	15.				
16. Figure your tax on the amount on line 15 using the <b>Tax Table</b> or the <b>Tax Rate Schedule</b> in the instructions for Form D-400. Subtract the tax credits shown on line 2, Part I, Form D-422, and enter the net amount for each period.	16.				
17. Applicable percentage	17.	22.5%	45%	67.5%	90%
18. Multiply line 16 by line 17.	18.				
19. Enter the combined amounts of line 25 for all preceding periods.	19.				
20. Line 18 minus Line 19. If less than zero, enter zero.	20.				
21. Divide line 8, Page 1 of Form D-422, by four (4) and enter the result in each column.	21.				
22. Enter the amount from line 24 of this worksheet for the preceding column.	22.				
23. Add lines 21 and 22 and enter the total.	23.				
24. If line 23 is more than line 20, subtract line 20 from line 23. <i>Otherwise, enter zero.</i>	24.				
25. Enter the smaller of line 20 or line 23 here and on Form D-422, line 16.	25.				