Web 12-14

# NC-4 Employee's Withholding Allowance Certificate

PURPOSE - Complete Form NC-4, Employee's Withholding Allowance Certificate, so that your employer can withhold the correct amount of State income tax from your pay. If you do not provide an NC-4 to your employer, your employer is required to withhold based on single with zero allowances.

**FORM NC-4 EZ** - You may use this form if you intend to claim either: exempt status, or the N.C. standard deduction and no tax credits or only the credit for children.

FORM NC-4 NRA - If you are a nonresident alien you must use Form NC-4 NRA

FORM NC-4 BASIC INSTRUCTIONS - Complete the Allowance Worksheet. The worksheet will help you figure the number of withholding allowances you are entitled to claim. The worksheet is provided for employees to adjust their withholding allowances based on N.C. itemized deductions, federal adjustments to income, N.C. additions to federal adjusted gross income, N.C. deductions from federal adjusted gross income, and N.C. tax credits. However, you may claim fewer allowances if you wish to increase the tax withheld during the year. If your withholding allowances decrease, you must file a new NC-4 with your employer within 10 days after the change occurs. Exception: When an individual ceases to be head of household after maintaining the household for the major portion of the year, a new NC-4 is not required until the next year.

TWO OR MORE JOBS - If you have more than one job, figure the total number of allowances you are entitled to claim on all jobs using one Form NC-4 Allowance Worksheet. Your withholding will usually be most accurate when all allowances are claimed on the NC-4 filed for the higher paying job and zero allowances are claimed for the other. You should also refer to the Multiple Jobs Table to determine the additional amount to be withheld on line 2 of Form NC-4 (See Allowance Worksheet).

NONWAGE INCOME - 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. Form NC-40 is available on our website at <a href="https://www.dornc.com">www.dornc.com</a> under individual income tax forms.

HEAD OF HOUSEHOLD - Generally you may claim head of household status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. Note: "Head of Household" for State tax purposes is the same as for federal tax purposes.

**QUALIFYING WIDOW(ER)** - You may claim qualifying widow(er) status only if your spouse died in either of the two preceding tax years and you meet the following requirements:

- Your home is maintained as the main household of a child or stepchild for whom you can claim a federal exemption; and
- You were entitled to file a joint return with your spouse in the year of your spouse's death.

MARRIED TAXPAYERS - 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.

- For married taxpayers completing the Allowance Worksheet based on married filing jointly, you will consider the sum of both spouses incomes, adjustments, additions, deductions, and credits on the Allowance Worksheet to determine the number of allowances.
- For married taxpayers completing the worksheet on the basis of married filing separately, each spouse will consider only his or her portion of income, adjustments, additions, deductions, and credits on the Allowance Worksheet to determine the number of allowances.

All NC-4 forms are subject to review by the North Carolina Department of Revenue. Your employer may be required to send this form to the North Carolina Department of Revenue.

**CAUTION:** If you furnish an employer with an Employee's Withholding Allowance Certificate that contains information which has no reasonable basis and results in a lesser amount of tax being withheld than would have been withheld had you furnished reasonable information, you are subject to a penalty of 50% of the amount not properly withheld.



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Cut here and give this certificate to your employer. Keep the top portion for your records.





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NC-4

# **Employee's Withholding Allowance Certificate**

North Carolina Department of Revenue

1. Total number of allowances you are claiming (Enter zero (0), or the number of allowances from Page 2, line 16 of the NC-4 Allowance Worksheet)

2	Additional amo	ount, if any	withheld	from each	pay period	(Enter whole d	ollars)
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				transcontinuitation 100
Social Security Number	Marital Status			
라드네 PE-FI	◯ Single	$\circ$	Head of Household	Married or Qualifying Widow(er)
humal teased beased beased beased beased beased beased beased from First Name (USE CAPITAL LETTERS FOR YOUR NAME AND ADDRESS)	M.I.	Last Name		•
Address	المستعد المستبيطين والمقتمون	loveteveke	<del>ndradan b</del> aadan dan dan da	County (Enter first five letters)
ti-matica decoderable and hands and another about an abou	aireathrine te ann aid ainmheiseach aire i bhria	State	Zip Code (5 Digit)	Country (If not U.S.)
Virantinandinandinandinandinandinandinandin	hichuudood	Loadenaid	banderedesed	kanahannihannihannihannihannihannihannih

Employee's Signature

Date

# **NC-4 Allowance Worksheet**

Part I

Answer all of the following questions for your filing status.

Single -							
<ol> <li>Will your N.C. itemized deductions from Page 3, Schedule 1 exceed \$9,999?</li> <li>Will you have adjustments or deductions from income from Page 3, Schedule 2?</li> <li>Will you be able to claim any N.C. tax credits or tax credit carryovers from</li> </ol>	Yes Yes	_ 	No □ No □				
Page 4, Schedule 4?	Yes		No □	i			
If you answered "No" to all of the above, <b>STOP HERE</b> and enter <b>ZERO (0)</b> as total allows If you answered "Yes" to any of the above, you may choose to go to Page 2, Part II to additional allowances. Otherwise, enter <b>ZERO (0)</b> on Form NC-4, Line 1.							
Married Filing Jointly -							
<ol> <li>Will your N.C. itemized deductions from Page 3, Schedule 1 exceed \$17,499?</li> <li>Will you have adjustments or deductions from income from Page 3, Schedule 2?</li> <li>Will you be able to claim any N.C. tax credits or tax credit carryovers from</li> </ol>	Yes Yes		No 🗆				
Page 4, Schedule 4?  4. Will your spouse receive combined wages and taxable	Yes		No 🗆				
pensions of less than \$5,000 or only retirement benefits not subject to N.C. income tax?	Yes		No □	ĺ			
If you answered "No" to all of the above, <b>STOP HERE</b> and enter <b>ZERO (0)</b> as total allowalf you answered "Yes" to any of the above, you may choose to go to Page 2, Part II to additional allowances. Otherwise, enter <b>ZERO (0)</b> on Form NC-4, Line 1.							
Married Filing Separately -				$\neg$			
<ol> <li>Will your portion of N.C. itemized deductions from Page 3, Schedule 1 exceed \$9,999?</li> <li>Will you have adjustments or deductions from income from Page 3, Schedule 2?</li> <li>Will you be able to claim any N.C. tax credits or tax credit carryovers from</li> </ol>	Yes Yes		No 🗆				
Page 4, Schedule 4?	Yes		No □				
If you answered "No" to all of the above, STOP HERE and enter ZERO (0) as total allowal figure answered "Yes" to any of the above, you may choose to go to Page 2, Part II to additional allowances. Otherwise, enter ZERO (0) on Form NC-4, Line 1.							
Head of Household-							
<ol> <li>Will your N.C. itemized deductions from Page 3, Schedule 1 exceed \$14,499?</li> <li>Will you have adjustments or deductions from income from Page 3, Schedule 2?</li> <li>Will you be able to claim any N.C. tax credits or tax credit carryovers from</li> </ol>	Yes Yes		No 🗆				
Page 4, Schedule 4?	Yes	П	No 🗆				
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.							

# **NC-4 Allowance Worksheet**

# Qualifying Widow(er) 1. Will your N.C. itemized deductions from Page 3, Schedule 1 exceed \$17,499? Yes No Solution No Solut

	NC-4 Part II			
1.	Enter your total estimated N.C. itemized deductions from Page 3, Schedule 1	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)	3.	\$ .	
4.	Enter an estimate of your total federal adjustments to income and State deductions from federal adjusted gross income from Page 3, Schedule 2	4.	\$ .	
5.	Add lines 3 and 4	5.	\$.	
6.	Enter an estimate of your nonwage income (such as dividends or interest)			
7.	Enter an estimate of your State additions to federal adjusted gross income from Page 3, Schedule 3			
8.	Add lines 6 and 7	8.	\$ .	
9.	Subtract line 8 from line 5 (Do not enter less than zero)	9.	\$ .	
10.	Divide the amount on line 9 by \$2,500 . Round down to whole number	10.		
11.	Enter the amount of your estimated N.C. tax credits from Page 4, Schedule 411.			
12.	Divide the amount on line 11 by \$144. Round down to whole number	12.		
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 Raifroad retirement)			
	(b) Your spouse expects to have combined wages and taxable pensions of more than \$1, but less than \$2,500, enter 2.	ı		
	(c) Your spouse expects to have combined wages and taxable pensions of more than \$2,500 but less than \$5,000, enter 1.	l		
	(d) Your spouse expects to have combined wages and taxable pensions of more than \$5,000, enter 0	13.		
14.	Add lines 10, 12, and 13, and enter the total here	14.		
15.	If you completed this worksheet on the basis of married filing jointly, the total number of allowances determined on line 14 may be split between you and your spouse, however, you choose. Enter the number of allowances from line 14 that your spouse plans to claim	15.	**************************************	
16.	Subtract line 15 from line 14 and enter the total number of allowances here and on line 1 of your Form NC-4, Employee's Withholding Allowance Certificate	16.		

# **NC-4 Allowance Worksheet Schedules**

Important: If you cannot reasonably estimate the amount to enter in the schedules below, you should enter ZERO (0) on line 1, NC-4.

Schedule 1		
Estimated N.C. Itemized I	Deductions	
Qualifying mortgage interest Real estate property taxes 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,	\$	\$ . \$ . \$ .
*The sum of your qualified mortgage interest and real estate propagates, the \$20,000 limitation applies to the combined total of taxes claimed by both spouses, rather than to each spouse separate	qualified mortgage interest	d \$20,000. For married and real estate property
Schedule 2 Estimated Federal Adjustme	nts to Income	
Federal adjustments to income are the amounts that are deducted	d from total income claimer	on your federal return
Adjustments to income may include:	g Hom lotal income claimed	on your lederal retuin.
Health savings account deduction	\$ .	
Moving expenses	\$ .	
Alimony paid	\$ .	
IRA deduction	<u>\$</u> .	
Student loan interest deduction Certain business expenses of reservists, performing artist,	Ψ	
and fee-basis governmental officials	\$ .	
Total Federal Adjustments to Income	<u>·                                      </u>	\$
Estimated State Deductions Adjusted Gross Income to Conside		
20% of prior bonus depreciation addback	\$ <u>.</u> \$ .	
20% of prior section 179 addback Amount by which North Carolina basis of property exceeds	Φ .	
federal basis of property - in year taxpayer disposes of property Total State Deductions from Federal Adjusted Gross Income	\$ .	\$ .
(Do not consider any amount of the portion of Bailey Retirement Benefits, Social Security Benefits, or Railroad Retirement Bene included in Adjusted Gross Income.)		
Total Federal Adjustments to Income and State Deductions from Fed Gross Income. Enter on Page 2, Part II, Line 4	deral Adjusted	<u>\$</u>
Schedule 3		
Estimated State Additions Adjusted Gross Income to Conside		
Shareholder's share of built-in gains tax that the S corporation paid for a Amount by which federal basis of property exceeds NC basis of property Amount of gross income from domestic production activities that a target gross income under section 199 of the Internal Revenue Code Total State Additions to Federal Adjusted Gross Income. Enter on P	perty – in year taxpayer axpayer excludes	\$
Total State / Additions to / Sacral / Agustoa Gross Internet Effect of t		<del></del>

# **NC-4 Allowance Worksheet Schedules**

Schedule 4	Estimated N.C. Ta	x Credits		
Tax Credit for Income Taxe	s Paid to Other States by Individuals		\$	· · · · · · · · · · · · · · · · · · ·
for each dependent child up	a federal child tax credit under section nless adjusted gross income exceeds only for a child who is under 17 years	the threshold a	amount shown below.	lowed a tax credit
Filing Status	Adjusted Gross Income	No. of Children	Credit Amount per Qualifying Child	Estimated Credit
Single	Up to \$20,000		\$125	\$
_	Over \$20,000 and up to \$50,000		\$100	<u>\$</u> .
	Over \$50,000		\$0	\$
Married Filing Jointly or	Up to \$40,000		\$125	\$.
Qualifying Widow(er)	Over \$40,000 and up to \$100,000		\$100	\$ .
	Over \$100,000		\$0	\$ . \$ .
Head of Household	Up to \$32,000		\$125	<u>\$.</u>
ricad of riodscrioid	Over \$32,000 and up to \$80,000		\$100	\$ .
	Over \$80,000		\$0	\$ .
Married Filing Separately	Up to \$20,000		<b>\$125</b>	\$
married rising coparatory	Over \$20,000 and up to \$50,000		\$100	\$ .
	Over \$50,000		\$0	\$ .
	Additional Tax Credits a	and Carryover	s	
			¢.	
	or Investing in Renewable Energy Pro		\$	•
	or Donating Funds to a Nonprofit Orga			
	Enable the Nonprofit or Government U	mit to Acquire i	rtenewable ¢	
Energy Property  G.S. 105, 129, 35, Credit for	Rehabilitating Income-Producing Hist	orio Structura	<u>\$</u>	•
	Rehabilitating Nonincome Producing		ure \$	
	Low-Income Housing Awarded a Fed			<u> </u>
after January 1, 2003		0.0.0	\$	
G.S. 105-129.55, Credit for	\$			
	Income Producing Rehabilitated Mill		\$	
	Non-income Producing Rehabilitated		\$	•
	Constructing a Railroad Intermodal F.		\$	•
Tax Credit Carryover from p			\$	
Total Tax Credits and Carry	<u>\$</u>	1		

# **Multiple Jobs Table**

Find the amount of your estimated annual wages from your lowest paying job(s) in the left hand column. Follow across to find the amount of additional tax to be withheld for each pay period. Enter the additional amount to be withheld on line 3 of your **Form NC-4P**.

## Additional Withholding for Single, Married, or Qualifying Widow(er) with Multiple Jobs

Estimated	Annual Wages	Payroll Period				
At Least	But Less Than	Monthly	Semimonthly	Biweekly	Weekly	
0	1000	2	1	1	1	
1000	2000	7	4	3	2	
2000	3000	12	6	6	3	
3000	4000	17	8	8	4	
4000	5000	22	11	10	5	
5000	6000	26	13	12	6	
6000	7000	31	16	14	7	
7000	Unlimited	36	18	17	8	

## Additional Withholding for Head of Household Filers with Multiple Jobs

Estimated	Annual Wages	Payroll Period					
At Least	But Less Than	Monthly	Semimonthly	Biweekly	Weekly		
0	1000	2	1	1	1		
1000	2000	7	4	3	2		
2000	3000	12	6	6	3		
3000	4000	17	8	8	4		
4000	5000	22	11	10	5		
5000	6000	26	13	12	6		
6000	7000	31	16	14	7		
7000	8000	36	18	17	8		
8000	9000	41	20	19	9		
9000	10000	46	23	21	11		
10000	11000	50	25	23	12		
11000	12000	55	28	25	13		
12000	Unlimited	58	29	27	13		