

State of North Carolina
 Department of Revenue
 P.O. Box 25000
 Raleigh, NC 27640-0100



C 0000001

Return Service Requested

Notice of Adjustment – Individual Income Tax
Tax Year:

SAMPLE IN
 PROGRESS



NOT FOR
 PRODUCTION

Notice Number:
Notice Date:
Taxpayer ID:
Taxpayer ID:

You are receiving this notice because we have made an adjustment to your tax return. Review this notice, and compare the amounts shown on the **Details of Changes** table below with your return.

Net Refund:

Explanation

Details of Changes

	Corrected Amount
Federal Adjusted Gross Income	
Plus: Additions to Federal Adjusted Gross Income	
Minus: Deductions from Federal Adjusted Gross Income	
Minus: Child Deduction (beg. Tax Year 2018)	
Minus: NC Standard Deduction or NC Itemized Deductions	
Taxable Percentage (decimal amount)	
North Carolina Taxable Income	
North Carolina Income Tax	
Minus: Net Tax Paid and/or Withheld (includes refunds previously issued)	
Overpayment	
Plus: Refund Interest	
Refund Due	
Minus: See Explanation Above	
Net Refund	

Next Steps

- **What if I agree with this notice?** No further action is required.
- **What if I have questions about this notice?** Review the enclosed insert. If you still have questions, visit www.ncdor.gov/notices or call 1-877-252-3252.
- **What if my refund was applied to my debt with another agency?** If you have questions about your refund, contact the agency using the contact information listed in the **Explanation** table above.
- **What if I disagree with this notice?** Review the Taxpayers' Bill of Rights printed on the back of this notice for details on your rights. If you do not file a request for departmental review within 45 days of the date of this notice, the proposed denial of refund will become final and no longer subject to further administrative or judicial review. The application of a refund against debts owed to the IRS or other State and local agencies is not subject to review by the Department of Revenue.

THIS MULTI TONE AREA OF THE DOCUMENT CHANGES COLOR GRADUALLY AND EVENLY FROM DARK TO LIGHT WITH DARKER AREAS BOTH TOP AND BOTTOM



INDIVIDUAL INCOME TAX REFUND

DATE

CHECK NO.

86-1050
 531

PAY:

TO THE ORDER OF:

AMOUNT

Jackie McKay

North Carolina Taxpayers' Bill of Rights

This Bill of Rights explains your rights as a taxpayer in North Carolina. This document gives information about:

- Protection of Privacy
- Examination of Your Return
- Representation
- Penalties and Interest
- Refund of Overpaid Tax
- Request for Departmental Review
- Final Determination after Departmental Review
- Contested Tax Case
- Collections
- Taxpayer Assistance

As a taxpayer, you are always entitled to fair, professional, prompt, and courteous service. The goal of the North Carolina Department of Revenue ("Department") is to apply the tax laws of this State consistently and fairly so that your rights are protected and that you pay only your fair share of North Carolina tax.

Protection of Privacy: It is your right to have information about your tax history, financial situation, and assessments or reviews kept in strict confidence. Any return information, correspondence, or Departmental discussion concerning your tax situation is confidential. Employees or former employees who violate this confidentiality are subject to criminal prosecution and possible fines. An employee who willfully discloses tax information is also subject to dismissal.

Examination of Your Return: The Department routinely examines returns to ensure taxpayers comply with tax statutes. If the Department examines your return, the Department may ask you to provide information to verify items on your return. You are entitled to a fair examination and an explanation of any changes the Department proposes to your return. Examinations do not necessarily mean you owe additional taxes. The examination may be closed without any changes to your return, or you could receive a refund of overpaid taxes from the Department.

Representation: During any examination or conference, you may have an attorney, accountant, or designated agent present. You can authorize another person to represent you if you execute a written power of attorney. Form Gen-58, Power of Attorney and Declaration of Representative, is available on the Department's website. If you wish, the Department will suspend the proceedings at any time to permit you to consult with your authorized representative.

Penalties and Interest: By law, the Department of Revenue is required to assess penalties for the following:

- Late Filing of Returns
- Late Payment of Tax
- Negligence
- Fraud
- Bad Checks or Bad EFT Payment

You have the right to request penalties be waived. The Department waives penalties in accordance with its Penalty Waiver Policy. Interest accrues on unpaid taxes from the date the tax was due until the date the tax is paid. The law does not permit the Department to waive interest that accrues on unpaid taxes with the exception of certain bankruptcy assessments. To request a penalty waiver, you should pay the tax and interest due and call the Department at 1-877-252-3052, or you may submit Form NC-5500, Request to Waive Penalties, which is available on the Department's website. The request for penalty waiver should be mailed to: NCDOR, Customer Service, P.O. Box 1168, Raleigh, NC 27602-1168.

Refund of Overpaid Tax: If you believe you have overpaid your taxes, you may request a refund by filing an amended return or claim for refund ("Claim") within the statute of limitations for obtaining a refund of an overpayment. In general, the statute of limitations for obtaining a refund of an overpayment is the later of three years after the due date of the return or two years after payment of the tax.

For a Claim filed within the statute of limitations, the Department must take one of the following actions within six months after the date the Claim is filed: (1) send the requested refund to you; (2) adjust the amount of the refund; (3) deny the refund; or (4) request additional information. If the Department does not take one of the actions within six months, the inaction is considered a proposed denial of refund. If you disagree with a proposed denial of refund, you may file a request for Departmental review as set forth below.

If the Department adjusts the amount of your request for refund or denies your request for refund in its entirety, the Department will issue a Notice of Proposed Denial of Refund. If you disagree with the Notice of Proposed Denial of Refund, you may file a request for Departmental review as set forth below.

If the Department determines that your Claim was not filed within the statute of limitations, your refund request will be denied and the Department will issue a Notice of Denied Refund. If you disagree with the Department's determination, you may file a petition for a contested tax case at the Office of Administrative Hearings ("OAH"). If you elect to file a petition with OAH and it is finally determined that the Claim was not barred by the statute of limitations, the case will be returned to the Department for further consideration. If you do not file a petition with OAH, the Department's determination will be final.

Request for Departmental Review: If you object to a proposed denial of refund or a proposed notice of tax assessment (collectively, "proposed action"), you may request a Departmental review of the proposed action by timely filing a request for Departmental review within 45 days of the date the notice was mailed or delivered to you. A request for Departmental review filed within 45 days of the date the notice was mailed or delivered to you is considered timely filed. If a request for a Departmental review is not timely filed, the proposed action is final and is not subject to further administrative or judicial review. An assessment for an amount

shown due on a return but not paid, or the application of a refund against debts owed to State, local agencies, or the Internal Revenue Service is not subject to Departmental review.

To request a Departmental review, complete Form NC-242, Objection and Request for Departmental Review, and file it with the Department. You must include an explanation of your objection to the Department's proposed action with the request for review. For a request that is mailed, submit the form to: NCDOR, Customer Service, P.O. Box 471, Raleigh, NC 27602-0471.

Upon receipt of a timely request for Departmental review, the Department will take one of the following actions: (1) grant the refund or cancel the assessment; (2) adjust the amount of tax due or refund owed; or (3) request additional information. If you do not respond to the Department's request for additional information by the requested response date, the Department will reissue the request. The Department must give you a minimum of 30 days to respond to the request for information. If you do not respond to the reissuance of the request for additional information, the Department will send you a Notice of Inaction. If you fail to respond to the Notice of Inaction within 10 days from the date of the notice, the proposed denial of refund or notice of proposed assessment will become final and collectible and is not subject to further administrative or judicial review.

If you timely request a Departmental review and thereafter pay the amount of tax due or the amount due as adjusted by the Department, the Department may accept the payment and take no further action, unless you state in writing that you wish to continue the Departmental review.

When the Department and you agree that an action by the Department resolves your objection, the Department does not need to take further action and the Department will close the Departmental review. Otherwise, the Department must schedule a conference with you. If a conference is necessary, the Department will set the time and date and notify you at least 30 days prior to the date for the conference. The date set for the conference may be changed by mutual agreement. The conference is an informal proceeding at which you and the Department attempt to resolve the case.

Final Determination after Departmental Review: If the objections are not resolved, the Department will issue a Notice of Final Determination ("NOFD") stating the basis of the determination. A NOFD issued for a proposed assessment will also show the amount of tax, penalties, and interest you owe and the collection options available to the Department if the amount shown due is not paid and you do not contest the final determination. The NOFD will provide the appeal procedures you must follow to contest the final determination.

Contested Tax Case: If you disagree with the NOFD or the denied refund based on the Department's determination that the refund claim was not filed within the statute of limitations, you may file a petition for a contested tax case hearing with the Office of Administrative Hearings ("OAH"). The OAH has impartial administrative law judges that hear cases filed by individuals and businesses against governmental agencies. A petition for a contested tax case may be filed only after the Department has issued a NOFD or a Notice of Denied Refund based on the Department's determination that the refund claim was not filed within the statute of limitations.

If you disagree with the OAH final decision, you may seek further judicial review of your case by filing a petition in the Superior Court of Wake County in accordance with the procedures for a mandatory business case as set forth in G.S. 7A-45.4(b) through (f). However, you must pay the amount of tax, penalties, and interest as stated in the final decision before filing the petition. (The appeal information given here is a general description of your appeal rights and does not cover all situations. You should visit the OAH's website for further information.)

Collections: You are responsible for the full amount of tax, penalty and interest you owe. It is important that you respond promptly if the Department contacts you for payment. Pursuant to N.C. General Statute 105-243.1(d), if you do not pay the amount of tax, penalty and interest you owe within 60 days after a Notice of Collection is mailed to you, the Department will impose a 20% collection assistance fee to your tax debt. The fee does not apply if the tax debt is paid in full or you enter into an installment payment agreement with the Department before the fee is imposed. The fee may be imposed on defaulted installment payment agreements.

If you do not pay in full, the Department may garnish your wages, bank account, or other funds, seize and sell personal property, issue a tax warrant to your sheriff, or record a certificate of tax liability against you. If you willfully fail to pay the tax, you may be subject to criminal charges. If the Department believes that you owe tax and collecting that tax is in jeopardy, the Department can immediately assess and collect the tax. You may request the Secretary review the actions taken on the jeopardy assessment. If you disagree with the review findings, you have the right to bring civil action in Superior Court.

Taxpayer Assistance: You can check the status of your individual income tax refund by calling 1-877-252-4052. If you need tax forms or other general assistance with individual income, privilege license, withholding, sales and use, or corporate and franchise taxes, call 1-877-252-3052. For assistance with bills or notices, call 1-877-252-3252. For assistance with excise tax, call 1-877-308-9092. For assistance with all other taxes administered by the Department, call 1-877-308-9103. You may also access the Department's website, or you may write: NCDOR, Customer Service, P.O. Box 1168, Raleigh, NC 27602-1168.

Recorded information on commonly asked tax questions is available by calling 1-877-252-3052. The hearing impaired with TDD service can contact Relay North Carolina at 1-800-735-2962 for assistance.

