

year for other than a temporary or statutory purpose, then you are a resident for tax purposes. Furthermore, any individual who lives in North Carolina for more than 183 days of a tax year is presumed to be a resident in absence of proof to the contrary. However, living in the state for less than 183 days does not provide the presumption that an individual is not a resident. The sale of a residence in one state and the purchase of a residence in North Carolina would ordinarily establish residency. Determination of residency must be decided based upon the facts and circumstances of each case.

Important Definitions Are:

Domicile: The place in which an individual has a true fixed permanent home or establishment. If the individual leaves (including foreign military duty), and he or she has the intention of returning, you may still be considered a resident of the state.

Part-Year Resident: An individual who moves his domicile into or out of North Carolina during any part of the year.

How Is Taxable Income For North Carolina Determined?

Your federal adjusted gross income is the starting point for determining North Carolina taxable income. Federal adjusted gross income is then adjusted for a variety of items. Some common examples follow:

Additions to federal adjusted gross income include:

1. Interest received from obligations of states other than North Carolina.
2. Any deduction claimed on your federal return for domestic

The calculation for NC taxes begins with the federal adjusted gross income and is adjusted by certain additions and subtractions to arrive at NC taxable income. Part-year residents will calculate the percentage of income that was received during their NC residency to their NC taxable income for the entire year. This percentage is utilized to compute the tax due for a North Carolina part-year resident.

What Is The Tax Rate For The North Carolina Tax Return?

The individual income tax rate is a flat 5.75% for 2015.

There is no alternative minimum tax for North Carolina tax purposes.

North Carolina also has a variety of tax credits including:

1. A credit for income tax paid to another state or country.
2. A \$125 credit for dependent children under age 17, and for certain income levels.
3. Business incentive and energy tax credits.

Does North Carolina Require The Payment Of Estimated Taxes?

Generally, if you are required to make estimated federal payments, your tax situation probably mandates state estimated payments. The amount of tax and the nature of the income determine the need for estimated payments. If required, North Carolina estimated payment dates are the same as the federal due dates.

How Are Retirement Distributions Taxed?

Retirement distributions from pension plans for federal and North Carolina retirees are fully exempt from North Carolina tax if the