

TABLE 22A. FEDERAL ITEMIZATION/STANDARD DEDUCTION RATE by STATE, TAX YEAR 2012
[U.S. Individual Income Tax Return Form -1040]

| State | Federal Returns Deduction claimed: | | State | Federal Returns Deduction claimed: | |
|---------------|---------------------------------------|---------------|-----------------|---------------------------------------|---------------|
| | Itemized % | Standard % | | Itemized % | Standard % |
| Alabama | 28.36% | 71.64% | Missouri | 28.72% | 71.28% |
| Arizona | 30.88% | 69.12% | Montana | 29.87% | 70.13% |
| Arkansas | 24.22% | 75.78% | Nebraska | 29.61% | 70.39% |
| California | 35.05% | 64.95% | New Hampshire | 33.86% | 66.14% |
| Colorado | 35.44% | 64.56% | New Jersey | 42.40% | 57.60% |
| Connecticut | 42.76% | 57.24% | New Mexico | 24.58% | 75.42% |
| Delaware | 34.11% | 65.89% | New York | 35.55% | 64.45% |
| Georgia | 34.39% | 65.61% | *North Carolina | 32.96% | 67.04% |
| Hawaii | 30.60% | 69.40% | North Dakota | 19.92% | 80.08% |
| Idaho | 30.43% | 69.57% | Ohio | 29.30% | 70.70% |
| Illinois | 34.25% | 65.75% | Oklahoma | 25.60% | 74.40% |
| Indiana | 25.38% | 74.62% | Oregon | 37.77% | 62.23% |
| Iowa | 30.99% | 69.01% | Pennsylvania | 30.41% | 69.59% |
| Kansas | 29.83% | 70.17% | Rhode Island | 34.83% | 65.17% |
| Kentucky | 28.06% | 71.94% | South Carolina | 29.08% | 70.92% |
| Louisiana | 24.00% | 76.00% | Tennessee | 22.64% | 77.36% |
| Maine | 29.88% | 70.12% | Utah | 37.39% | 62.61% |
| Maryland | 46.80% | 53.20% | Vermont | 28.84% | 71.16% |
| Massachusetts | 38.40% | 61.60% | Virginia | 38.89% | 61.11% |
| Michigan | 28.97% | 71.03% | West Virginia | 18.29% | 81.71% |
| Minnesota | 37.71% | 62.29% | Wisconsin | 34.58% | 65.42% |
| Mississippi | 24.12% | 75.88% | United States | 31.58% | 68.42% |

The table reflects the percentages of federal 1040 returns claiming itemized deductions and standard deductions for tax year 2012 for the 43 states levying a tax on personal income.

Provisions for claiming the itemized and standard deductions at the state level vary among the 43 states. For states that allow a basic standard deduction, some require the taxpayer to utilize the same deduction option for state income tax purposes as chosen for federal income tax purposes.

*North Carolina taxable income is determined by making certain statutory modifications to federal adjusted gross income, such as adjustments for, including, but not limited to, the following: personal exemption allowances, the North Carolina standard deduction or itemized deduction amounts, interest income received on notes and bonds from obligations of other states, interest income received from direct obligations of the United States or North Carolina, domestic production activities, State or local income tax refunds included in federal adjusted gross income, the taxable portion of social security and railroad retirement benefits, certain governmental and private retirement benefits, and adjustments when the State decouples from federal accelerated depreciation and section 179 expensing provisions.

The standard deduction is zero for a married individual filing separately for federal income tax purposes when the spouse claims itemized deductions. Claiming itemized deductions on the federal 1040 return is a prerequisite for claiming itemized deductions on the NC D-400 return.

*For NC state individual income tax D-400 returns filed for tax year 2012, 35.44% of total returns utilized itemized deductions and 64.56% claimed the standard deduction.

Source: IRS, Statistics of Income Division, Individual Master File System, December 2013
Tax Year 2012: Historical Table 2 (SOI Bulletin)