How to fill out the NC-4

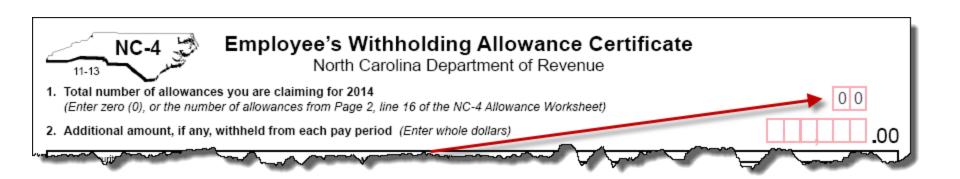


Items needed to fill out NC-4

- □ Form NC-4
 - With Allowance Worksheet/schedules
- Copy of previous year Federal 1040, 1040A, or 1040 EZ
 - Used to estimate income and deductions for 2014

Line 1 of NC-4

□ You are no longer allowed to claim a N.C. withholding allowance for yourself, your spouse, your children, or any other dependents. Please enter **0** if you plan to claim a N.C. standard deduction and do not expect to have any federal adjustments to income, N.C. deductions, or N.C. Tax credits.



Line 1 NC-4 sample

□ For example

■ Taxpayer expects to file Married Filing Jointly, and has 2 children under age 17. Household income is \$80,000 (Husband = \$40,000, Wife = \$40,000). Taxpayer claims N.C. itemized deduction. How many allowances should be entered on Line 1 of form NC-4?

Note: Any dependent age 17 or older will not affect the determination of the number of allowances on the NC-4EZ or NC-4.

Allowance Worksheet Part I

□ For tax year 2014, answer all of the following questions for your filing status.

For Example

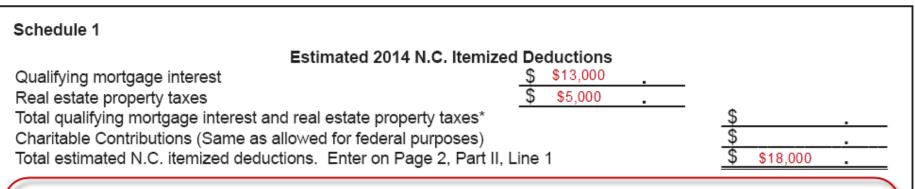
Will differ depending on your filing status

Married	Filing	Jointly	-

- Will your N.C. itemized deductions from Page 3, Schedule 1 exceed \$17,500? No □ Yes □
- Will you have adjustments or deductions from income from Page 3, Schedule 2? Yes □ № П
- Will you be able to claim any N.C. tax credits or tax credit carryovers from Page 4, Schedule 4? Yes □ No \square
- 4. Will your spouse receive combined wages and taxable pensions of less than \$5,000 or only retirement benefits not subject to N.C. income tax? Yes No \square

If you answered "No" to all of the above, STOP HERE and enter ZERO (0) as total allowances on Form NC-4, Line 1. If you answered "Yes" to any of the above, you may choose to go to Page 2, Part II to determine if you qualify for additional allowances. Otherwise, enter ZERO (0) on Form NC-4, Line 1.

- Will your N.C. itemized deductions exceed \$17,500?
 - Please refer to Page 3, Schedule 1, of NC-4 as shown below.



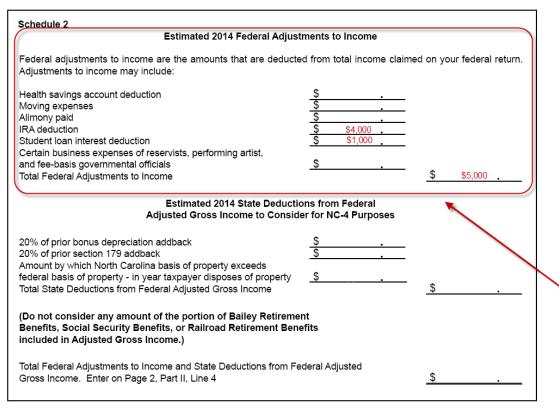
No \square

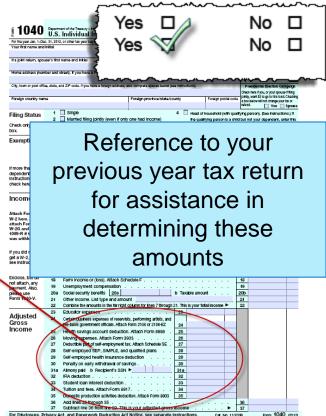
No \square

Yes

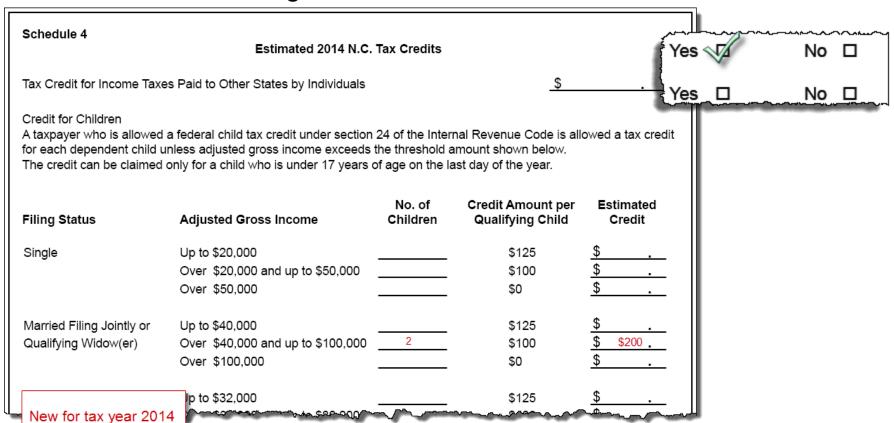
*The sum of your qualified mortgage interest and real estate property taxes may not exceed \$20,000. For married taxpayers, the \$20,000 limitation applies to the combined total of qualified mortgage interest and real estate property taxes claimed by both spouses, rather than to each spouse separately.

- Will you have adjustments or deductions from income?
 - Please refer to Page 3, Schedule 2, of NC-4 as shown below.





- Will you be able to claim any N.C. tax credits or tax credit carryovers?
 - Please refer to Page 4, Schedule 4, of NC- 4 as shown below.



Note: Part I Question 4 applies only to taxpayers filing Married Filing Jointly.

Will your spouse have no wages or receive combined wages and N.C. taxable pensions of less than \$5,000?

^^&age^4; '5chedule' 4?^

4. Will your spouse receive combined wages and taxable pensions of less than \$5,000 or only retirement benefits not subject to N.C. income tax? Yes L



If you answered "No" to all of the above, **STOP HERE** and enter **ZERO** (0) as total allowances on Form NC-4, If you answered "Yes" to any of the above, you may choose to go to Page 2, Part II to determine if you que additional allowances. Otherwise, enter **ZERO** (0) on Form NC-4, Line 1.

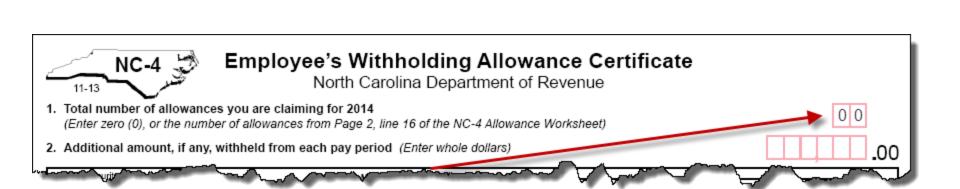
Allowance Worksheet Part I

□ If you answered "No" to all of the above, enter "O" on Line 1 of Form NC-4.

Yes

Yes □

Yes □



No≤

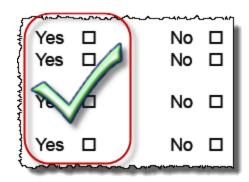
No 5

If you are filing as qualifying widow(er), enter 3 on line 1 of form NC-4.

Allowance Worksheet Part I

■ If you answered "Yes" to any of the above questions, you may choose to go to page 2, Part II, of NC-4 to determine if you qualify for additional allowances.

	Allowance Worksheet		
	Qualifying Widow(er) -		
	Will your N.C. itemized deductions from Page 3, Schedule 1 exceed \$16,251? Will you have adjustments or deductions from income from Page 3, Schedule 2? Will you be able to claim any N.C. tax credits or tax credit carryovers from	Yes □ Yes □	No □ No □
	Page 4, Schedule 4?	Yes □	No □
	If you answered "No" to all of the above, STOP HERE and enter THREE (3) as total allor if you answered "res" to any of the above, you may choose to go to Part II, to deten allowances. Otherwise, elter "three" on Form NC-4, Line 1.		
_	Part II		
1.	Enter your total estimated 2014 N.C. itemized deductions from Page 3, Schedule 1	1. <u>\$</u>	
	Enter the applicable N.C. standard deduction based on your filing status. \$ 7,500 if single \$15,000 if married filing jointly or qualifying widow(er) \$ 7,500 if married filing separately \$12,000 if head of household		
3.	Subtract line 2 from line 1. If line 1 is less than line 2, enter ZERO (0)		
4.	Enter an estimate of your total 2014 federal adjustments to income and State deductions from federal adjusted gross income from Page 3, Schedule 2		
5.	Add lines 3 and 4	5. <u>\$</u>	
6.	Enter an estimate of your 2014 nonwage income (such as dividends or interest) 6.		
7.	Enter an estimate of your 2014 State additions to federal adjusted gross income from Page 3, Schedule 3		
8.	Add lines 6 and 7	8. <u>\$</u>	
سعر	Subtract line 8 from line 5 (Do not enter-loss the ergo	9. <u>\$</u>	



□ Line 1 — Enter your total estimated 2014 N.C. itemized deductions from Page 3, Schedule 1, of NC-4.

		Total qualifying mortgage interest and real estate property taxes* Charitable Contributions (Same as allowed for federal purposes) Total estimated N.C. itemized deductions. Enter on Page 2, Part II, Line 1 *The sum of your qualified mortgage interest and real estate property taxes may not exceed \$20,000. For taxpayers, the \$20,000 limitation applies to the combined total of qualified mortgage interest and real estate taxes claimed by both spouses, rather than to each spouse separately.
مر	allowarices. Ourelwise, enter three you rolling	C-4 Part II
١.	Enter your total estimated 2014 N.C. itemized deductions from F	Page 3, Schedule 1 1. \$ \$18,000 .
2.	based on your filing status. \$ 7,500 if married filing	jointly or qualifying widow(er) separately ehold
	Subtract line 2 from line 1. If line 1 is less than line 2, enter ZEF	RO (0)
	Enter an estimate of your total 2014 federal adjustments to inco- federal adjusted gross income from Page 3, Schedule 2	

Qualifying mortgage interest

□ Line 2 - Enter N.C. standard deduction

- \$15,000 for married filing jointly or qualifying widow(er)
- \$12,000 for head of household
- \$7,500 for single
- \$7,500 married filing separate

	allowarices. Otherwise, enter HKELL, of OIT FORTH, and a summary and a s
	NC-4 Part II
1.	Enter your total estimated 2014 N.C. itemized deductions from Page 3, Schedule 1
2.	Enter the applicable N.C. standard deduction based on your filing status. \$ 7,500 if single \$15,000 if married filing jointly or qualifying widow(er) \$ 7,500 if married filing separately \$12,000 if head of household
3.	Subtract line 2 from line 1. If line 1 is less than line 2, enter ZERO (0)
4.	Enter an estimate of your total 2014 federal adjustments to income and State deductions from federal adjusted gross income from Page 3, Schedule 2

Line 1

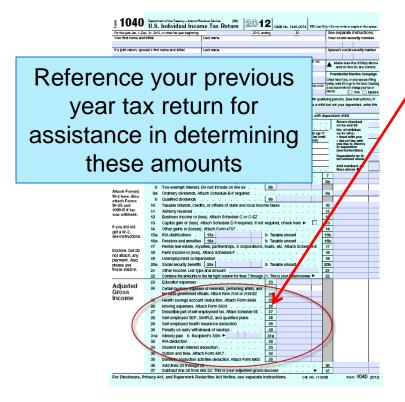
- Line 2

= Line 3

Note: Do not enter a negative number. If negative, enter zero

	NC-4 Part II		
	Enter your total estimated 2014 N.C. itemized deductions from Page 3, Schedule 1	. 1.	\$ \$18,000
<u>) -</u>	Enter the applicable N.C. standard deduction based on your filing status. \$ 7,500 if single \$15,000 if married filing jointly or qualifying widow(er) \$ 7,500 if married filing separately \$12,000 if head of household	. 2.	\$ \$15,000
	Subtract line 2 from line 1. If line 1 is less than line 2, enter ZERO (0)	3.	\$ \$3,000

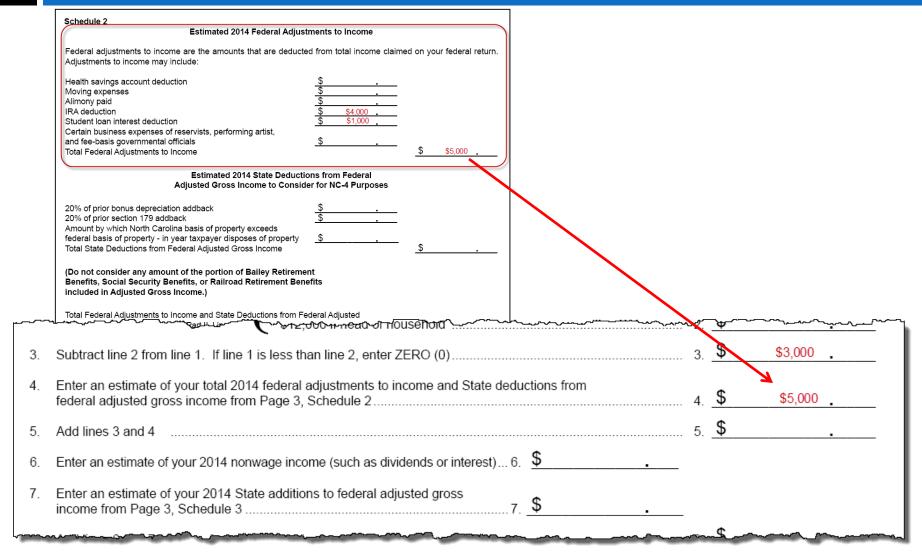
 Line 4 - Enter an estimate of your 2014 federal adjustments to income and your state deductions from federal adjusted gross income



Federal adjustments – Health savings account, Moving expenses, Alimony paid, IRA deduction, Student loan interest deduction, Certain business expenses of reservist, performing artist, and fee-basis governmental officials

State adjustments – 20% of prior bonus depreciation, 20% of prior section 179 addback, amount by which NC basis of property exceeds federal basis of property-in year taxpayer disposes of property

Allowance Worksheet Part II Line 4 Continued



Line 3
+ Line 4
= Line 5

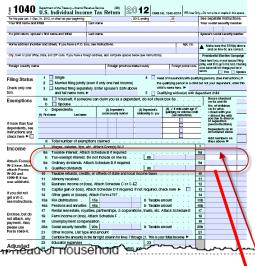
	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
3.	Subtract line 2 from line 1. If line 1 is less than line 2, enter ZERO (0)
4.	Enter an estimate of your total 2014 federal adjustments to income and State deductions from federal adjusted gross income from Page 3, Schedule 2
5.	Add lines 3 and 4
6.	Enter an estimate of your 2014 nonwage income (such as dividends or interest) 6. \$
7.	Enter an estimate of your 2014 State additions to federal adjusted gross income from Page 3, Schedule 3

□ Line 6 - Enter an estimate of your 2014 non-

wage income

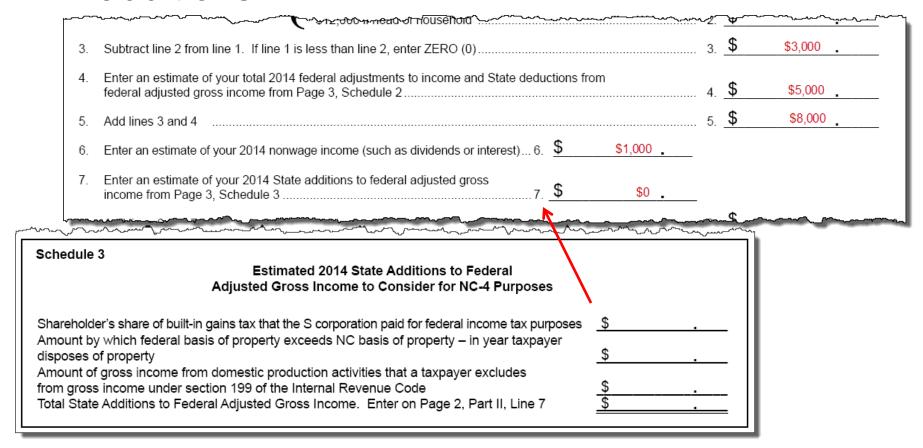
Enter an estimate of your 2014 State additions to federal adjusted gross

Reference your previous year tax return for assistance in determining these amounts



Examples: Dividends, Interest Income.

#### Line 7 - Enter estimate of your 2014 state additions



Line 6
+ Line 7
= Line 8

	5.	Add lines 3 and 4
	6.	Enter an estimate of your 2014 nonwage income (such as dividends or interest) 6. \$ \$1,000 .
	7.	Enter an estimate of your 2014 State additions to federal adjusted gross income from Page 3, Schedule 3
	8.	Add lines 6 and 7
	9.	Subtract line 8 from line 5 (Do not enter less than zero) 9.
1	0.	Divide the amount on line 9 by \$2,500 . Round down to whole number
1	1.	Enter the amount of your estimated N.C. tax credits from Page 4, Schedule 411
4		Disiple the apparent as line 44 by \$4 h England down to all appropriate from the company of the

#### Line 5

- <u>Line</u> 8
- = Line 9.

 Note: Do not enter a negative number. If negative, enter zero

5	Add lines 3 and 4	5	\$ \$8,000
6.	Enter an estimate of your 2014 nonwage income (such as dividends or interest). 6. \$\\$1,000.	0.	 
7.	Enter an estimate of your 2014 State additions to federal adjusted gross income from Page 3, Schedule 3		
8.	Add lines 6 and 7	8.	\$ \$1,000
9.	Subtract line 8 from line 5 (Do not enter less than zero)	9.	\$ \$7,000

#### Line 9 divided by \$2500 = Line 10

Round down to the nearest whole number.

	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~		<u>~~~</u>	¢0,000
5.	Add lines 3 and 4	5.	Ψ	\$8,000
6.	Enter an estimate of your 2014 nonwage income (such as dividends or interest) 6. \$ \$1,000.	_		
7.	Enter an estimate of your 2014 State additions to federal adjusted gross income from Page 3, Schedule 3			
8.	Add lines 6 and 7	8.	\$	\$1,000 .
9.	Subtract line 8 from line 5 (Do not enter less than zero)	9.	\$	\$7,000 .
10.	Divide the amount on line 9 by $$2,500$. Round down to whole number $$7,000/$2500=2.8$ Round down to Ex. $$3,900 \div $2,500 = 1.56$ rounds down to 1	10.		2
		-4+~~	~~~	w

□ Line 11 - Enter your estimated 2014 N.C. tax

credits

- Common tax credits are:
 - Income tax paid to other states by individuals
 - Credit for Children

Schedule 4	Estimated 2014 N.C.	Tax Credits		
Tax Credit for Income Tax	es Paid to Other States by Individuals		\$	
for each dependent child u	a federal child tax credit under section unless adjusted gross income exceeds only for a child who is under 17 years	the threshold a	amount shown below.	owed a tax cred
Filing Status	Adjusted Gross Income	No. of Children	Credit Amount per Qualifying Child	Estimated Credit
Single	Up to \$20,000 Over \$20,000 and up to \$50,000 Over \$50,000		\$125 \$100 \$0	\$. \$. \$.
			\$125	\$

5	o. Add lines 3 and 4	5. <u>Ψ</u>
6	6. Enter an estimate of your 2014 nonwage income (such as dividends or interest) 6. \$ \$1,000.	
7	7. Enter an estimate of your 2014 State additions to federal adjusted gross income from Page 3, Schedule 3	_
8	3. Add lines 6 and 7	8. \$ \$1000 .
9	9. Subtract line 8 from line 5 (Do not enter less than zero)	9. \$ \$7,000 .
10	Divide the amount on line 9 by \$2,500 . Round down to whole number\$7,000/\$2500=2.8 Round down to Ex. \$3,900 ÷ \$2,500 = 1.56 rounds down to 1	102
11	Enter the amount of your estimated N.C. tax credits from Page 4, Schedule 411. \$200.	_
40	2. Divida the agreement are line 11 lbw \$145 a Though downstanded a prophague a marine a commence and a commenc	

Line 11 divided by \$145 = Line 12

	Divide	the amount on line 9 by \$2,500 . Round down to whole number	2
		900 ÷ \$2,500 = 1.56 rounds down to 1	
11.	Enter t	he amount of your estimated N.C. tax credits from Page 4, Schedule 411. \$ \$200 .	
12.		the amount on line 11 by \$145. Round down to whole number \$200/\$145=1.38 rounds down to 100 ÷ \$145 = 1.38 rounds down to 1	1
13.	If filing	as single, head of household, or married filing separately, enter zero (0) on this line. as qualifying widow(er), enter 3. as married filing jointly, enter the appropriate number from either (a), (b), (c), or (d) below.	
	. ,	Your spouse expects to have zero wages and expects to receive retirement benefits that will all be nontaxable for N.C. purposes, enter 3. (Nontaxable retirement benefits include: <i>Bailey</i> , Social Security, and Railroad retirement)	
		Your spouse expects to have combined wages and taxable pensions of more than \$1, but less than \$2,500, enter 2	
	(c)	Your spouse expects to have combined wages and taxable pensions of more than \$2,500 but less than \$5,000, enter 1.	
	(d)	Your spouse expects to have combined wages and taxable pensions of more than \$5,000, enter 0	
14.	Δdd lin	es 10, 12, and 13, and enter the total here	

Note: If your filing status is Single, or Head of Household, please enter 0 and go to line 14

If married filing jointly and spouse makes more than \$5000 annually, please enter 0 and go to line 14

□ Line 13

- If filing as single, head of household, or married filing separately, enter zero (0) on this line.
 If filing as qualifying widow(er), enter 3.
 - If filing as married filing jointly, enter the appropriate number from either (a), (b), (c), or (d) below.
 - (a) Your spouse expects to have zero wages and expects to receive retirement benefits that will all be nontaxable for N.C. purposes, enter 3. (Nontaxable retirement benefits include: Bailey, Social Security, and Railroad retirement)
 - (b) Your spouse expects to have combined wages and taxable pensions of more than \$1, but less than \$2,500, enter 2.
 - (c) Your spouse expects to have combined wages and taxable pensions of more than \$2,500 but less than \$5,000, enter 1.
 - (d) Your spouse expects to have combined wages and taxable pensions of more than \$5,000, enter 0

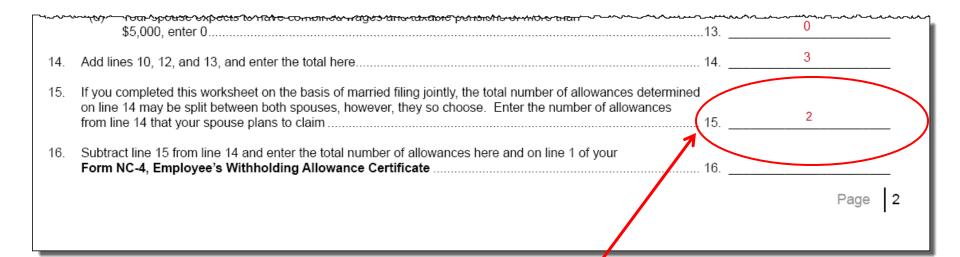
Line 10
+ Line 12
+ Line 13
= Line 14

\$7,000/\$2500=2.8 Round down to 10	2	_
9411. \$ \$200 .		
\$200/\$145=1.38 rounds down to	1	_
o (0) on this line.		
), (b), (c), or (d) below.		
ment benefits that will all be nontaxable : <i>Bailey</i> , Social Security, and Railroad		
of more than \$1, but less than \$2,500,		
ns of more than \$2,500 but less than		
ns of more than13	0	
	3	

Note: Complete only if married filling jointly. If <u>not</u> married filing jointly enter zero.

- □ Line 15 Enter the number of allowances from line 14 that your spouse will claim.
 - For married taxpayers, both spouses must agree as to whether they will each complete the Allowance Worksheet based on married filing jointly or married filing separately.

Allowance Worksheet Part II Line 15 continued



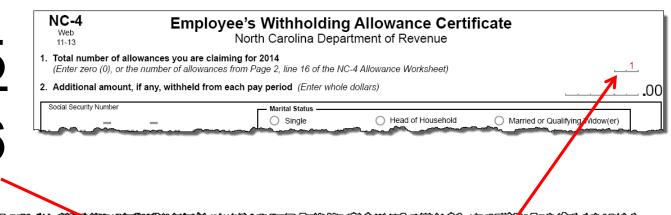
- Note: Allowances must be divided among both spouses.
 - •Example: Total allowances = 3; husband claims 1 allowance, and wife claims 2 allowances.

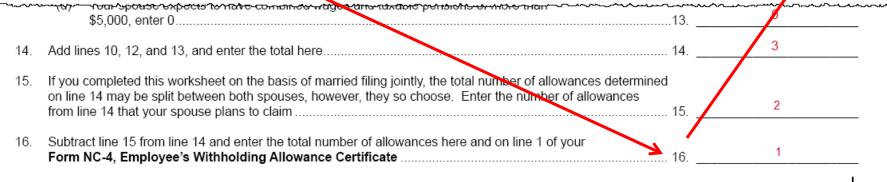
Line 14

- Line 15

= Line 16

Enter this number on Line 1 of your NC-4





Page

Important!!!

If you can't complete Part II of the allowance worksheet, you should enter Zero (0) on line 1 of the NC-4



Line 2 of NC-4

 Enter the amount of additional money you want withheld.

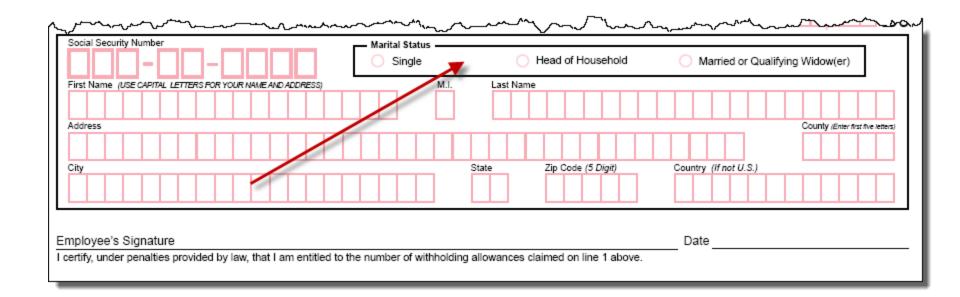
- Examples of persons who may use this line are:
 - Individuals with more than one job
 - Reference NC-4 instructions and NC-4 page 5
 - Pension recipients

Note: If you have a large amount of nonwage income, such as interest or dividends, you should consider making estimated tax payments using Form NC-40 to avoid underpayment of estimated tax interest.

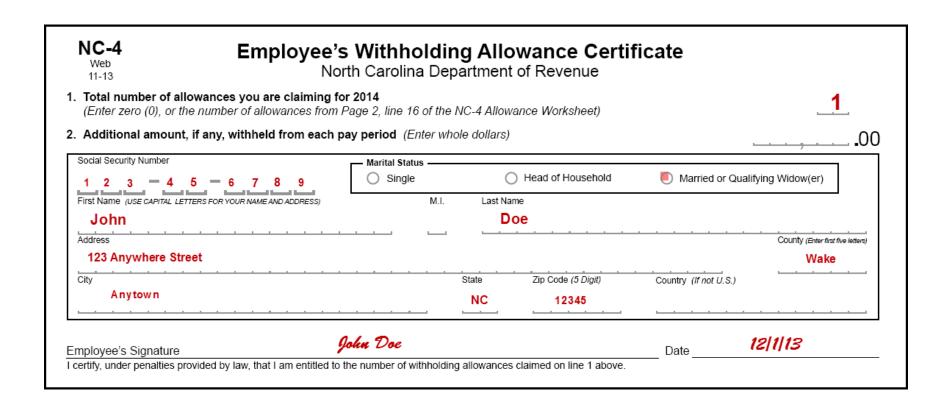


Personal Information

- Please fill out personal information
 - Be sure to fill in Marital Status



Completed NC-4

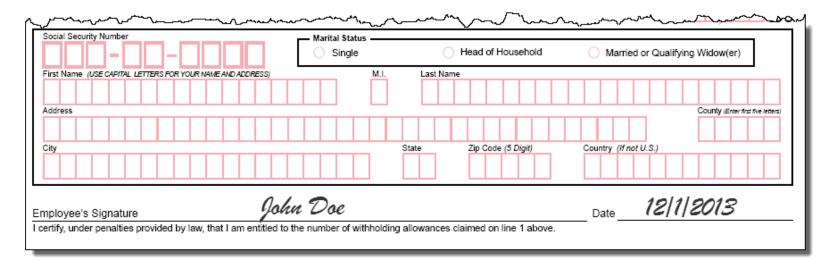


What do I do with the completed NC-4?



Sign and Date

Please sign and date form.



Give to your employer for their records.

If your employer uses an electronic signature method, that may also be sufficient per employer policy.

> Note: Please do not send to the North Carolina Department of Revenue

Need Help!



Taxpayer Assistance

- □ Website: http://dornc.com/press/2013/nc4requirement.html
- For phone assistance call:

1-877-252-4487

- Service Centers across the state
 - Asheville
 - Charlotte
 - Durham
 - Elizabeth City
 - Fayetteville
 - Greensboro
 - Greenville
 - Hickory
 - Raleigh
 - Wilmington
 - Winston-Salem

