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NC-4
Employee's Withholding Allowance Certificate

PURPOSE - Complete Form NC-4 so your employer can withhold the correct amount of State income tax from your wages. **If you do not submit Form NC-4 to your employer, your employer must withhold as if your filing status is "Single" with no allowances.**

FORM NC-4 EZ - You may use Form NC-4 EZ if you plan to claim the N.C. standard deduction, plan to claim the N.C. child deduction amount (but no other N.C. deductions), do not plan to claim N.C. tax credits, or qualify to claim exempt status.

FORM NC-4 NRA - If you are a nonresident alien, you must use Form NC-4 NRA. In general, a nonresident alien is an alien (not a U.S. citizen) who has not passed the green card test or the substantial presence test. *(For more information on the green card test and the substantial presence test, see Publication 519, U.S. Tax Guide for Aliens.)*

FORM NC-4 BASIC INSTRUCTIONS - Complete the **NC-4 Allowance Worksheet**. The worksheet will help you determine your withholding allowances based on federal and N.C. adjustments to income including the N.C. child deduction amount, N.C. itemized deductions, and N.C. tax credits. However, you may claim fewer allowances than you are entitled to if you wish to increase the amount of State income tax withheld during the tax 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 first day of the first pay period that ends on or after January 1 of the following calendar year.

TWO OR MORE JOBS - If you have more than one job, determine 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 any additional amount to be withheld on Form NC-4, Line 2 *(See page 4)*.

NONWAGE INCOME - If you receive nonwage income, such as interest or dividends, you may be required to make estimated income tax payments using **Form NC-40, Individual Estimated Income Tax**, to avoid owing interest on the underpayment of estimated income tax. Form NC-40 is available on the Department's website at ncdor.gov.

HEAD OF HOUSEHOLD - Generally, you may claim "Head of Household" filing status if you are unmarried or considered unmarried on the last day of the year, paid more than half of the cost of keeping up a home for the year, and had a qualifying person live with you in the home for more than half the year.

SURVIVING SPOUSE - Generally, you may claim "Surviving Spouse" filing status only if your spouse died in either of the two preceding tax years and you meet the following requirements:

1. Your home is maintained as the main household of a child or stepchild whom you can claim as a dependent; and
2. 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 complete the NC-4 Allowance Worksheet based on the filing status, "Married Filing Jointly" or "Married Filing Separately."

- Married taxpayers who complete the worksheet based on the filing status, "Married Filing Jointly" should consider the sum of both spouses' income, federal and N.C. adjustments to income, and N.C. tax credits to determine the number of allowances.
- Married taxpayers who complete the worksheet based on the filing status, "Married Filing Separately" should consider only his or her portion of income, federal and N.C. adjustments to income, and N.C. tax credits to determine the number of allowances.

CAUTION: 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 Department. If you furnish your 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.

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

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1. **Total number of allowances you are claiming**
   (Enter zero (0), or the number of allowances from Page 2, Line 17 of the NC-4 Allowance Worksheet) ____
2. **Additional amount, if any, you want withheld from each pay period** *(Enter whole dollars)* ____,____ .00

Social Security Number ___ - __ - ____

Filing Status
○ Single or Married Filing Separately ○ Head of Household ○ Married Filing Jointly or Surviving Spouse

First Name *(USE CAPITAL LETTERS FOR YOUR NAME AND ADDRESS)* M.I. Last Name

Address County *(Enter first five letters)*

City State Zip Code *(5 Digit)* Country *(If not U.S.)*

Employee's Signature Date

I certify, under penalties provided by law, that I am entitled to the number of withholding allowances claimed on Line 1 above.

NC-4 Allowance Worksheet Part I

Answer **all** of the following questions **for your filing status**.

Single -

1. Will your N.C. itemized deductions from Page 3, Schedule 1 exceed $15,249? Yes ☐ No ☐
2. Will your N.C. child deduction amount from Page 3, Schedule 2 exceed $2,499? Yes ☐ No ☐
3. Will you have federal adjustments or N.C. deductions from income? Yes ☐ No ☐
4. Will you be able to claim any N.C. tax credits or tax credit carryovers? Yes ☐ 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.

Married Filing Jointly -

1. Will your N.C. itemized deductions from Page 3, Schedule 1 exceed $27,999? Yes ☐ No ☐
2. Will your N.C. child deduction amount from Page 3, Schedule 2 exceed $2,499? Yes ☐ No ☐
3. Will you have federal adjustments or N.C. deductions from income? Yes ☐ No ☐
4. Will you be able to claim any N.C. tax credits or tax credit carryovers? Yes ☐ No ☐
5. Will your spouse receive combined wages and taxable retirement benefits of less than $10,250 or only retirement benefits not subject to N.C. income tax? Yes ☐ 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.

Married Filing Separately -

1. Will your portion of N.C. itemized deductions from Page 3, Schedule 1 exceed $15,249? Yes ☐ No ☐
2. Will your N.C. child deduction amount from Page 3, Schedule 2 exceed $2,499? Yes ☐ No ☐
3. Will you have federal adjustments or N.C. deductions from income? Yes ☐ No ☐
4. Will you be able to claim any N.C. tax credits or tax credit carryovers? Yes ☐ 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.

Head of Household -

1. Will your N.C. itemized deductions from Page 3, Schedule 1 exceed $21,624? Yes ☐ No ☐
2. Will your N.C. child deduction amount from Page 3, Schedule 2 exceed $2,499? Yes ☐ No ☐
3. Will you have federal adjustments or N.C. deductions from income? Yes ☐ No ☐
4. Will you be able to claim any N.C. tax credits or tax credit carryovers? Yes ☐ 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

Surviving Spouse -

1. Will your N.C. itemized deductions from Page 3, Schedule 1 exceed $27,999? Yes ☐ No ☐
2. Will your N.C. child deduction amount from Page 3, Schedule 2 exceed $2,499? Yes ☐ No ☐
3. Will you have federal adjustments or N.C. deductions from income? Yes ☐ No ☐
4. Will you be able to claim any N.C. tax credits or tax credit carryovers? Yes ☐ No ☐

If you answered "No" to all of the above, **STOP HERE** and enter **FIVE (5)** as total allowances on Form NC-4, Line 1. If you answered "Yes" to any of the above, you may choose to go to Part II to determine if you qualify for additional allowances. Otherwise, enter **FIVE (5)** on Form NC-4, Line 1.

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.
   - $12,750 if Single
   - $25,500 if Married Filing Jointly or Surviving Spouse
   - $12,750 if Married Filing Separately
   - $19,125 if Head of Household ..... 2. $ _____ .
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 N.C. child deduction amount from Page 3, Schedule 2 ..... 4. $ _____ .
5. Enter an estimate of your total federal adjustments to income and N.C. deductions from federal adjusted gross income ..... 5. $ _____ .
6. Add Lines 3, 4, and 5 ..... 6. $ _____ .
7. Enter an estimate of your nonwage income (such as interest or dividends) ..... 7. $ _____ .
8. Enter an estimate of your N.C. additions to federal adjusted gross income ..... 8. $ _____ .
9. Add Lines 7 and 8 ..... 9. $ _____ .
10. Subtract Line 9 from Line 6 *(Do not enter less than zero)* ..... 10. $ _____ .
11. Divide the amount on Line 10 by $2,500. Round down to whole number ..... 11. _____
    Ex. $3,900 ÷ $2,500 = 1.56 rounds down to 1
12. Enter the amount of your estimated N.C. tax credits ..... 12. $ _____ .
13. Divide the amount on Line 12 by $109. Round down to whole number ..... 13. _____
    Ex. $200 ÷ $109 = 1.83 rounds down to 1
14. If filing as Single, Head of Household, or Married Filing Separately, enter zero (0) on this line.
    If filing as Surviving Spouse, enter 5.
    If filing as Married Filing Jointly, enter the appropriate number from either (a), (b), (c), (d), (e), or (f) below.
    - (a) Your spouse expects to have combined wages and taxable retirement benefits of less than or equal to $250 for N.C. purposes, enter 5. (Taxable retirement benefits do not include: *Bailey, Certain Military Retirement,* Social Security, and Railroad retirement)
    - (b) Your spouse expects to have combined wages and taxable retirement benefits of more than $250 but less than or equal to $2,750, enter 4.
    - (c) Your spouse expects to have combined wages and taxable retirement benefits of more than $2,750 but less than or equal to $5,250, enter 3.
    - (d) Your spouse expects to have combined wages and taxable retirement benefits of more than $5,250 but less than or equal to $7,750, enter 2.
    - (e) Your spouse expects to have combined wages and taxable retirement benefits of more than $7,750 but less than or equal to $10,250, enter 1.
    - (f) Your spouse expects to have combined wages and taxable retirement benefits of more than $10,250, enter 0 ..... 14. _____
15. Add Lines 11, 13, and 14, and enter the total here ..... 15. _____
16. If you completed this worksheet on the basis of Married Filing Jointly, the total number of allowances determined on Line 15 may be split between you and your spouse, however, you choose. Enter the number of allowances from Line 15 that your spouse plans to claim ..... 16. _____
17. Subtract Line 16 from Line 15 and enter the total number of allowances here and on Line 1 of your **Form NC-4, Employee's Withholding Allowance Certificate** ..... 17. _____

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 Form NC-4, Line 1.

Schedule 1 **Estimated N.C. Itemized Deductions**

Home Mortgage Interest	$ _____ . ____	
Real Estate Property Taxes	$ _____ . ____	
Total Home Mortgage Interest and Real Estate Property Taxes*		$ _____ . ____
Charitable Contributions (Same as allowed for federal purposes)		$ _____ . ____
Medical and Dental Expenses (Same as allowed for federal purposes)		$ _____ . ____
Repayment of Claim of Right Income		$ _____ . ____
Total Estimated N.C. Itemized Deductions. Enter on Page 2, Part II, Line 1		$ _____ . ____

*The sum of your home 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 home mortgage interest and real estate property taxes claimed by both spouses, rather than to each spouse separately.

Schedule 2 **Estimated N.C. Child Deduction Amount**

A taxpayer who is allowed a federal child tax credit under section 24 of the Internal Revenue Code is allowed a deduction for each qualifying child unless adjusted gross income exceeds the threshold amount shown below.

The N.C. child deduction amount can be claimed only for a child who is under 17 years of age on the last day of the year.

Filing Status	Adjusted Gross Income		No. of Children	Deduction Amount per Qualifying Child	Estimated Deduction
Single	Up to $ 20,000		_____	$ 3,000	_____
	Over $ 20,000	Up to $ 30,000	_____	$ 2,500	_____
	Over $ 30,000	Up to $ 40,000	_____	$ 2,000	_____
	Over $ 40,000	Up to $ 50,000	_____	$ 1,500	_____
	Over $ 50,000	Up to $ 60,000	_____	$ 1,000	_____
	Over $ 60,000	Up to $ 70,000	_____	$ 500	_____
	Over $ 70,000		_____	$ -	_____
MFJ or SS	Up to $ 40,000		_____	$ 3,000	_____
	Over $ 40,000	Up to $ 60,000	_____	$ 2,500	_____
	Over $ 60,000	Up to $ 80,000	_____	$ 2,000	_____
	Over $ 80,000	Up to $ 100,000	_____	$ 1,500	_____
	Over $ 100,000	Up to $ 120,000	_____	$ 1,000	_____
	Over $ 120,000	Up to $ 140,000	_____	$ 500	_____
	Over $ 140,000		_____	$ -	_____
HOH	Up to $ 30,000		_____	$ 3,000	_____
	Over $ 30,000	Up to $ 45,000	_____	$ 2,500	_____
	Over $ 45,000	Up to $ 60,000	_____	$ 2,000	_____
	Over $ 60,000	Up to $ 75,000	_____	$ 1,500	_____
	Over $ 75,000	Up to $ 90,000	_____	$ 1,000	_____
	Over $ 90,000	Up to $ 105,000	_____	$ 500	_____
	Over $ 105,000		_____	$ -	_____
MFS	Up to $ 20,000		_____	$ 3,000	_____
	Over $ 20,000	Up to $ 30,000	_____	$ 2,500	_____
	Over $ 30,000	Up to $ 40,000	_____	$ 2,000	_____
	Over $ 40,000	Up to $ 50,000	_____	$ 1,500	_____
	Over $ 50,000	Up to $ 60,000	_____	$ 1,000	_____
	Over $ 60,000	Up to $ 70,000	_____	$ 500	_____
	Over $ 70,000		_____	$ -	_____

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 State income tax to be withheld for each pay period. Enter the additional State income tax amount to be withheld on **Form NC-4, Line 2.**

Additional Withholding for Single, Married, or Surviving Spouse with Jobs

Estimated Annual Wages		Pay Period			
At Least	But Less Than	Monthly	Semimonthly	Biweekly	Weekly
0	1000	2	1	1	0
1000	2000	5	3	3	1
2000	3000	9	5	4	2
3000	4000	13	6	6	3
4000	5000	16	8	8	4
5000	6000	20	10	9	5
6000	7000	24	12	11	5
7000	8000	27	14	13	6
8000	9000	31	15	14	7
9000	10000	34	17	16	8
10000	11000	38	19	18	9
11000	12000	42	21	19	10
12000	12750	45	22	21	10
12750	Unlimited	46	23	21	11

Additional Withholding for Head of Household Filers with Jobs

Estimated Annual Wages		Pay Period			
At Least	But Less Than	Monthly	Semimonthly	Biweekly	Weekly
0	1000	2	1	1	0
1000	2000	5	3	3	1
2000	3000	9	5	4	2
3000	4000	13	6	6	3
4000	5000	16	8	8	4
5000	6000	20	10	9	5
6000	7000	24	12	11	5
7000	8000	27	14	13	6
8000	9000	31	15	14	7
9000	10000	34	17	16	8
10000	11000	38	19	18	9
11000	12000	42	21	19	10
12000	13000	45	23	21	10
13000	14000	49	24	23	11
14000	15000	53	26	24	12
15000	16000	56	28	26	13
16000	17000	60	30	28	14
17000	18000	63	32	29	15
18000	19000	67	34	31	15
19000	Unlimited	69	34	32	16