

# NCACPA Individual Income Tax Update



## December 2024

Donna Powell

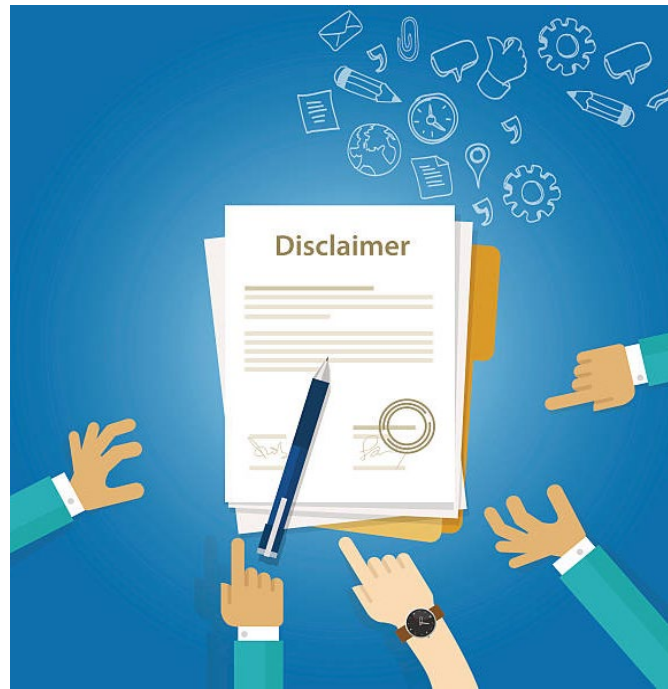
Director, Personal Income Tax Division



**NCDOR**

# Disclaimer

- This presentation is for general information only.
- This presentation content can not be interpreted as specific tax advice for a specific tax situation.
- This presentation does not take draft or future legislation into account.



# 2024 Legislation Individual Income Tax



For tax year 2024, the most significant updates to individual income tax were incorporated in two bills:

- **Session Law 2024-28** (House Bill 228)  
DOR's recommended changes to State income tax law
- **Session Law 2024-51** (House Bill 149)  
Hurricane Helene Relief





The individual income tax rate  
**for tax year 2024 is 4.5%.**

For tax year 2023, the tax rate was 4.75%.  
For tax year 2025, the tax rate will be 4.25%.



*Reference: S.L. 2023-134 (s. 42.1.(a))*

The **North Carolina Standard Deduction** amount is as follows:

Filing Status	Standard Deduction Amount
Married, filing jointly/ surviving spouse	\$25,500
Head of Household	\$19,125
Single	\$12,750
Married, filing separately	\$12,750

**Important:** The 2024 General Assembly **did not increase** the North Carolina standard deduction amount for any filing status.

## Tax Credit for Certain Real Property Donations

- The “Farm Bill” reenacted the tax credit for **Certain Real Property Donations** to incentivize donations of real property for forestland and farmland preservation, fish and wildlife conservation, military use, floodplain protection, historic landscape preservation, and for public trails.
- Applicable to **qualifying donations** made on or after January 1, 2025, through December 1, 2026.
- A qualifying donation meets all of the stated conditions, including:



- The property must be donated in perpetuity for one of the uses listed in the statute.
- The person to whom the property is donated must be the State, a local government, or a body organized to receive and administer conservation land.

# Tax Credit for Certain Real Property Donations

- The tax credit is available to individuals, corporations, and certain pass-through entities. **A Taxed PTE is not eligible to claim the tax credit.**
- The General Assembly capped the amount of all qualifying tax credits at \$5 million. Taxpayers **must apply** for the tax credit.
- The application is due on or before April 15<sup>th</sup> of the year **following** the calendar year of the donation, i.e., tax year **2026**.



- The Department will publish specific guidance and an application to apply for the tax credit in 2025.

*Reference: S.L. 2024-32 (s. 15)*





- For tax year 2025, **the withholding rate on wages paid in 2025 is 4.35% (4.25% + 0.1%)**
- Publication NC-30 will include revised withholding tables and alternative methods of calculating the amount of tax due.
- Tables are broken down by filing status, pay period, amount of pay and number of allowances claimed.
- Publication NC-30 is available on the Department's website.

# 2024 Hurricane Helene Relief

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- By statute, the penalties prescribed in G.S. 105-236(a)(2), (3), (4), and (10)c. (collectively referred to as “Late Action Penalties”) **may not be assessed** for any period in which the time for filing a federal return or report or for paying a federal tax is extended under Internal Revenue Code (IRC) section 7508A because of a presidentially declared disaster.
- IRC Section 7508A (a) allows the Internal Revenue Service (**IRS**) to use discretion to postpone certain tax-related deadlines due to a federally declared disaster.
- On October 1, 2024, the **IRS** postponed certain tax-related deadlines for individuals and business **in the entire state of North Carolina** that were affected by Hurricane Helene. The postponement period for NC is deadlines on September 25, 2024, through May 1, 2025.



*Reference: G.S. 105-249.2(b)*

- On October 3, 2024, the Department issued an important notice announcing **penalty relief** to taxpayers affected by Hurricane Helene.
- The Department will remove “**Late Action Penalties**” assessed against **all taxpayers** affected by Hurricane Helene who reside in or have a business **in North Carolina** for tax returns or payments due on **September 25, 2024, through May 1, 2025** (the, “Penalty Relief Period”).
- **Late Action Penalties** are:
  - Failure to Obtain a License
  - Failure to File a Return
  - Failure to Pay Tax When Due
  - Failure to File an Information Return



*Reference: G.S. 105-249.2 and  
Important Notice dated  
October 3, 2024*

**Example 1**

Jack and Jane Doe (Taxpayers) live in Avery County.

Taxpayer's 2024 State Tax Return is due to be filed on April 15, 2025.

Taxpayers filed their 2024 State Tax Return on May 1, 2025. Taxpayers owe (and pay) the income tax shown due on their 2024 State Tax Return.

Because Taxpayer's 2024 State Tax Return was due to be filed during the Penalty Relief Period and because Taxpayers filed the 2024 State Tax Return on or before May 1, 2025, the Department will **automatically** remove the failure to file penalty and failure to pay penalty.



## Example 2

Jack and Jane Doe (Taxpayers) live in Cabarrus County.

Taxpayer's NC Individual Income Tax Return for tax year 2023 (2023 State Tax Return) was due to be filed on April 15, 2024. Taxpayers were granted an extension to file their 2023 State Tax Return. Taxpayer's 2023 State Tax Return was due to be filed on October 15, 2024.

Taxpayers filed their 2023 State Tax Return on May 1, 2025. Taxpayers owe (and pay) the tax shown due when Taxpayers file their 2023 State Tax Return.

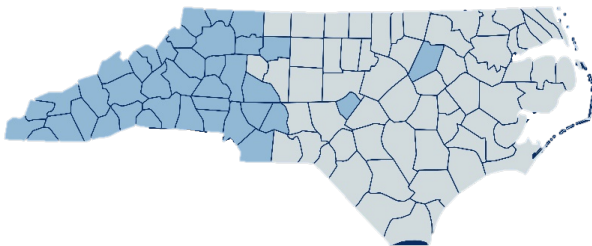
Because Taxpayer's 2023 State Tax Return was due to be filed during the Penalty Relief Period and Taxpayers file their 2023 State Tax Return on or before May 1, 2025, the Department will **automatically** remove the failure to file penalty. **However**, because the tax shown due on the 2023 State Tax Return was due on April 15, 2024, (outside of the Penalty Relief Period), the Department **will not automatically** remove the failure to pay penalty.



Taxpayers can **request** penalty waiver under the provisions of DOR's Penalty Policy.



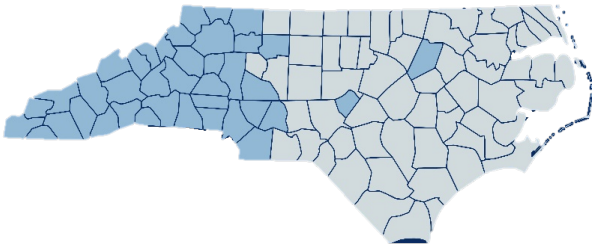
- On October 11, 2024, the Department issued a second important notice describing specific **interest relief** granted by the **General Assembly** to eligible taxpayers.
- Eligibility for interest relief depends on **tax type** and **location**.
- Tax types are:
  - Income Tax
  - Franchise Tax
  - Withholding Tax
  - Sales and Use Tax



*Reference: S.L. 2024-51 and  
Important Notice dated October 11, 2024*



- Taxpayers who file **individual income tax returns** must:
  - (1) reside in a **Disaster County**, or
  - (2) have a business located in a “**Disaster County**”
- A **Disaster County** is **any** county declared a major disaster by the President of the United States under the Stafford Act (P.L. 93-288) as a result of **Hurricane Helene**.
- Does not have to be a county located in North Carolina.
- Income tax includes partnership tax and estate and trust tax.
  - Interest relief includes interest accrued on the underpayment of estimated income tax for payments due from September 25, 2024, through May 1, 2025.



*Reference: S.L. 2024-51 and  
important notice dated October 11, 2024*

### North Carolina Disaster Counties as of November 30, 2024

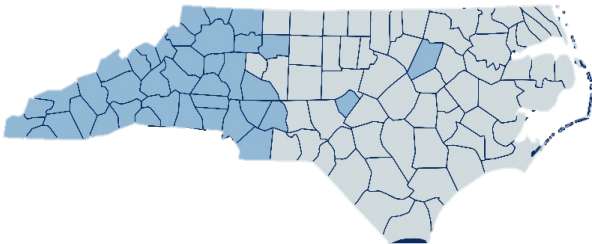
**NC COUNTIES ELIGIBLE FOR INTEREST RELIEF**

- ALEXANDER
- ALLEGHANY
- ASHE
- AVERY
- BUNCOMBE
- BURKE
- CABARRUS
- CALDWELL
- CATAWBA
- CHEROKEE
- CLAY
- CLEVELAND
- FORSYTH
- GASTON
- GRAHAM
- HAYWOOD
- HENDERSON
- IREDELL
- JACKSON
- LEE
- LINCOLN
- MACON
- MADISON
- MCDOWELL
- MECKLENBURG
- MITCHELL
- NASH
- POLK
- ROWAN
- RUTHERFORD
- STANLY
- SURRY
- SWAIN
- TRANSYLVANIA
- UNION
- WATAUGA
- WILKES
- YADKIN
- YANCEY

**ALL NC COUNTIES ELIGIBLE FOR PENALTY RELIEF**

**NCDOR** NORTH CAROLINA DEPARTMENT OF REVENUE

- For individual income tax, the Department will **automatically** waive the accrual of interest from September 25, 2024, through May 1, 2025, on an underpayment of tax imposed on the return **due on September 25, 2024, through May 1, 2025** (the “Interest Relief Period”).
- The income tax return **DOES NOT** have to be filed with the Department on or before May 1, 2025, for the taxpayer to qualify for automatic interest relief.



*Reference: S.L. 2024-51 and  
important notice dated October 11, 2024*

**Example 1**

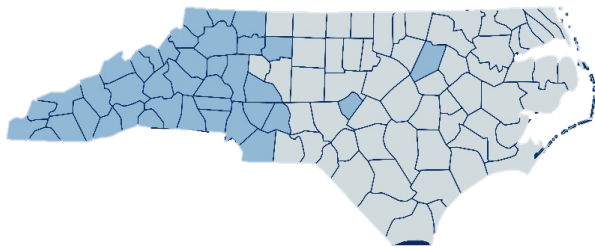
Jack and Jane Doe (Taxpayers) live in Avery County.

Taxpayer's 2024 State Tax Return is due to be filed on April 15, 2025.

Taxpayer's file their 2024 State Tax Return on July 1, 2025. Taxpayers owe (and pay) the income tax shown due on their 2024 State Tax Return.

Because Taxpayers live in a Disaster County, Taxpayers **automatically** qualify for interest relief.

The Department will automatically waive interest that accrues on the tax shown due on the 2024 State Tax Return from April 15, 2025, through May 1, 2025 (the Interest Relief Period). The Department **WILL NOT WAIVE** interest that accrues on the underpayment from May 2, 2025, through July 1, 2025 (dates outside the Interest Relief Period).



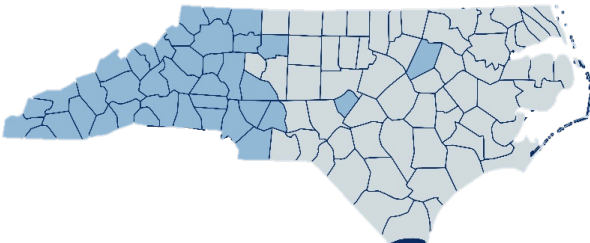
## Example 2

Jack and Jane Doe (Taxpayers) live in Cabarrus County. The Taxpayers were granted an extension to file their NC Individual Income Tax Return for tax year 2023 (2023 State Tax Return).

Taxpayer's 2023 State Tax Return was due to be filed on October 15, 2024.

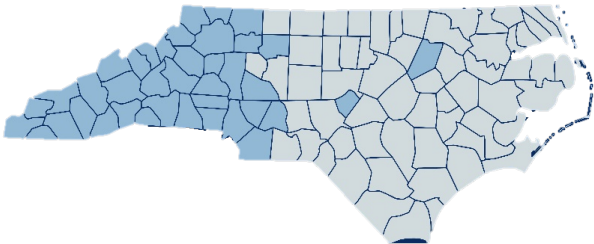
Taxpayer's file their 2023 State Tax Return on June 15, 2025. Taxpayers owe (and pay) the tax shown due when Taxpayers file their 2023 State Tax Return.

The Department will **automatically waive** interest that accrued on the tax shown due on the 2024 State Tax Return from September 25, 2024, through May 1, 2025 (the Interest Relief Period). The Department **WILL NOT WAIVE** interest that accrued from April 16, 2024, through September 24, 2024, nor from May 2, 2025, through June 15, 2025 (date outside the Interest Relief Period).



# NCDOR Disaster Recovery - Interest Relief

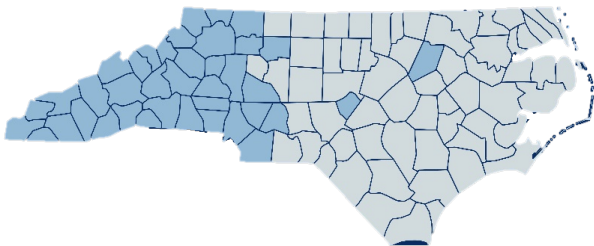
- Taxpayers that file **withholding tax returns** must be **located in a “Disaster County.”**
- The Department will **automatically** waive the accrual of interest for the following:
  - Monthly Return for September 2024. Payment must be made on or before November 15, 2024.
  - Monthly Return for October 2024. Payment must be made on or before December 15, 2024.
  - Quarterly Return for 3rd Quarter 2024 (Period Ending September 30, 2024). Payment must be made on or before November 30, 2024.



*Reference: S.L. 2024-51 and  
important notice dated October 11, 2024*



- On October 30, 2024, the Department issued a directive that interpreted the **additional interest relief** granted by the General Assembly as part of the Disaster Recovery Act – Part II.
- This relief allows additional taxpayers **to request** to be an “Eligible Taxpayer” as described in the Disaster Recovery Act – Part I **if** the taxpayer meets one or more of the following conditions (a “Qualified Taxpayer”):
  - ✓ The taxpayer’s tax preparer is located in a Disaster County.
  - ✓ The taxpayer’s records necessary to meet a tax deadline are located in a Disaster County.
- A Qualified Taxpayer was required to request to be treated like an “Eligible Taxpayer” on **or before November 25, 2024** (30 days from the date the law was enacted).





**Directive TA-24-1**  
**The Disaster Recovery Act**  
**of 2024**  
  
Dated October 30, 2024

A Qualified Taxpayer was required to notify  
DOR by November 25, 2024.

**NCDOR** | **NC-5502**  
Web-Fill 10-24 | **Special Penalty and Interest Waiver**

**Part 1. Taxpayer Information**

Individual's First Name  M.I.  Individual's Last Name  Individual's Social Security Number   
Spouse's First Name (if joint return filed)  M.I.  Spouse's Last Name (if joint return filed)  Spouse's Social Security Number (if joint return filed)   
Individual's Phone Number  Individual's Email Address   
Entity's Legal Name  Entity's Federal Employer ID Number   
Entity's Trade Name  Account Number/NCDOR ID   
Contact Person  Contact Person's Phone Number   
Contact Person's Email Address   
Street Address   
City  State  Zip Code

**Part 2. Waiver Information** Enter the requested information below for each notice that you are requesting relief from interest or interest and penalty. Do not use this form unless instructed by the Department to do so.

Tax Type	Notice Number	Period Beginning	Period Ending	Amount of Penalty	Amount of Interest

Use the space below to explain, in detail, why the Department should provide penalty or interest relief for the amounts listed above. Attach additional pages if necessary.

Check this box to request the interest relief authorized under the Disaster Recovery Act of 2024 - Part II because your tax preparer or your tax records necessary to meet a tax deadline are located in an affected area.

Taxpayer's Signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_  
Power of Attorney Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
A preparer cannot sign Form NC-5502 for the taxpayer unless a power of attorney (Form DOR-551) has been established.

Power of Attorney Name: \_\_\_\_\_  
Power of Attorney Email Address: \_\_\_\_\_  
Phone Number: \_\_\_\_\_

MAIL TO: North Carolina Department of Revenue, P.O. Box 1661, Raleigh, NC 27602-1661

A Qualified Taxpayer that submits Form NC-5502 after November 25, 2024, **IS NOT** eligible for interest relief.

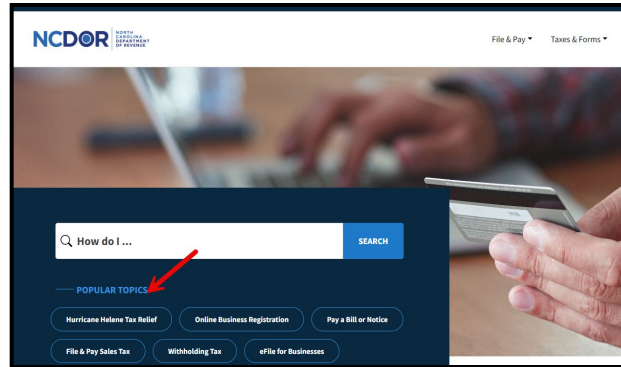
## **Additional Time to Make Timely Taxed PTE Election for Tax Year 2023**

- An eligible pass-through entity (PTE) can elect to be taxed for North Carolina income tax purposes at the entity level (a Taxed PTE).
- The PTE must make the Taxed PTE election on a **timely filed** annual North Carolina tax return (“NC Tax Return”).
- As part of the Disaster Recovery Act, a PTE is allowed additional time to make the Taxed PTE election **for tax year 2023** if the NC Tax Return for the PTE was **due on or after September 25, 2024, through May 1, 2025**, so long as the NC Tax Return is **filed on or before May 1, 2025**.
- This additional time applies to all eligible PTEs, **regardless of whether the PTE is in a Disaster County.**



A designated Hurricane Helene Tax Relief Page on DOR website.

- Notices
- FAQs
- Penalty & Interest Waiver Forms
- Executive Orders



### FAQs Regarding Hurricane Helene Tax Relief

**Summary**

The Department has issued multiple notices about Hurricane Helene Tax Relief. The notices are as follows:

- [October 3, 2024](#) – Penalty Relief
- [October 11, 2024](#) – Interest Relief & Additional Time to Make 2023 Taxed PTE Election
- [October 18, 2024](#) – Additional Counties Eligible for Interest Relief

Below are questions and answers to help understand North Carolina tax relief.

**Topic A: Penalty Relief**

Question A1: Who is eligible for penalty relief?  
 Question A2: What penalty relief is available?  
 Question A3: What penalties are eligible for penalty relief?  
 Question A4: What tax types are eligible for penalty relief?  
 Question A5: Are 2023 income tax returns eligible for penalty relief?  
 Question A6: Are Affected Taxpayers that received Hurricane Debby tax relief eligible for penalty relief?  
 Question A7: Are there exceptions to penalty relief?  
 Question A8: How can an Affected Taxpayer have penalties removed if penalties were assessed in error?  
 Question A9: How can a Non-Affected Taxpayer request penalty relief?  
 Question A10: Will Late Action Penalties be automatically removed for Affected Taxpayers?

### Hurricane Helene

#### Notices

The NC Department of Revenue has issued notices about tax relief available to victims of Hurricane Helene. The notices include details about eligibility as well as contacts for questions. This list will be updated as new notices are published.

- [Directive TA-24-1: The Disaster Recovery Act of 2024 - Part II](#) issued October 30, 2024
- [Important Notice: Expanded List of Counties Eligible for Interest Relief - Hurricane Helene](#) issued October 18, 2024
- [Important Notice: Tax Relief Granted in The Disaster Recovery Act of 2024](#) issued October 11, 2024
- [Important Notice: Tax Relief for Victims of Hurricane Helene](#) issued October 3, 2024

#### Frequently Asked Questions

These FAQs are intended to provide general information to taxpayers and tax professionals about tax relief available to victims of Hurricane Helene. Accordingly, these FAQs may be updated or modified.

- [Frequently Asked Questions for Tax Relief for Victims of Hurricane Helene](#) updated November 12, 2024.  
 Note, you can review the FAQs in the link above or [download a printable version](#).

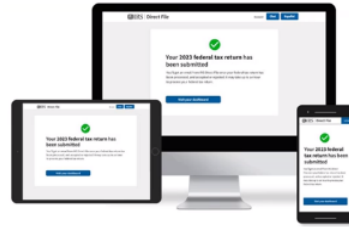
#### Penalty and Interest Waiver Forms

- [Form NC-500, Request to Waive Penalties](#) - Use this form to request waiver of penalties other than informational return penalties.





- North Carolina is working with the “Internal Revenue Service” and “Code for America” to give North Carolina taxpayers a **new** free e-file option.
- Beginning in January, eligible taxpayers have the option to use Direct File to file both their federal and North Carolina individual income tax returns online for **free**.
- Eligibility for federal returns is determined by the IRS. In North Carolina, Direct File is available to:
  - ✓ Taxpayers who live in North Carolina for the entire year and who earned all their income in North Carolina.
  - ✓ Taxpayers who claim the North Carolina standard deduction amount.
  - ✓ Taxpayers who claim common North Carolina deductions, like the NC child deduction and the deduction for retirement benefits.



To find out more information about Direct File and other e-file resources for individuals and business, visit the Department's website.

[\*\*eFile Resources for Taxpayers | NCDOR\*\*](#)

# Differences between federal and NC tax law for tax year 2024



## Additions to AGI

## Deductions from AGI

**NCDOR**  
V-24  
7-24

**D-400 Schedule S**  
2024 N.C. Adjustments for Individuals

EOP  
List  
Only

If you are required to add certain items to federal adjusted gross income on Form D-400, Line 7, or if you are entitled to take deductions from federal adjusted gross income on Form D-400, Line 9, you must complete and attach this schedule to Form D-400. Importantly, you must attach both pages of this schedule to Form D-400, even if you are only required to complete one part of the schedule. If you do not, the Department may be unable to process your return.

Last Name (First 10 Characters): \_\_\_\_\_

Do not send a photocopy of this form.  
Print in Black or Blue Ink Only. No Pencil or Red Ink.

Your Social Security Number: \_\_\_\_\_

**Part A. Additions to Federal Adjusted Gross Income** (Only add items that are not included in federal adjusted gross income)

1. Interest Income From Obligations of States Other Than N.C.	▶ 1.	_____ .00
2. Deferred Gains Reinvested Into an Opportunity Fund	▶ 2.	_____ .00
3. Bonus Depreciation	▶ 3.	_____ .00
4. IRC Section 179 Expense	▶ 4.	_____ .00

**Part B. Deductions From Federal Adjusted Gross Income** (Only deduct items that are included in federal adjusted gross income)

11. Qualified Education Loan Payments Paid by Employer	▶ 11.	_____ .00
12. Expenses Allocable to Income Exempt or Excluded From Gross Income	▶ 12.	_____ .00
13. Discharge of Certain Student Loan Debt	▶ 13.	_____ .00
14. Taxed Pass-Through Entity Loss	▶ 14.	_____ .00
15. Reserved for Future Use _____	▶ 15.	_____ .00
16. Total Additions - Add Lines 1 through 15 (Enter the total here and on Form D-400, Line 7)	▶ 16.	_____ .00

**Page 2**  
D-400 Sch. S  
V-24  
7-24

Last Name (First 10 Characters): \_\_\_\_\_

**2024**

Your Social Security Number: \_\_\_\_\_

**Part B. Deductions From Federal Adjusted Gross Income** (Only deduct items that are included in federal adjusted gross income)

19. Taxable Portion of Social Security and Railroad Retirement Benefits	▶ 19.	_____ .00
20. Retirement Benefits Received by Vested N.C. State Government, N.C. Local Government, or Federal Government Retirees, i.e. Bailey Settlement	▶ 20.	_____ .00
21. Certain Retirement Benefits Received by a Retired Member of the United States Uniformed Services Not Deducted on Line 20	▶ 21.	_____ .00
22. Bonus Asset Basis	▶ 22.	_____ .00
23. Bonus Depreciation		
▶ 23a. 2019 _____ .00	▶ 23b. 2020 _____ .00	▶ 23c. 2021 _____ .00
▶ 23d. 2022 _____ .00	▶ 23e. 2023 _____ .00	▶ 23f. _____ .00
24. IRC Section 179 Expense		
▶ 24a. 2019 _____ .00	▶ 24b. 2020 _____ .00	▶ 24c. 2021 _____ .00
▶ 24d. 2022 _____ .00	▶ 24e. 2023 _____ .00	▶ 24f. _____ .00

**Part B. Deductions From Federal Adjusted Gross Income** (Only deduct items that are included in federal adjusted gross income)

32. Certain Economic Incentive Payments	▶ 32.	_____ .00
33. Certain N.C. Grant Payments	▶ 33.	_____ .00
34. Certain Net Operating Loss Carrybacks (Limited to 20% of amount added to AGI in tax years 2013 through 2019)	▶ 34.	_____ .00
35. Excess Net Operating Loss Carryforward (Limited to 20% of amount added to AGI in 2019 and 2020)	▶ 35.	_____ .00
36. Excess Business Loss (Limited to 20% of amount added to AGI in 2018, 2019, and 2020)	▶ 36.	_____ .00
37. Business Interest Limitation (Limited to 20% of amount added to AGI in 2019 and 2020)	▶ 37.	_____ .00
38. Taxed Pass-Through Entity Income		
▶ 38a. N.C. Sourced _____ .00	▶ 38b. Non-N.C. Sourced _____ .00	▶ 38c. _____ .00
39. N.C. Net Operating Loss	▶ 39.	_____ .00
40. Reserved for Future Use _____	▶ 40.	_____ .00
41. Total Deductions - Add Lines 17 through 22, 23f, 24f, 25 through 37, 38c, 39, and 40 (Enter the total here and on Form D-400, Line 9)	▶ 41.	_____ .00

No New State Adjustments in 2024



The General Assembly **decoupled from** the following federal tax provisions that require an **addition** to AGI:

Federal Tax Provision	State Tax Provision
<p>The exclusion from gross income for cancellation of qualified principal residence debt.</p>	<p>Cancellation of qualified principal residence debt is generally included in the calculation of NC taxable income.</p> <p><b>For tax year 2024, see Form D-400 Schedule S, Part A, Line 10</b></p>
<p>The exclusion from gross income for payment of a qualified education loan by an employer.</p>	<p>Qualified education loans repaid by an employer (whether paid to the taxpayer or to a lender) is included in the calculation of NC taxable income.</p> <p><b>For tax year 2024, see Form D-400 Schedule S, Part A, Line 11</b></p>





The General Assembly **decoupled from** the following federal tax provision that requires an **addition** to AGI:

Federal Tax Provision	State Tax Provision
<p>The exclusion from gross income of student loan forgiveness to the extent the loan was forgiven under IRC section 108(f)(5), as amended by ARPA.</p>	<p>Student loan forgiveness not included in gross income is generally included in the calculation of NC taxable income to the extent the loan was forgiven under <b>IRC section 108(f)(5)</b>, as amended by ARPA.</p> <p><b>For tax year 2024, see Form D-400 Schedule S, Part A, Line 13</b></p> <p><b>Important Reminder:</b></p> <p>DOR Issued an Important Notice dated December 14, 2022, that provides information on the State's tax treatment of federal student loan forgiveness.</p>

## Important Notice: State Tax Treatment of Federal Student Loan Forgiveness

Dated December 14, 2022



December 14, 2022

### Important Notice: State Tax Treatment of Federal Student Loan Forgiveness

The following important information is addressed in this notice:

- North Carolina's tax treatment of federal student loan forgiveness.
- Instructions on how to make adjustments to North Carolina taxable income to account for differences in federal and State income tax law concerning student loan forgiveness.
- Information on how federal student loan forgiveness impacts interest on the underpayment of estimated tax.

#### Background

The United States Department of Education is responsible for the administration of the programs that allow borrowers forgiveness for their outstanding student loan liability. According to Federal Student Aid, "[t]he terms forgiveness, cancellation, and discharge mean nearly the same thing, but they're used in different ways."<sup>1</sup> For the purpose of this notice, forgiveness is meant to encompass all programs administered by the Federal Government where a borrower no longer is responsible for all or a portion of their student loan debt.

The United States Department of Education currently administers a number of loan forgiveness programs, including the Public Service Loan Forgiveness Program ("PSLF").<sup>2</sup> In addition to these established programs, President Joseph R. Biden, Jr. [announced](#) earlier this year the Department of Education will provide up to \$20,000 in debt cancellation to Pell Grant recipients with loans held by the Department of Education, and up to \$10,000 in debt cancellation to non-Pell Grant recipients (collectively, "Executive Order Student Loan Relief").<sup>3</sup>

The federal income tax consequences of student loan forgiveness is addressed in Section 108 of the Internal Revenue Code ("IRC"). Congress, in the American Rescue Plan Act of 2021 ("ARPA"), modified this section by temporarily expanding the types of student loan

<sup>1</sup> [Student Loan Forgiveness | Federal Student Aid](#)

<sup>2</sup> The Department cannot determine a taxpayer's eligibility for any of the programs listed. Please contact the appropriate party to the extent you have questions about the forgiveness of your loans.



The General Assembly **decoupled from** the following federal tax provision that requires an **addition** to AGI:

Federal Tax Provision	State Tax Provision
<p>The amount of expenses not included in AGI to the extent the expenses are allocable to income not taxed by NC.</p>	<p>For tax years beginning January 1, 2023, expenses not included in AGI that are allocable to income not taxed by NC are included in the calculation of NC taxable income.</p> <p><b>For tax year 2024, see Form D-400 Schedule S, Part A, Line 12</b></p>



The General Assembly **decoupled from** the following federal tax provision that allows a **deduction** from AGI:

Federal Tax Provision	State Tax Provision
<p>The inclusion of retirement pay in gross income when received by a qualified member of the US Uniformed Services.</p>	<p>Retirement pay received by a qualified member of the US Uniformed Services is not included in the calculation of NC taxable income.</p> <p><b>For tax year 2024, see Form D-400 Schedule S, Part B, Line 21</b></p> <p><b>Important Reminders:</b></p> <ul style="list-style-type: none"><li>• DOR Issued an Important Notice dated May 2, 2022, (updated August 5, 2022) that provides responses to frequently asked questions related to the deduction.</li><li>• <b>DO NOT</b> commingle military retirement deduction with the Bailey retirement deduction (<i>For tax year 2024, see Form D-400 Schedule S, Part B, Line 20.</i>)</li></ul>

## Important Notice:

### North Carolina Enacts New Deduction for Certain Military Retirement Pay and Survivor Benefit Plan Payments

Dated May 2, 2022  
(Updated August 5, 2022)



#### Important Notice: North Carolina Enacts New Deduction For Certain Military Retirement Pay and Survivor Benefit Plan Payments

The following important information is addressed in this notice:

- A brief introduction of North Carolina's deduction for certain military retirement pay and Survivor Benefit Plan payments.
- A response to several frequently asked questions ("FAQs") related to the new deduction. These FAQs are intended to provide general information to taxpayers and tax professionals. Accordingly, these FAQs may be updated or modified.

#### Introduction

In November 2021, North Carolina enacted legislation that allows eligible retired members of the Armed Forces of the United States ("Armed Forces") to deduct certain military retirement pay when calculating North Carolina taxable income beginning tax year 2021.<sup>1</sup> The law also allows eligible beneficiaries of the Survivor Benefit Plan ("SBP") to deduct certain SBP payments beginning tax year 2021.

Generally, military retirement pay based on age or length of service is included in gross income and taxable for federal income tax purposes.<sup>2</sup> Likewise, benefit payments from the SBP are generally included in gross income and taxable for federal income tax purposes.<sup>3</sup> Notwithstanding federal law, North Carolina has enacted N.C. Gen. Stat. § 105-153.5(b)(5a) to allow a qualified individual to deduct from adjusted gross income ("AGI") specific payments provided the payments are included in AGI.<sup>4</sup>

Specifically, for taxable years beginning on or after January 1, 2021, North Carolina allows a deduction for the following payments received during the taxable year from the United States government:

- a. Retirement pay for service in the Armed Forces of the United States to a retired member that meets either of the following:
  1. Served at least 20 years.
  2. Medically retired under [10 U.S.C. Chapter 61](#). This deduction does not apply to severance pay received by a member due to separation from the member's armed forces.



The General Assembly **decoupled from** federal NOL tax provisions. This adjustment requires an addition to AGI. However, NC law provides for a deduction for the NC NOL.

Federal Tax Provision	State Tax Provision
<p>The amount of net operating loss (“federal NOL”) deducted in arriving at adjusted gross income (“AGI”).</p>	<ul style="list-style-type: none"><li>• The federal NOL is excluded in the calculation of NC taxable income. <b>For tax year 2024, see Form D-400 Schedule S, Part A, Line 7</b></li><li>• The NC NOL is deducted in the calculation of NC taxable income. <b>For tax year 2024, see Form D-400 Schedule S, Part B, Line 39</b></li></ul> <p><b>Important Reminders</b></p> <ul style="list-style-type: none"><li>• Attach Form NC-NOL to Form D-400 if taxpayer claims a NC net operating loss on Form D-400 Schedule S, Line 39.</li><li>• Form NC-NOL is used to determine the amount of NC net operating loss created in 2024 and to determine the amount of NC NOL deduction for tax year 2024.</li></ul>

The **NC NOL** is the amount by which business deductions for the year exceed income for the year as determined under the Code, as modified by State law, including:

- ✓ The amount deductible because of losses from sales or exchanges of capital assets cannot exceed the amount includable on account of gains from sales or exchanges of capital assets.
- ✓ The amount of deductions not attributable to a taxpayer's trade or business cannot exceed the amount of income not derived from such trade or business.
- ✓ The small business stock exclusion provided under IRC section 1202 is not allowed.
- ✓ The qualified business income (QBI) deduction provided under IRC section 199A is not allowed.
- ✓ The NC NOL deduction is not allowed.
- ✓ The North Carolina child deduction is not allowed.



**NCDOR** NC-NOL  
Web-Fill 9-24  
**2024 Net Operating Loss Worksheet**

Read the Instructions before completing this worksheet. Failure to read the Instructions in their entirety will result in an incorrect N.C. NOL calculation.

Name (First 10 Characters) \_\_\_\_\_ Federal Tax ID Number \_\_\_\_\_  
Do not send a photocopy of this form.

**Part 1. Net Operating Loss Calculation** (Complete Part 1 to determine if you have an N.C. NOL for the tax year 2024)

1a. Federal Adjusted Gross Income	1a.		
1b. Additions to Federal Adjusted Gross Income	1b.		
1c. Add Lines 1a and 1b	1c.		
1d. Deductions from Federal Adjusted Gross Income	1d.		
1e. N.C. Standard Deduction Amount or N.C. Itemized Deduction Amount	1e.		
1f. Excess Business Loss Included as Other Income on your 2024 Federal Income Tax Return	1f.		
1g. Add Lines 1d through 1f	1g.		
1. Subtract Lines 1g from Line 1c			1.
2. Nonbusiness Capital Losses (Enter as a positive number)	2.		
3. Nonbusiness Capital Gains (Without regard to any IRC section 1202 exclusion)	3.		
4. If Line 2 is greater than Line 3, subtract Line 3 from Line 2 and enter the difference. Otherwise, enter zero.	4.		
5. If Line 3 is greater than Line 2, subtract Line 2 from Line 3 and enter the difference. Otherwise, enter zero.	5.		
6. Nonbusiness Deductions (Enter as a positive number)	6.		
7. Nonbusiness Income Other than Capital Gains	7.		
8. Add Line 6 and Line 7	8.		
9. If Line 6 is greater than Line 8, subtract Line 8 from Line 6 and enter the difference. Otherwise, enter zero.	9.		
10. If Line 8 is greater than Line 6, subtract Line 6 from Line 8 and enter the difference. Otherwise, enter zero (Amount cannot exceed the amount entered on Line 5)	10.		
11. Business Capital Losses Before Limitations (Enter as a positive number)	11.		
12. Business Capital Gains (Without regard to any IRC section 1202 exclusion)	12.		
13. Add Line 10 and Line 12	13.		
14. Subtract Line 13 from Line 11. (If zero or less, enter zero)	14.		
15. Add Line 4 and Line 14	15.		
16a. Enter the amount of your Net Short-Term Capital Gain (Loss)	16a.		
16b. Enter the amount of your Net Long-Term Capital Gain (Loss)	16b.		
16c. Add Lines 16a and 16b	16c.		
16. Amount of Line 16c (Enter the amount as a positive number) Important: If you do not have a loss on Line 16c (and do not have a IRC section 1202 exclusion), skip Lines 16 through 21 and enter the amount of Line 15 on Line 22.	16.		



Page 2 Name (First 10 Characters) \_\_\_\_\_ Tax Year **2024** Federal Tax ID Number \_\_\_\_\_  
NC-NOL Web-Fill 9-24

**Part 1. Net Operating Loss Calculation**

17. IRC Section 1202 Exclusion from your 2024 Federal Income Tax Return		17.
18. Subtract Line 17 from Line 16. (If zero or less, enter zero)	18.	
19. Enter the smaller of Line 16 or \$3,000, or if you filed your N.C. tax return married filing separately, enter the smaller of Line 16 or \$1,500	19.	
20. If Line 18 is greater than Line 19, subtract Line 19 from Line 18 and enter the difference. Otherwise, enter zero.	20.	
21. If Line 19 is greater than Line 18, subtract Line 18 from Line 19 and enter the difference. Otherwise, enter zero.	21.	
22. Subtract Line 20 from Line 15. (If zero or less, enter zero) Important: If you were not required to complete Lines 16 through 21, enter the amount from Line 15.	22.	
23. N.C. NOL Deduction for Losses from Prior Years (Enter as a positive number)	23.	
24. N.C. NOL (Add Lines 1, 9, 17, 21, 22, and 23. If the result is less than zero, enter the amount here. If the result is zero or more, you do not have an N.C. NOL.)	24.	

Page 3 Name (First 10 Characters) \_\_\_\_\_ Tax Year **2024** Federal Tax ID Number \_\_\_\_\_  
NC-NOL Web-Fill 9-24

**Part 2A. Federal Net Operating Loss Carryover Deduction** (Complete Part 2A to determine the amount of your Federal Net Operating Loss Carryover to deduct for tax year 2024)

Tax Year	Column A Federal NOL Incurred and not Absorbed by January 1, 2022	Column B Federal NOL Carryover Deducted as N.C. NOL in Tax Year 2024	Column C Federal NOL Carryover Remaining (Column A minus Column B)
1. 2009			
2. 2010			
3. 2011			
4. 2012			
5. 2013			
6. 2014			
7. 2015			
8. 2016			
9. 2017			
10. 2018			
11. 2019			
12. 2020			
13. 2021			
	14. Federal NOL Carryover Deduction (Add Lines 1 through 13, Column B and enter the result here)		

**Part 2B. North Carolina Net Operating Loss Carryover Deduction** (Complete Part 2B to determine the amount of your N.C. Net Operating Loss Carryover to deduct for tax year 2024)

Tax Year	Column A N.C. NOL Carryover	Column B N.C. NOL Carryover Deducted as N.C. NOL in Tax Year 2024	Column C N.C. NOL Carryover Remaining (Column A minus Column B)
15. 2022			
16. 2023			
	17. N.C. NOL Carryover Deduction (Add Lines 15 and 16, Column B and enter the result here)		

**Part 2C. North Carolina Net Operating Loss Deduction** (Complete Part 2C to determine the amount of your N.C. NOL Deduction for tax year 2024)

18. Federal NOL Carryover Deduction Amount (Enter the Federal NOL Carryover Deduction amount from Part 2A, Line 14)	18.
19. N.C. NOL Carryover Deduction Amount (Enter the N.C. NOL Carryover Deduction amount from Part 2B, Line 17)	19.
20. Total N.C. NOL Deduction (Add Lines 18 and 19 and enter the result here and on Form D-400, Schedule S, Line 30)	20.



# Allocating Income between Resident and Nonresident Taxpayers



# NCDOR Resident or Nonresident Taxpayer

## Resident

- An individual is a resident of North Carolina if the individual was domiciled in NC at any time during the taxable year or if the individual resided in NC during the taxable year for other than a temporary or transitory purpose.
- In the absence of convincing proof to the contrary, an individual who is present within North Carolina **for more than 183 days during the taxable year is presumed to be a resident**, but the absence of an individual from NC for more than 183 days raises no presumption that the individual is not a resident.
- North Carolina uses a facts and circumstances test to determine legal residence of an individual.

## Nonresident

- An individual is considered a nonresident of NC if the individual is a legal resident of another state.
- In general, a nonresident is required to report income received from NC sources that are:
  - ✓ Attributable to the ownership of any interest in real or tangible personal property in NC
  - ✓ Derived from a business, trade, profession, or occupation carried on in NC
  - ✓ Derived from gambling activities in NC

# NCDOR Resident or Nonresident Taxpayer

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Factors to be considered in determining the legal residence of an individual include, but are **NOT** limited to the following:

- The place of birth of the individual, the individual's spouse, and their children.
- The permanent residence of the individual's parents.
- The family connections and close friends of the individual.
- The address used by the individual on the federal tax return.
- The address used by the individual for military purposes.
- The address used by the individual on the individual's driver license.

# NCDOR Resident or Nonresident Taxpayer

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- Civic ties, such as church membership, of the individual.
- Professional ties of the individual.
- Place of employment for the individual.
- Location of healthcare providers, such as doctors, dentists, and pharmacists.
- Location of pets.
- Location of activities for everyday living, such as grocery shopping, haircuts, banking transactions, etc.

# NCDOR Resident and Nonresident Spouses

- A married couple who files a joint federal income tax return may file a “married filing jointly” NC tax return even if one spouse is a resident and the other is a nonresident. This is true even if the nonresident spouse has no NC income.
- The spouse required to file a NC tax return has an option to file a “married filing separately” NC tax return. When filing separately, the individual is required to complete either a Pro Forma federal return as “married filing separately,” reporting only that individual’s income and deductions, or a schedule showing the computation of that individual’s separate income and deductions. The Pro Forma return or the completed schedule should be attached to Form D-400.
- When filing a joint return, the individual required to file a NC tax return **MUST NOT** deduct the nonresident spouse’s income as an “other deduction.” Instead, the taxpayer must use Schedule PN to prorate income.
- **Important:** Once a married couple files a joint return, the couple cannot choose to file a separate NC tax return after the due date of the return.



Form **1040** Department of the Treasury—Internal Revenue Service (999) **2013**  
U.S. Individual Income Tax Return

For the year Jan. 1–Dec. 31, 2013, or other tax year beginning \_\_\_\_\_, 2013

Your first name and initial \_\_\_\_\_ Last name \_\_\_\_\_

If a joint return, spouse's first name and initial \_\_\_\_\_ name \_\_\_\_\_

Home address (number and street, if you have a P.O. box, see instructions) \_\_\_\_\_

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below

Foreign country name \_\_\_\_\_ Foreign province/state \_\_\_\_\_

**Filing Status**

1  Single

2  Married filing jointly (even if only one had income)

3  Married filing separately. Enter spouse's SSN above and full name here. ▶

Check only one box.

6a  Yourself. If someone can claim you as a dependent, see instructions.

# NCDOR Taxable Income of a Nonresident

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- If a nonresident taxpayer is required to file a NC tax return, the taxpayer must complete Form D-400 Schedule PN (and, if applicable, Form D-400 Schedule PN-1) to determine what percentage of the nonresident's total income (i.e. federal AGI adjusted as provided by NC tax law) is from a NC source.
- The percentage **may be over 100%** if the nonresident's NC sourced income is greater than the nonresident's total income from all sources.
- The taxable percentage is used to calculate NC taxable income.  
*(For tax year 2024, see D-400, Line 13.)*
- Form D-400 Schedule PN **must be attached to Form D-400** if income is allocated between NC and one or more other states, i.e. an amount is entered on Form D-400, Line 13.

- To determine NC sourced income, a nonresident member of a professional team must multiply the amount of total compensation for services rendered as a member of the professional team by a fraction. The numerator of the fraction is the **number of duty days** spent in NC rendering services for the team in any manner during the taxable year. The denominator is the total number of duty days spent both within and outside North Carolina during the taxable year.
- Travel days that **do not** involve either a game, practice, team meeting, promotional caravan or other similar team activity are not considered duty days spent in NC and, as such, the compensation for those days is not included in the numerator of the fraction (but are included in the denominator).
- Where the “normal” method of allocating income produces a substantially incorrect result, the Secretary of Revenue may require the nonresident athlete to apportion and allocate income under another method so long as the method better reflects the compensation received for services performed in NC. **Note:** The nonresident athlete can also request an alternative method.

## Allocation of Income

**NCDOR** Web 7-24  
**D-400 Schedule PN**  
**2024 Part-Year Resident and Nonresident Schedule** TOR 5/24

If you enter a taxable percentage on Form D-400, Line 13 because you or your spouse, if married filing jointly, were not full-year residents of North Carolina during tax year 2024, you must attach this schedule to Form D-400. Importantly, you must attach both pages of this schedule to Form D-400. If you do not, the Department may be unable to process your return.

Last Name (First 10 Characters) \_\_\_\_\_ Your Social Security Number \_\_\_\_\_  
 Do not send a photocopy of this form.  
 Print in Black or Blue Ink Only. No Pencil or Red Ink.

A part-year resident or a nonresident who receives income from N.C. sources must complete this form to determine the percentage of total income from all sources that is subject to N.C. tax. You are a "part-year resident" if you moved to N.C. and became a resident during the tax year, or you moved out of N.C. and became a resident of another state during the tax year. You are a "nonresident" if you were not a resident of N.C. at any time during the tax year.

**Important: Refer to the Instructions before completing this form.**

**Part A. Residency Status**

Taxpayer is: (Fill in applicable circle)  
 Full-Year Resident  Nonresident  Part-Year Resident  
 Date N.C. residency began \_\_\_\_\_ Date N.C. residency ended \_\_\_\_\_

Spouse is: (Fill in applicable circle)  
 Full-Year Resident  Nonresident  Part-Year Resident  
 Date N.C. residency began \_\_\_\_\_ Date N.C. residency ended \_\_\_\_\_

If you and your spouse were both full-year residents of N.C., stop here, do not complete Parts B and C. Do not attach Schedule PN to Form D-400.

**Part B. Allocation of Income for Part-Year Residents and Nonresidents**

Total Income	COLUMN A Total Income from all Sources	COLUMN B Amount of Column A Attributable to N.C.
1. Wages, Salaries, Tips, Etc.	1. _____ .00	_____ .00
2. Taxable Interest	2. _____ .00	_____ .00
3. Taxable Dividends	3. _____ .00	_____ .00
4. Taxable Refunds, Credits, or Offsets of State and Local Income Taxes	4. _____ .00	_____ .00
5. Alimony Received	5. _____ .00	_____ .00
6. Business Income or (Loss)	6. _____ .00	_____ .00
7. Capital Gain or (Loss)	7. _____ .00	_____ .00
8. Other Gains or (Losses)	8. _____ .00	_____ .00
9. Taxable Amount of IRA Distributions	9. _____ .00	_____ .00
10. Taxable Amount of Pensions and Annuities	10. _____ .00	_____ .00
11. Rental Real Estate, Royalties, Partnerships, S-Corps, Estates, Trusts, Etc.	11. _____ .00	_____ .00
12. Farm Income or (Loss)	12. _____ .00	_____ .00
13. Unemployment Compensation	13. _____ .00	_____ .00
14. Taxable Portion of Social Security and Railroad Retirement Benefits	14. _____ .00	_____ .00
15. Other Income	15. _____ .00	_____ .00
16. Total Income (Add Lines 1 through 15)	16. _____ .00	_____ .00

*If an amount on Line 1 through 21 is negative, place amount in brackets. Example: (22,000)*

**Income from ALL sources**

**Income from NC sources**

## Computation of Taxable Percentage

Page 2  
 D-400 Sch. PN Web 7-24  
 Last Name (First 10 Characters) \_\_\_\_\_ Your Social Security Number \_\_\_\_\_  
 Tax Year **2024**

**Part B. Allocation of Income for Part-Year Residents and Nonresidents (continued)**

North Carolina Adjustments	COLUMN A Amount from Form D-400 Schedule S	COLUMN B Amount of Column A Attributable to N.C.
17. Additions:		
a. Interest Income From Obligations of States Other Than N.C.	17a. _____ .00	_____ .00
b. Deferred Gains Reinvested into an Opportunity Fund	17b. _____ .00	_____ .00
c. Bonus Depreciation	17c. _____ .00	_____ .00
d. IRC Section 179 Expense	17d. _____ .00	_____ .00
e. Other Additions to Federal Adjusted Gross Income That Relate to Gross Income (From Form D-400 Schedule Piv-1, Part A, Line 12)	17e. _____ .00	_____ .00
18. Total Additions (Add Lines 17a through 17e)	18. _____ .00	_____ .00
19. Deductions:		
a. State or Local Income Tax Refund	19a. _____ .00	_____ .00
b. Interest Income From Obligations of the United States or United States' Possessions	19b. _____ .00	_____ .00
c. Taxable Portion of Social Security and Railroad Retirement Benefits	19c. _____ .00	_____ .00
d. Retirement Benefits Received by Vested N.C. State Government, N.C. Local Government, or Federal Government Retirees, i.e. Salary Settlement	19d. _____ .00	_____ .00
e. Bonus Asset Basis	19e. _____ .00	_____ .00
f. Bonus Depreciation	19f. _____ .00	_____ .00
g. IRC Section 179 Expense	19g. _____ .00	_____ .00
h. Other Deductions From Federal Adjusted Gross Income That Relate to Gross Income (From Form D-400 Schedule Piv-1, Part B, Line 30)	19h. _____ .00	_____ .00
20. Total Deductions (Add Lines 19a through 19h)	20. _____ .00	_____ .00
21. Total Income Modified by N.C. Adjustments (Line 16 plus Line 18 minus Line 20)	21. _____ .00	_____ .00

**Part C. Part-Year Residents and Nonresidents Taxable Percentage**

22. Enter the Amount From Column B, Line 21 *(Amount on Line 21 is negative in circle)*  \_\_\_\_\_ .00

23.  \_\_\_\_\_ .00

24. \_\_\_\_\_ .00

**Taxable Percentage (Enter on D-400, Line 13)**



## Other Additions to AGI

## Other Deductions from AGI

**NCDOR** | **D-400 Schedule PN-1**  
 Web 7-24 | **2024 Other Additions and Other Deductions**

If you enter an amount on Form D-400 Schedule PN, Part B, Line 17e or Line 19h, you must attach this schedule to Form D-400. Importantly, you must attach both pages of this schedule to Form D-400, even if you are only required to complete one part of the schedule. If you do not, the Department may be unable to process your return.

Last Name (First 10 Characters): \_\_\_\_\_ Your Social Security Number: \_\_\_\_\_

**Important:** Refer to the instructions before completing this worksheet.

**Part A. Other Additions to Federal Adjusted Gross Income That Relate to Gross Income** (From 2024 Form D-400 Schedule S, Part A)

	COLUMN A Amount from Form D-400 Schedule S	COLUMN B Amount of Column A Attributable to N.C.
1. S Corporation Shareholder Built-in Gains Tax	1. <input type="text"/> .00	<input type="text"/> .00
2. Amount by Which Federal Basis Exceeds State Basis for Property Disposed of in 2024	2. <input type="text"/> .00	<input type="text"/> .00
3. Federal Net Operating Loss Deduction	3. <input type="text"/> .00	<input type="text"/> .00
4. State, Local, or Foreign Income Tax Deducted by an S Corporation, Partnership, or Estate and Trust	4. <input type="text"/> .00	<input type="text"/> .00
5. Withdrawal of 529 Plan Contributions Not Used for Permissible Purpose	5. <input type="text"/> .00	<input type="text"/> .00
6. Discharge of Qualified Principal Residence Indebtedness	6. <input type="text"/> .00	<input type="text"/> .00
7. Student Loan Payments Paid by Employer	7. <input type="text"/> .00	<input type="text"/> .00
8. Excess Net Operating Loss Carryforward (Limited to 20% of amount added to AGI in 2019 and 2020)	8. <input type="text"/> .00	<input type="text"/> .00
9. Excess Business Loss (Limited to 20% of amount added to AGI in 2018, 2019, and 2020)	9. <input type="text"/> .00	<input type="text"/> .00
10. Business Interest Limitation (Limited to 20% of amount added to AGI in 2019 and 2020)	10. <input type="text"/> .00	<input type="text"/> .00
11. Reserved for Future Use	11. <input type="text"/> .00	<input type="text"/> .00
12. Total Other Additions (Enter here and on Form D-400 Schedule PN, Line 19h)	12. <input type="text"/> .00	<input type="text"/> .00

**Page 2** | Last Name (First 10 Characters): \_\_\_\_\_ | The Year: **2024** | Your Social Security Number: \_\_\_\_\_

**Part B. Other Deductions From Federal Adjusted Gross Income That Relate to Gross Income** (From 2024 Form D-400 Schedule S, Part B)

	COLUMN A Amount from Form D-400 Schedule S	COLUMN B Amount of Column A Attributable to N.C.
13. Certain Retirement Benefits Received by a Retired Member of the United States Uniformed Services Not Deducted on Form D-400 Schedule PN, Part B, Line 19d	13. <input type="text"/> .00	<input type="text"/> .00
14. Recognized IRC Section 1402Z-2 Gain	14. <input type="text"/> .00	<input type="text"/> .00
15. Gain From the Disposition of Exempt N.C. Obligations Issued Before July 1, 1995	15. <input type="text"/> .00	<input type="text"/> .00
16. Exempt Income Earned or Received by a Member of a Federally Recognized Indian Tribe	16. <input type="text"/> .00	<input type="text"/> .00
17. Amount by Which State Basis Exceeds Federal Basis for Property Disposed of in 2024	17. <input type="text"/> .00	<input type="text"/> .00
18. Ordinary and Necessary Business Expense Reduced or Not Allowed Due to Claiming a Federal Tax Credit in Lieu of a Deduction	18. <input type="text"/> .00	<input type="text"/> .00
19. Personal Education Student Account Deposits	19. <input type="text"/> .00	<input type="text"/> .00
20. Certain State Emergency Response and Disaster Relief Reserve Fund Payments	20. <input type="text"/> .00	<input type="text"/> .00
21. Certain Economic Incentive Payments	21. <input type="text"/> .00	<input type="text"/> .00
22. Certain N.C. Grant Payments	22. <input type="text"/> .00	<input type="text"/> .00
23. Certain Net Operating Loss Carrybacks (Limited to 20% of amount added to AGI in tax years 2013 through 2019)	23. <input type="text"/> .00	<input type="text"/> .00
24. Excess Net Operating Loss Carryforward (Limited to 20% of amount added to AGI in 2019 and 2020)	24. <input type="text"/> .00	<input type="text"/> .00
25. Excess Business Loss (Limited to 20% of amount added to AGI in 2018, 2019, and 2020)	25. <input type="text"/> .00	<input type="text"/> .00
26. Business Interest Limitation (Limited to 20% of amount added to AGI in 2019 and 2020)	26. <input type="text"/> .00	<input type="text"/> .00
27. Taxed Pass-Through Entity Income		
27a. N.C. Sourced	27a. <input type="text"/> .00	<input type="text"/> .00
27b. Non-N.C. Sourced	27b. <input type="text"/> .00	<input type="text"/> .00
28. N.C. Net Operating Loss	28. <input type="text"/> .00	<input type="text"/> .00
29. Reserved for Future Use	29. <input type="text"/> .00	<input type="text"/> .00
30. Total Other Deductions (Add Lines 13 through 29). Enter the total here and on Form D-400 Schedule PN, Line 19h	30. <input type="text"/> .00	<input type="text"/> .00

**Enter total on Schedule PN, Part B, Line 17e (column A and column B)**

**Enter total on Schedule PN, Part B, Line 19H (column A and column B)**

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