

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

\$0 TAX LIABILITY: ITEMIZED DEDUCTIONS

Income Level FAGI Level	Aggregate Number of Returns Filed [S0 Tax Liability]		D-400 Filing Financial Statistics Overpayment		Federal AGI [includes returns with deficit] [S]	Average Federal AGI Value [S]	Modifications to Federal AGI:		Itemized Deductions††††:			Computed NC Taxable Income [includes returns with deficit]			Computed Tax Liability [before application of credits] [S]	RESIDENCY STATUS								
	[Combined Filing Statuses]	[Itd Ded as a % of S0 Tax Returns [%]]	Number of Returns Filed	[Net Tax* < Pre-payments] Amount [S]			Additions [S]	Deductions [S]	Number of Returns Filed with S0 Tax Liability	as a % of All ID Returns [%]	Deduction Amount [S]	Average ID Value [S]	[before residency proration] [S]	[after residency proration] [S]		Effective Proration Factor [%]	Resident Returns†				Part-Year Resident Returns††/ Nonresident Returns†††			
					Number of Returns	% of Total									Gross Tax** [S]		% of Bracket Total	Number of Returns	% of Total	Gross Tax** [S]	% of Bracket Total			
B. BY SIZE OF FEDERAL ADJUSTED GROSS INCOME																								
Non-Positive AGI	65,947	33.6%	5,575	19,177,032	(9,727,727,070)	(438,818)	349,970,051	270,150,489	22,168	99.3%	261,035,200	11,775	(9,908,942,708)	(1,859,224,337)	18.8%	588	16,235	73.2%	580	98.6%	5,933	26.8%	8	1.4%
S 1 - 3,999	213,783	2.6%	1,619	890,714	10,780,464	1,916	1,512,763	3,830,316	5,626	83.5%	89,578,321	15,922	(81,115,410)	(78,565,092)	96.9%	1,179	5,201	92.4%	952	80.7%	425	7.6%	227	19.3%
4,000 - 9,999	300,825	3.7%	4,560	2,082,055	80,310,586	7,203	2,701,291	10,611,495	11,149	83.2%	183,396,318	16,450	(110,995,936)	(107,068,422)	96.5%	4,876	10,464	93.9%	4,647	95.3%	685	6.1%	229	4.7%
10,000 - 14,999	151,672	6.1%	4,039	2,098,074	114,517,944	12,446	1,633,599	21,589,532	9,201	53.5%	189,155,030	20,558	(94,593,019)	(91,714,907)	97.0%	12,182	8,611	93.6%	12,149	99.7%	590	6.4%	33	0.3%
15,000 - 19,999	55,643	13.4%	3,588	2,507,018	128,925,388	17,322	1,894,896	39,872,509	7,443	41.9%	167,207,948	22,465	(76,260,173)	(74,621,810)	97.9%	34,098	6,921	93.0%	32,914	96.5%	522	7.0%	1,184	3.5%
20,000 - 24,999	20,929	26.1%	2,552	1,958,815	122,715,127	22,426	1,221,125	52,604,470	5,472	30.2%	137,465,193	25,122	(66,133,411)	(66,291,530)	100.2%	45,512	5,017	91.7%	43,453	95.5%	455	8.3%	2,059	4.5%
25,000 - 29,999	15,916	28.7%	1,967	1,536,843	125,371,546	27,446	1,141,099	68,048,556	4,568	23.5%	119,627,980	26,188	(61,163,891)	(62,586,701)	102.3%	55,293	4,151	90.9%	52,930	95.7%	417	9.1%	2,363	4.3%
30,000 - 39,999	25,155	29.3%	3,030	2,415,213	257,392,053	34,896	2,869,380	164,552,547	7,376	17.2%	187,080,408	25,363	(91,371,522)	(98,924,921)	108.3%	108,930	6,547	88.8%	106,020	97.3%	829	11.2%	2,910	2.7%
40,000 - 49,999	19,566	32.3%	2,642	2,135,282	284,022,975	44,876	2,482,923	199,142,451	6,329	13.5%	157,887,613	24,947	(70,524,166)	(83,101,216)	117.8%	119,041	5,529	87.4%	115,638	97.1%	800	12.6%	3,403	2.9%
50,000 - 59,999	15,967	35.5%	2,422	1,920,362	311,607,126	54,996	2,985,661	220,193,607	5,666	12.0%	152,703,172	26,951	(58,303,992)	(75,665,022)	129.8%	185,545	4,864	85.8%	172,025	92.7%	802	14.2%	13,520	7.3%
60,000 - 69,999	12,601	37.6%	2,126	1,981,590	306,745,805	64,769	2,460,566	211,772,232	4,736	10.9%	139,700,219	29,498	(42,266,080)	(69,041,953)	163.4%	184,358	3,919	82.7%	166,641	90.4%	817	17.3%	17,717	9.6%
70,000 - 79,999	9,688	39.1%	1,721	1,727,425	283,990,197	74,912	3,329,774	185,571,357	3,791	9.5%	109,483,972	28,880	(7,735,358)	(44,003,935)	568.9%	279,660	2,947	77.7%	270,544	96.7%	844	22.3%	9,116	3.3%
80,000 - 89,999	7,706	40.9%	1,335	1,449,384	267,882,299	84,961	2,859,118	166,887,947	3,153	8.5%	94,143,252	29,858	9,710,218	(33,638,782)	-346.4%	329,887	2,255	71.5%	307,169	93.1%	898	28.5%	22,718	6.9%
90,000 - 99,999	6,126	43.3%	1,137	1,325,350	251,880,413	94,870	3,378,738	152,546,454	2,655	7.9%	82,133,805	30,936	20,578,892	(26,815,123)	-130.3%	309,703	1,848	69.6%	300,488	97.0%	807	30.4%	9,215	3.0%
100,000 - 149,999	14,484	49.8%	2,797	4,114,231	868,953,044	120,404	11,783,932	407,158,538	7,217	5.6%	218,489,615	30,274	255,088,823	(38,055,675)	-14.9%	1,689,343	3,815	52.9%	1,620,514	95.9%	3,402	47.1%	68,829	4.1%
150,000 - 199,999	5,461	60.5%	903	1,964,507	572,378,688	173,291	10,542,551	110,383,636	3,303	4.5%	98,005,194	29,672	374,532,409	13,341,752	3.6%	1,483,902	729	22.1%	1,408,244	94.9%	2,574	77.9%	75,658	5.1%
200,000 - 499,999	9,325	74.9%	1,552	3,933,793	2,174,783,589	311,261	72,511,002	143,211,173	6,987	6.2%	232,722,716	33,308	1,871,360,702	55,589,004	3.0%	3,945,031	439	6.3%	3,751,953	95.1%	6,548	93.7%	193,078	4.9%
500,000 - 999,999	3,369	87.8%	833	3,251,950	2,077,553,985	702,114	71,759,289	77,709,672	2,959	10.6%	165,978,191	56,093	1,905,625,421	38,293,295	2.0%	2,353,538	72	2.4%	2,215,865	94.2%	2,887	97.6%	137,673	5.8%
1,000,000 or more	4,792	94.6%	2,146	13,360,480	43,466,743,592	9,591,073	743,280,735	1,046,442,695	4,532	17.9%	3,972,180,269	876,474	39,191,401,363	328,170,072	0.8%	19,283,690	64	1.4%	18,881,545	97.9%	4,468	98.6%	402,145	2.1%
TOTAL	958,955	13.0%	46,544	69,830,118	41,978,827,761	337,638	1,290,318,493	3,552,279,677	124,331	16.1%	6,757,974,416	54,355	32,958,892,161	(2,373,925,303)	-7.2%	30,426,356	89,628	72.1%	29,464,271	96.8%	34,703	27.9%	962,085	3.2%

†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.