

TABLE 2A. TAX YEAR 2015 INDIVIDUAL INCOME TAX CALCULATION BY FAGI INCOME LEVEL: CHARACTERISTICS OF RETURNS WITH \$0 TAX LIABILITY BY DEDUCTION TYPE

\$0 TAX LIABILITY: STANDARD DEDUCTION

Income Level	Aggregate Number of Returns Filed [S0 Tax Liability]		D-400 Filing Financial Statistics		Federal AGI [includes returns with deficit] [\$]	Average Federal AGI Value [\$]	Modifications to Federal AGI:		Standard Deduction††††:			Computed NC Taxable Income [includes returns with deficit]			Computed Tax Liability [before application of credits] [\$]	RESIDENCY STATUS								
	[Combined Filing Statuses]	Std Ded as a % of S0 Tax Returns [%]	Number of Returns Filed	[Net Tax* < Pre-payments] [\$]			Additions [\$]	Deductions [\$]	Number of Returns Filed with S0 Tax Liability	as a % of All SD Returns [%]	Deduction Amount [\$]	Average SD Value [\$]	[before residency proration] [\$]	[after residency proration] [\$]		Effective Proration Factor [%]	Resident Returns†		Part-Year Resident Returns††/ Nonresident Returns†††					
																	Number of Returns	% of Bracket Total	Gross Tax**	% of Bracket Total	Number of Returns	% of Bracket Total	Gross Tax**	% of Bracket Total
<b>B. BY SIZE OF FEDERAL ADJUSTED GROSS INCOME</b>																								
Non-Positive AGI	65,947	66.4%	10,417	10,743,697	(2,652,170,054)	(60,581)	92,791,329	85,941,292	43,779	99.4%	445,933,500	10,186	(3,091,253,517)	(1,938,263,180)	62.7%	8,657	40,117	91.6%	8,657	100.0%	3,662	8.4%	-	-
\$ 1 - 3,999	213,783	97.4%	124,010	7,422,471	460,828,189	2,214	11,945,797	8,788,723	208,157	99.8%	1,732,017,000	8,321	(1,268,031,737)	(1,242,611,860)	98.0%	9,086	195,941	94.1%	602	6.6%	12,216	5.9%	8,484	93.4%
4,000 - 9,999	300,825	96.3%	214,374	27,032,996	1,877,421,812	6,481	6,666,275	40,485,942	289,676	71.1%	2,715,786,000	9,375	(872,183,855)	(850,960,422)	97.6%	485,543	268,227	92.6%	468,663	96.5%	21,449	7.4%	16,880	3.5%
10,000 - 14,999	151,672	93.9%	94,777	23,269,100	1,776,867,474	12,472	3,442,965	112,393,664	142,471	38.8%	1,789,704,000	12,562	(121,787,225)	(128,964,924)	105.9%	4,682,021	133,675	93.8%	4,571,548	97.6%	8,796	6.2%	110,473	2.4%
15,000 - 19,999	55,643	86.6%	28,388	9,413,284	810,497,373	16,815	1,455,147	164,854,116	48,200	14.5%	599,032,500	12,428	48,065,904	24,760,068	51.5%	6,520,611	43,569	90.4%	6,338,267	97.2%	4,631	9.6%	182,344	2.8%
20,000 - 24,999	20,929	73.9%	5,385	2,109,578	343,698,744	22,236	921,866	187,027,688	15,457	5.2%	179,587,500	11,619	(21,994,578)	(57,489,947)	261.4%	1,463,066	12,260	79.3%	1,405,334	96.1%	3,197	20.7%	57,732	3.9%
25,000 - 29,999	15,916	71.3%	3,319	1,206,269	311,300,681	27,432	901,947	206,623,324	11,348	4.3%	127,822,500	11,264	(22,243,196)	(60,817,526)	273.4%	651,300	8,738	77.0%	612,757	94.1%	2,610	23.0%	38,543	5.9%
30,000 - 39,999	25,155	70.7%	5,733	2,325,211	617,538,390	34,734	2,519,026	416,822,405	17,779	4.1%	208,159,500	11,708	(4,924,489)	(89,922,887)	1826.0%	1,330,792	13,710	77.1%	1,278,978	96.1%	4,069	22.9%	51,814	3.9%
40,000 - 49,999	19,566	67.7%	4,641	2,176,835	592,725,379	44,778	3,061,891	395,843,554	13,237	4.4%	157,966,500	11,934	41,977,216	(58,809,287)	-140.1%	1,251,940	9,924	75.0%	1,199,201	95.8%	3,313	25.0%	52,739	4.2%
50,000 - 59,999	15,967	64.5%	3,664	1,833,954	564,226,813	54,774	1,277,109	377,565,848	10,301	4.6%	126,882,000	12,317	61,056,074	(40,883,158)	-67.0%	1,295,139	7,639	74.2%	1,240,942	95.8%	2,662	25.8%	54,197	4.2%
60,000 - 69,999	12,601	62.4%	2,962	1,650,605	509,639,110	64,798	1,927,526	324,476,915	7,865	4.5%	101,389,500	12,891	85,700,221	(25,079,311)	-29.3%	1,350,939	5,496	69.9%	1,310,038	97.0%	2,369	30.1%	40,901	3.0%
70,000 - 79,999	9,688	60.9%	2,158	1,421,997	440,850,489	74,758	1,298,205	261,799,660	5,897	4.1%	79,135,500	13,420	101,213,534	(10,347,346)	-10.2%	1,343,186	3,874	65.7%	1,287,951	95.9%	2,023	34.3%	55,235	4.1%
80,000 - 89,999	7,706	59.1%	1,713	1,322,421	386,295,471	84,844	1,457,279	216,705,003	4,553	3.8%	62,772,000	13,787	108,275,747	(6,127,147)	-5.7%	1,059,199	2,784	61.1%	1,023,334	96.6%	1,769	38.9%	35,865	3.4%
90,000 - 99,999	6,126	56.7%	1,235	1,023,017	328,959,638	94,774	1,368,856	174,342,220	3,471	3.5%	48,360,000	13,933	107,626,274	(847,662)	-0.8%	959,737	2,005	57.8%	933,403	97.3%	1,466	42.2%	26,334	2.7%
100,000 - 149,999	14,484	50.2%	2,279	2,498,622	862,051,304	118,625	4,898,021	342,629,527	7,267	2.9%	101,560,500	13,976	422,759,297	22,552,144	5.3%	2,842,535	3,179	43.7%	2,663,890	93.7%	4,088	56.3%	178,645	6.3%
150,000 - 199,999	5,461	39.5%	467	737,486	370,253,087	171,572	3,165,600	59,833,317	2,158	2.9%	29,583,000	13,709	284,002,370	15,204,466	5.4%	1,014,547	367	17.0%	903,712	89.1%	1,791	83.0%	110,835	10.9%
200,000 - 499,999	9,325	25.1%	480	1,346,760	669,560,641	286,382	9,033,502	34,587,010	2,338	4.4%	32,424,000	13,868	611,583,133	37,280,992	6.1%	2,189,120	167	7.1%	2,039,702	93.2%	2,171	92.9%	149,418	6.8%
500,000 - 999,999	3,369	12.2%	105	467,155	279,989,290	682,901	7,790,210	8,649,964	410	7.7%	5,559,000	13,559	273,570,536	11,181,436	4.1%	642,934	18	4.4%	638,797	99.4%	392	95.6%	4,137	0.6%
1,000,000 or more	4,792	5.4%	110	586,097	800,541,752	3,079,007	13,582,699	20,933,010	260	10.7%	3,402,000	13,085	789,789,441	46,739,108	5.9%	2,687,500	17	6.5%	2,531,365	94.2%	243	93.5%	156,135	5.8%
<b>TOTAL</b>	<b>958,955</b>	<b>87.0%</b>	<b>506,217</b>	<b>98,587,556</b>	<b>9,351,075,582</b>	<b>11,204</b>	<b>169,505,250</b>	<b>3,440,303,182</b>	<b>834,624</b>	<b>22.0%</b>	<b>8,547,076,500</b>	<b>10,241</b>	<b>(2,466,798,850)</b>	<b>(4,353,406,443)</b>	<b>176.5%</b>	<b>31,787,852</b>	<b>751,707</b>	<b>90.1%</b>	<b>30,457,141</b>	<b>95.8%</b>	<b>82,917</b>	<b>9.9%</b>	<b>1,330,711</b>	<b>4.2%</b>

†Resident returns=returns filed by individuals who reportedly maintained permanent residence in North Carolina for the entire calendar year 2015  
 ††Part-year resident returns=returns filed by individuals who reportedly maintained permanent residence in North Carolina for a portion of calendar year 2015  
 †††Nonresident returns=returns filed by individuals who reportedly were legally domiciled outside of North Carolina for the entire calendar year 2015 with North Carolina reportable income  
 Source: 2015 individual income tax extract. Statistical summaries are compiled from personal income tax information extracted from tax year 2015 D-400, D-400 Sch S, and D-400TC forms processed within the DOR dynamic integrated tax system during 2016; the extract is a composite database consisting of both audited and unaudited (edited and unedited) data that is subject to and may include inconsistencies resultant of taxpayer and/or processing error. This exhibit includes returns with a nonpositive NC taxable income and returns with a positive NC taxable income for which the tax liability is reduced to \$0 after application of tax credits.  
 \*Net Tax=Computed net tax liability (after application of tax credits) plus consumer use tax liability  
 \*\* Gross tax=computed tax liability before application of tax credits  
 SL 2013-316, (HB998), *An Act to Simplify the NC Tax Structure and to Reduce Individual and Business Tax Rates* (enacted July 23, 2013) establishes a personal income tax flat rate of 5.75% applicable to NC taxable income effective for taxable years beginning on or after January 1, 2015; the 2015 Appropriations Act reduces the tax rate to 5.499% effective for taxable years beginning on or after January 1, 2017.  
 ††††In calculating NC taxable income, a taxpayer may deduct either the allowable NC standard deduction amount based on filing status or the itemized deductions amount allowable for NC tax purposes. Basic standard deduction allowances applicable for tax year 2015 vary according to filing status: S=\$7,500; MFJ/SS=\$15,000; MFS=\$7,500; and HH=\$12,000.  
 Claiming itemized deductions on the federal return 1040 Sch A is a prerequisite for claiming itemized deductions on the NC D-400 Sch S return. Allowable itemized deductions provisions for NC tax purposes (no longer identical to allowable federal itemized deductions) include deductions for the following: qualified home mortgage interest and real estate property taxes (the sum of these deductions not to exceed \$20,000), repayment of claim of right income, charitable contributions as allowed under the Code, and medical and dental expenses as allowed under the Code. NC does not allow a deduction for state and local taxes and foreign income taxes.  
 Proration (income apportionment) factors applicable to part-year and nonresident individuals can exceed 100% in cases where the portion of income subject to NC income tax exceeds total federal gross income, as adjusted.