

VITA Individual Income Update



Disclaimer

- Presentation is for general information only.
- Presentation content should not be interpreted as specific tax advice for a specific tax situation.
- The presentation does not take into consideration draft or future legislation.

Topics

- Tax Law Updates
- Disaster Recovery
- Power of Attorney
- Extensions/Amendments/
Payments
- Miscellaneous Topics
- Resources



Significant Legislation

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



Legislative Update

Beginning January 1, 2024, the **individual income tax rate** 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. 2021-180 (s. 42.1.(a))

Standard Deduction

The General Assembly set the **North Carolina standard deduction amount** as follows:

Filing Status	Standard Deduction for taxable years beginning on or after January 1, 2024
Married, filing jointly/ surviving spouse	\$25,500
Head of Household	\$19,125
Single	\$12,750
Married, filing separately	\$12,750

Important: The 2023 General Assembly **did not increase** the North Carolina standard deduction amount for the 2024 filing status.

Disaster Recovery

- 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**.
- **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



Disaster Recovery



- 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 type of tax.
- Eligible tax types are:

Income Tax	Franchise Tax
Withholding Tax	Sales and Use Tax

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

Disaster Recovery



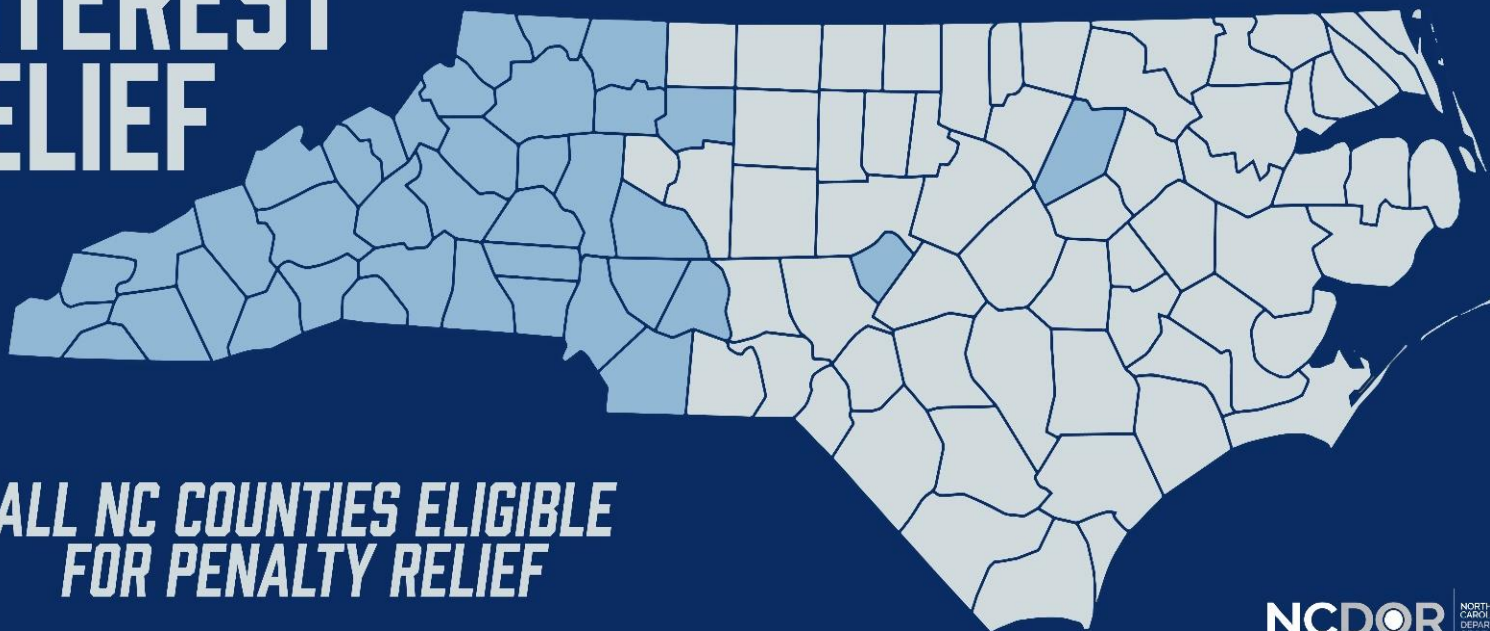
- For taxpayers that file **income tax returns** that reside in or are located in a “**Disaster County**,” the Department will waive the accrual of interest from September 25, 2024, through May 1, 2025, on an underpayment of tax imposed on the return due on September 25, 2024, through May 1, 2025.
- 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
Notice dated October 11, 2024*

Disaster Recovery

**NC COUNTIES
ELIGIBLE FOR
INTEREST
RELIEF**

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



**ALL NC COUNTIES ELIGIBLE
FOR PENALTY RELIEF**



Disaster Recovery

Directive TA-24-1

The Disaster Recovery Act of 2024

Dated October 30, 2024

Reference: S.L. 2024-53 and the directive dated October 28, 2024

“Check Box” for Qualified Taxpayers to request interest relief

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: I certify that, to the best of my knowledge, this request and any attachments are accurate and complete.
Power of Attorney Signature: Date:
A preparer cannot sign Form NC-5502 for the taxpayer unless a power of attorney (Form DTH-501) has been established.
Power of Attorney Name:
Power of Attorney Phone Number: Power of Attorney Email Address:
MAIL TO: North Carolina Department of Revenue, P.O. Box 1661, Raleigh, NC 27602-1661

Disaster Recovery

NCDOR NC-5500
Web-Fill 10-24 Request to Waive Penalties

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 NCDOR ID

Contact Person

Contact

Part 3. Explanation of Reason (Check the box for each reason listed above and enter the requested information. Attach additional pages if necessary.)

☐ Good Compliance. Check this box if you certify that the above-named taxpayer meets all the conditions necessary to qualify for a good compliance record. (See the [Department's Penalty Policy](#).)

☐ Death. (The decedent must be the taxpayer, the taxpayer's immediate family member, or the taxpayer's tax preparer.)

Name of deceased: _____

Date of death: _____ Relationship to taxpayer: _____

Explanation of how death prevented compliance with tax law. Include any documentation that you believe supports your request for penalty relief.

**Use Form NC-5500
to request
penalty relief**

NCDOR NC-5501
Web-Fill 1-22 Request for Waiver of an Informational Return Penalty

Part 1. Taxpayer Information

SSN or FEIN: _____ Account ID Number: _____

Taxpayer's Name (Legal Name if Business): _____

Trade Name (if Different): _____

Address: Street or P.O. Box _____ City _____ Zip Code _____

Name of Contact Person: _____

Part 2. Preparer Information

Complete Part 2 if you are a preparer. If you are not a preparer, skip to Part 4. A preparer cannot sign for the taxpayer.

Preparer's Name: _____

Preparer's Signature: _____

Preparer's Title: _____

Part 4. Reason for Request

☐ The taxpayer failed to file an informational return as required by the Department's information reporting applications and the rejection condition could not be resolved.

☐ Good Compliance Record. (Only applies to failure to timely file an informational return. See instructions.)

☐ Other. (Describe in detail the circumstances that prevented you from timely filing the informational return or caused you not to file the informational return in the format prescribed by the Secretary.) _____

Taxpayer's Signature: _____ Title: _____ Date: _____

Preparer's Signature: _____ Date: _____

Complete this form to request a waiver if you failed to timely file an informational return or you failed to file the informational return in the format prescribed by the Secretary.

MAIL TO: North Carolina Department of Revenue, P.O. Box 25000, Raleigh, NC 27640-0640.

**Use Form NC-5501
to request
informational
return penalty
relief**

Disaster Recovery

The Hurricane Helene
webpage allows you to:

- Review Notices, FAQs, and Executive Orders
- Access Penalty and Interest Waiver Forms

Home

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-5500, Request to Waive Penalties](#) - Use this form to request waiver of penalties other than informational return penalties.
- [Form NC-5501, Request for Waiver of an Informational Return Penalty](#) - Use this form to request wavier of informational return penalties.
- [Form NC-5502, Special Penalty and Interest Waiver](#) - Use this form to request waiver of interest or




Power of Attorney Changes




scan Me!


Power of Attorney for Individuals and
Businesses




GEN-58
Authorize a Power of Attorney




GEN-58R
Revoke a Power of Attorney




FAQs
Review answers to frequently asked
questions about GEN-58



**Power of Attorney
Policy**
Review the Department's policy
relating to powers of attorney



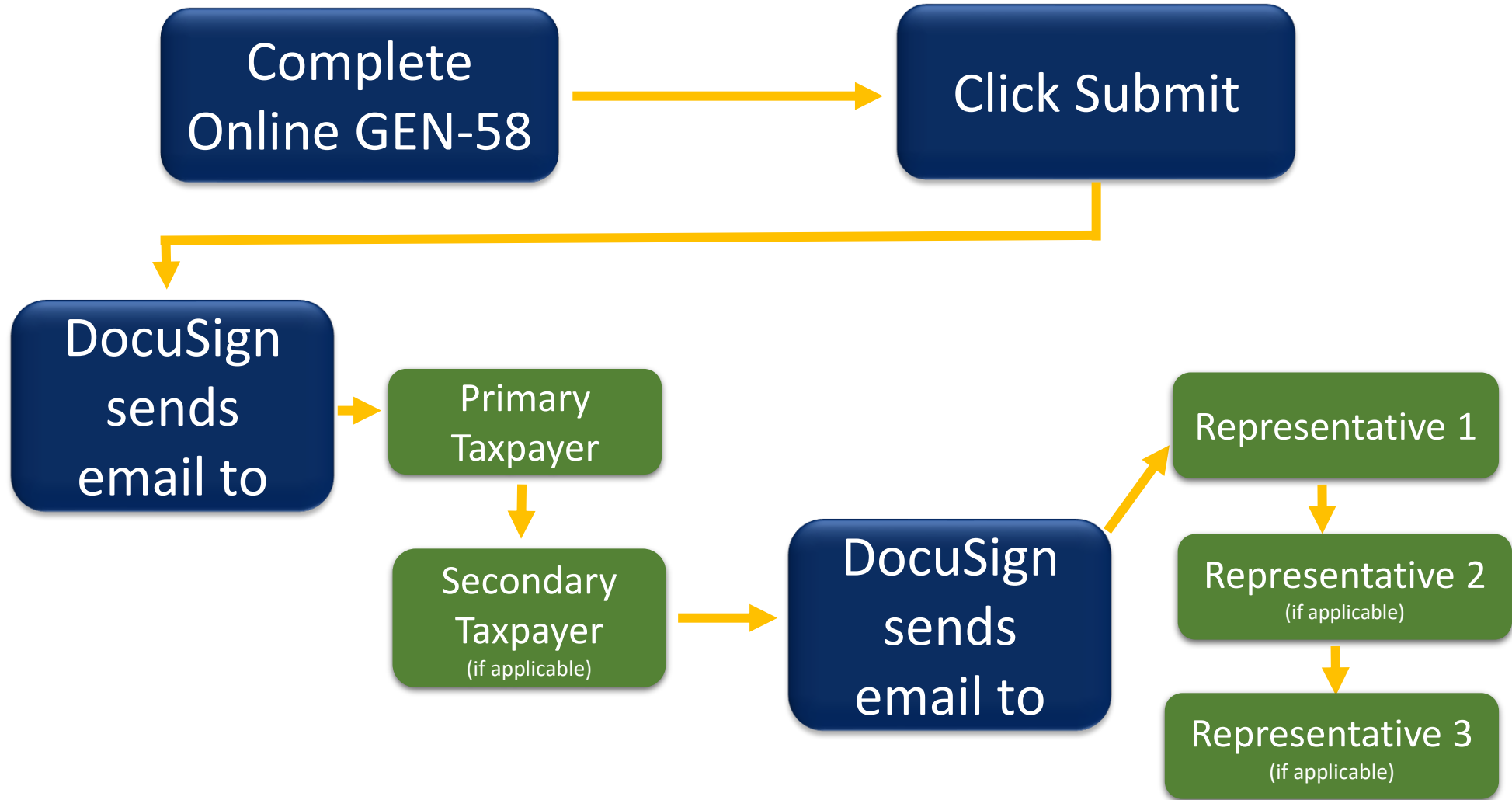
Paid Preparers
Information for paid preparers



GEN-58B
Power of Attorney for Bankruptcy
Matters

Power of Attorney for Property Tax Matters

Online POA Process



Power of Attorney Form-GEN-58 Updated to Authorize Representatives to Receive Copies of Available Notices

2 Representative(s) (Representative(s) must sign and date this form on page 2, Part 2.)

First Name

Last Name

Phone Number

Mailing Address

City

State

Zip Code

Email Address

☒ Check to receive available notice copies.

Must file new Power of Attorney Form to Receive Notice Copies

Power of Attorney Revocation (GEN-58R)

- Available to submit electronically
- Allow 3 days for processing

NCDOR

NORTH CAROLINA DEPARTMENT OF REVENUE

GEN-58R Power of Attorney Revocation Form

Are you a Taxpayer or a Legal Representative? *

☐ Taxpayer
 ☒ Representative

1: Taxpayer Information

Taxpayer Identification Type *

☒ SSN (Social Security Number)
 ☐ FEIN (Fed Employer ID Number)

Social Security Number *

First Name *

Middle Initial

Last Name *

Daytime Telephone Number

Email Address *

Confirm Email Address *

Address *

City *

State

Zip Code *

1: Representative Information

First Name *

Last Name *

Address *

City *

State *

Zip Code *

Telephone Number *

Fax Number

Email Address *

Designation *

Jurisdiction (State) or Enrollment Card No.

2: Tax Matters

Which tax matters would you like to Revoke? *

☐ Revoke All Tax Matters
 ☐ Revoke Specific Tax Matters

3: Representative Signature

Click below to Sign Form *

Click to Sign Document

Form D-400 Federal Extension Line

The screenshot shows the NCDOR D-410 online form. At the top, there's a navigation bar with 'Filing & Contact', 'Payment Details', and 'Review & Submit'. Below this, the 'Form Details' section includes radio buttons for 'Calendar Year 2019' (selected) and 'Fiscal Year', a checkbox for 'Out of Country', and a dropdown for 'Filing Status' set to 'Single'. Each of these has a 'What's This?' link. The 'Primary Taxpayer's Information' section contains input fields for 'Primary Taxpayer's First Name', 'Middle Initial', 'Primary Taxpayer's Last Name', and 'Social Security Number' (with a 'XXX-XX-XXXX' placeholder).

If no payment is required, Form D-410 is not required if a valid federal extension was filed. Taxpayer would fill out extension indicator on return.

Veteran Information	Are you a veteran?	<input type="radio"/> Yes <input type="radio"/> No	Is your spouse a veteran?	<input type="radio"/> Yes <input type="radio"/> No
Federal Extension	Were you granted an automatic extension to file your 2022 federal income tax return, e.g., Form 1040? <input type="radio"/> Yes <input type="radio"/> No			
1. <input type="radio"/> Single				


Amended Returns


NCDOR

Web-Fill
8-22

D-400 Schedule AM

North Carolina Amended Schedule

PRINT



CLEAR

DOR Use Only

Important: When filing an amended North Carolina individual income tax return, you must complete Form D-400 for the taxable year you are amending and fill in the "Amended Return" circle located at the top right of the form. In addition, you must attach this schedule, along with all supporting forms and schedules, to the front page of the amended Form D-400. If you do not, your refund may be delayed.

For calendar yearor other tax year beginning (MM-DD-YY)and ending (MM-DD-YY)

Your Social Security Number

←

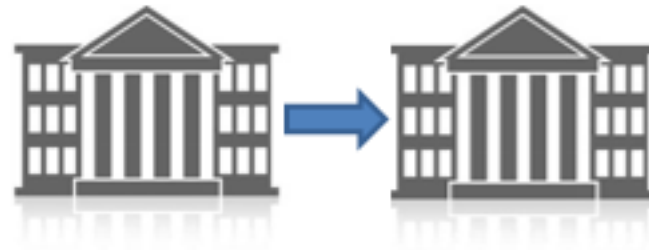
You must enter your social security number(s)

→

Spouse's Social Security Number

Online Payment Options

- Online payments are fast, easy, and convenient.
- Always pay by the due date to avoid penalties, interest, and fees.



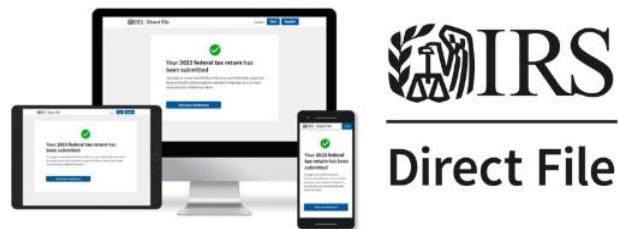
[How to pay your Individual Income Taxes - YouTube](#)

Announcing IRS Direct File

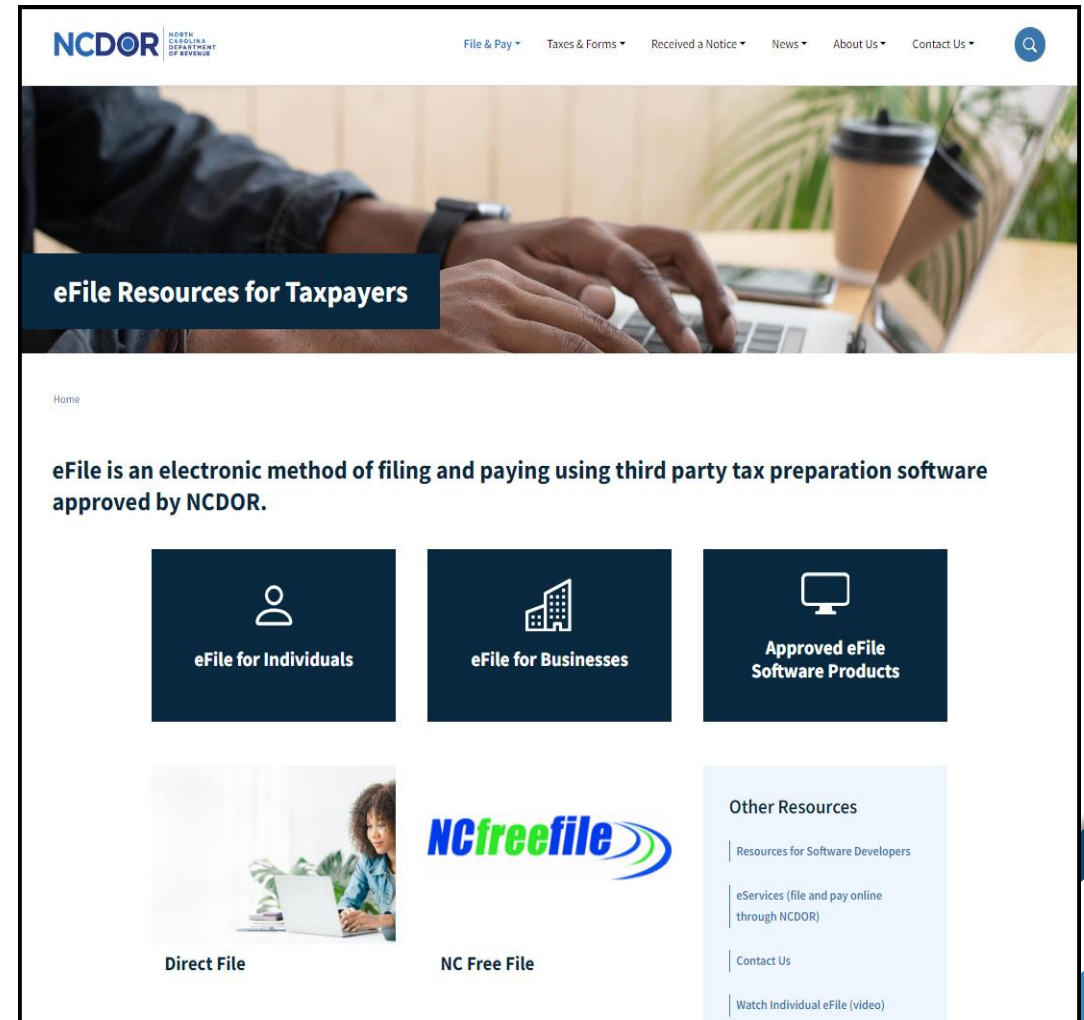


- North Carolina is working with the “Internal Revenue Service” and “Code for America” to give North Carolina taxpayers a **new** free e-file option.
- Beginning in January, eligible taxpayers have the option to use Direct File to file both their federal and North Carolina individual income tax returns online for **free** in English and Spanish for the 2025 filing season.
- 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.

Announcing IRS Direct File



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

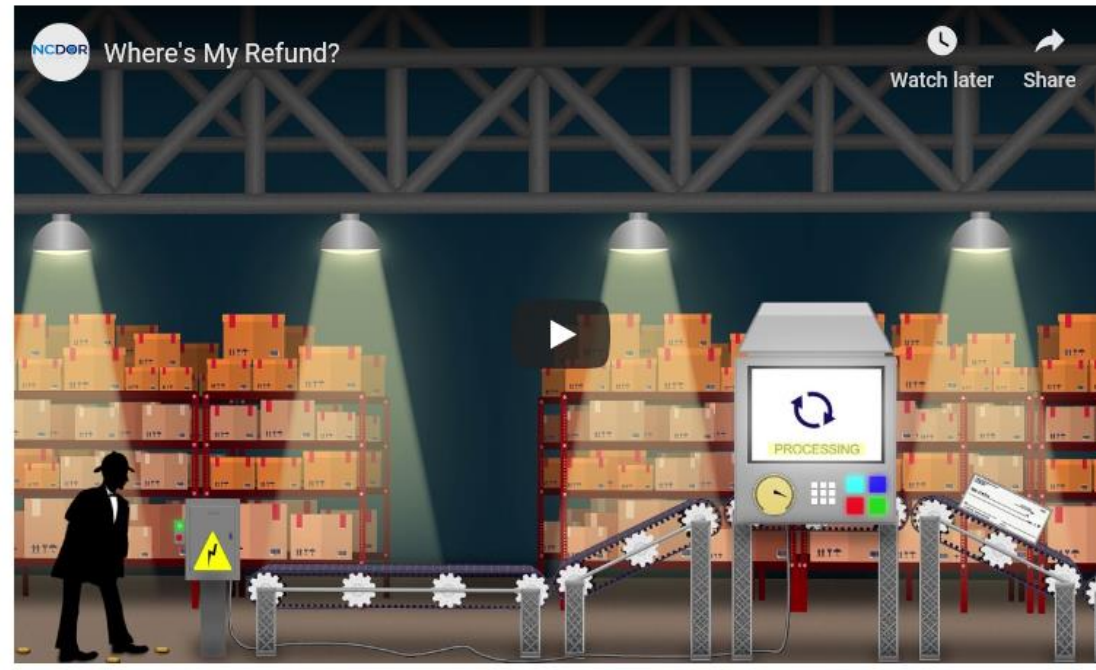


Refunds

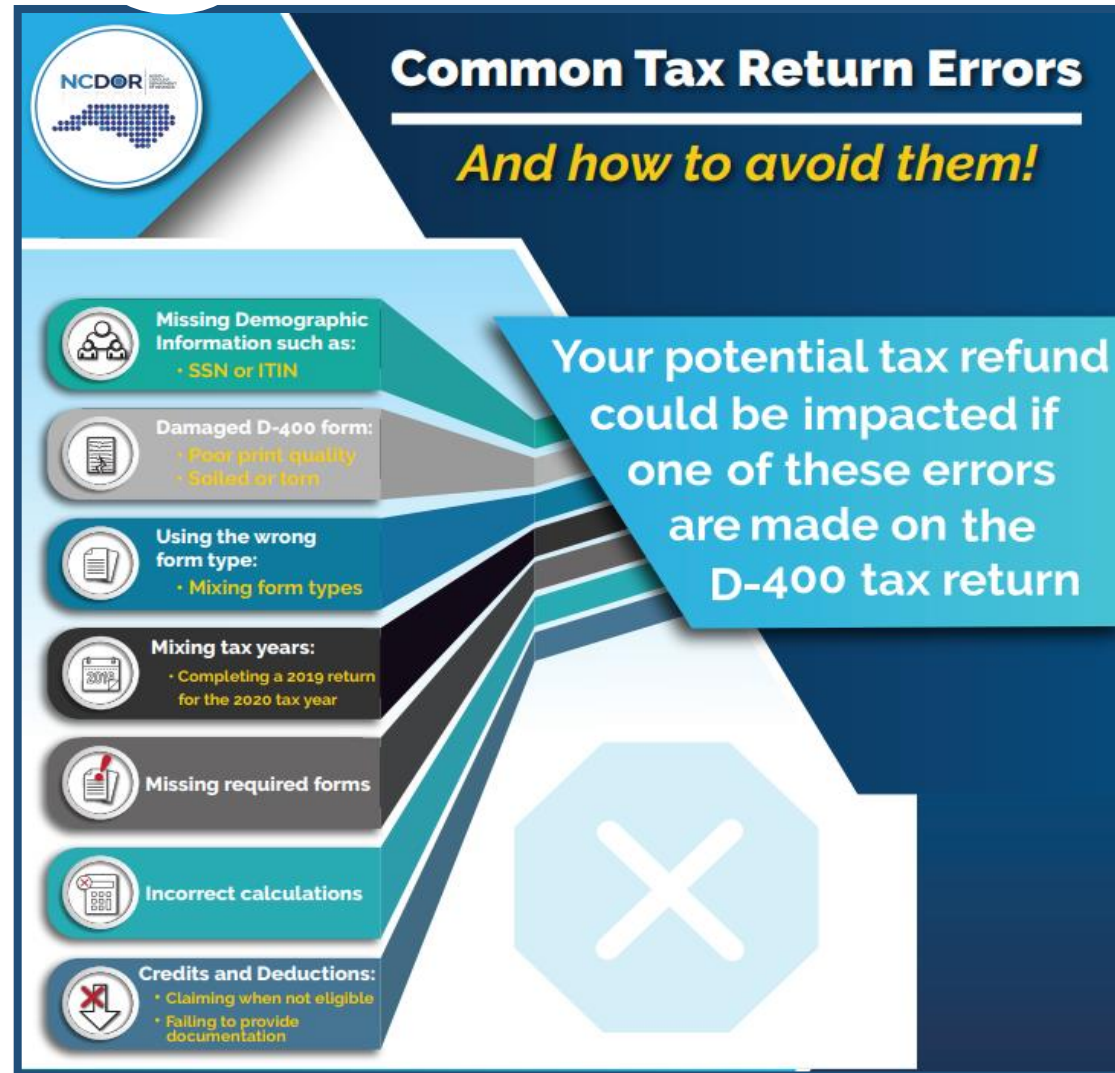
Where's My Refund Assistance

Where's my refund →

- Use the Where's My Refund application for an up-to-date report on the status of your refund. The information shown in the application is the same information our phone representatives have.
- Still have questions? [Read our FAQs.](#)



Common Mistakes To Avoid



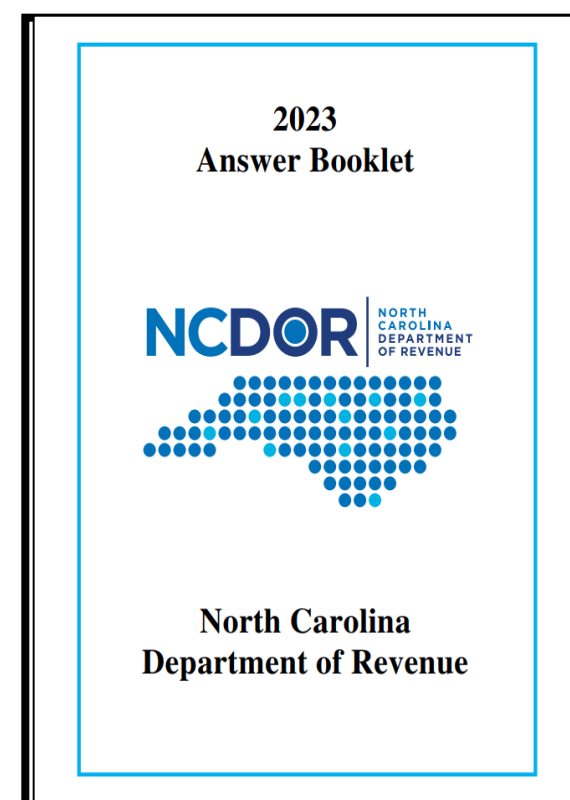
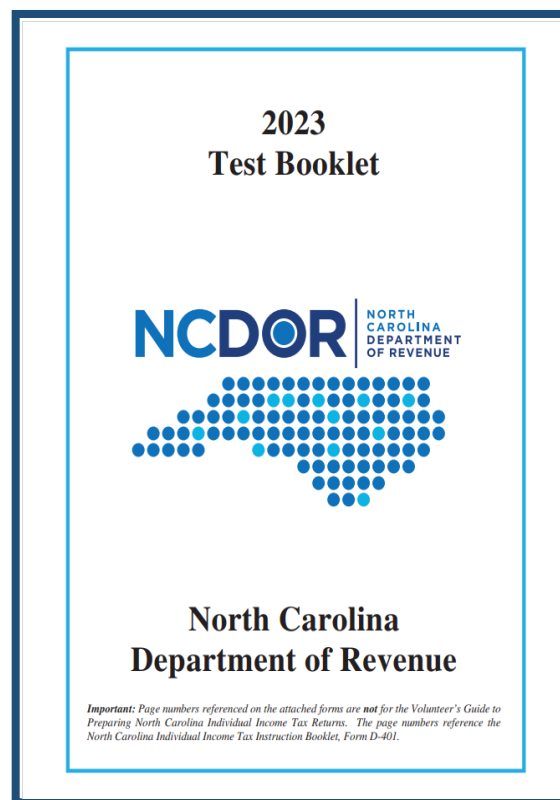
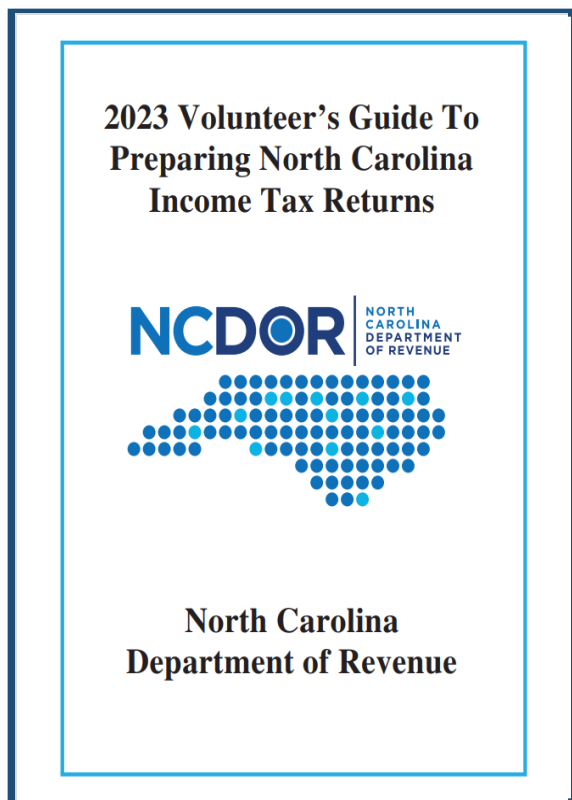
Important Reminders

When filing tax returns:

- Remember to record consumer use tax, if applicable
- Keep a copy of the tax return
- Make the payment by the due date on the DOR website
- Note location of forms if filing later than federal
- Prepare for next year



VITA Manual



Tax Practitioner Priority Service (TPPS)

- Phone: 919-754-2500
- E-File and Development Unit: 1-877-308-9103

Personal Tax Bulletin

The Personal Taxes Bulletin is updated annually and published online. The Personal Taxes Bulletin includes information with respect to individual income tax, withholding tax, pass-through entities, estates, and trusts.

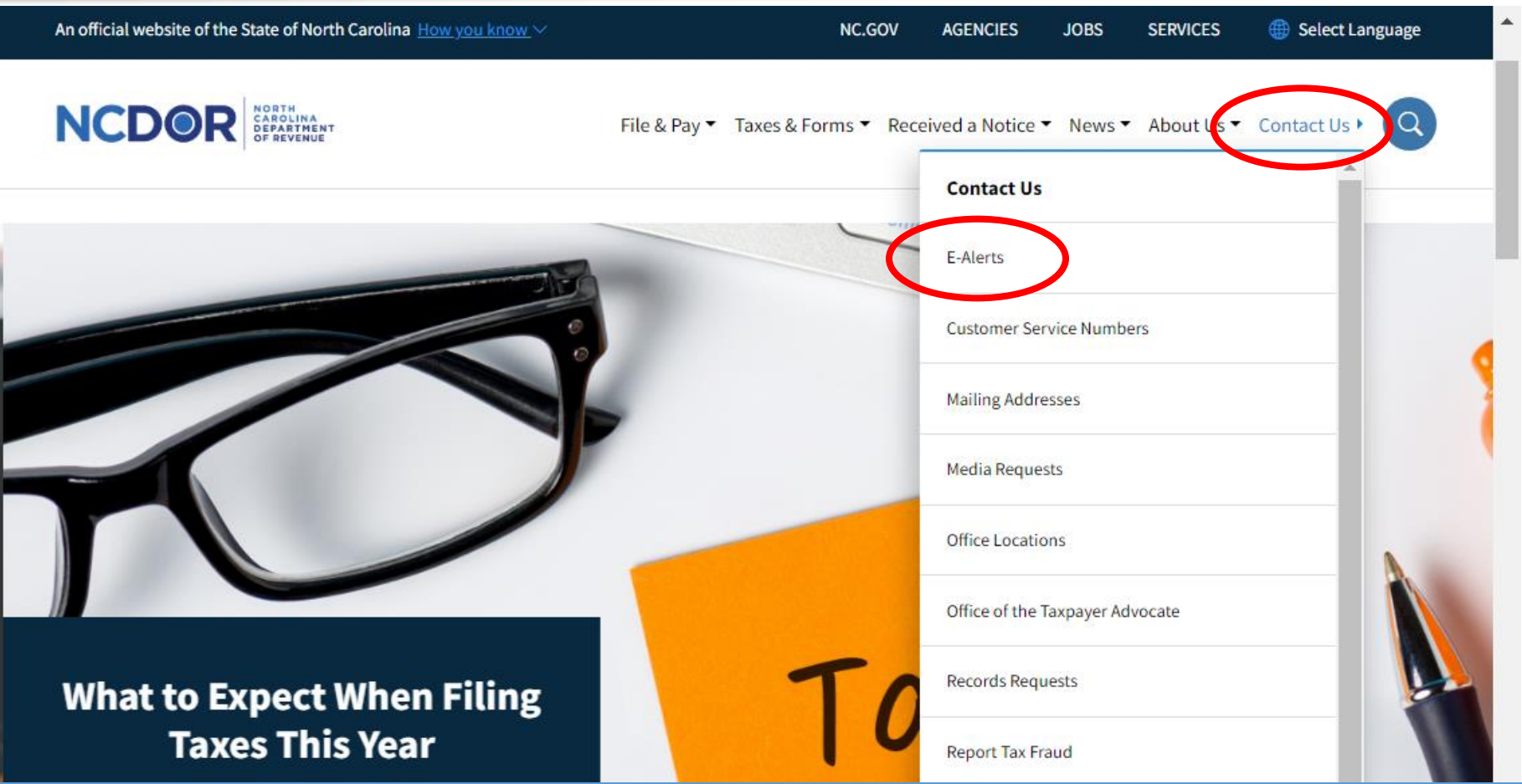


2023 PERSONAL TAXES BULLETIN
Individual Income Tax
Pass-Through Entities
Withholding Tax

Personal Taxes Division
January 2024



E-Alerts



Follow us on Social Media!

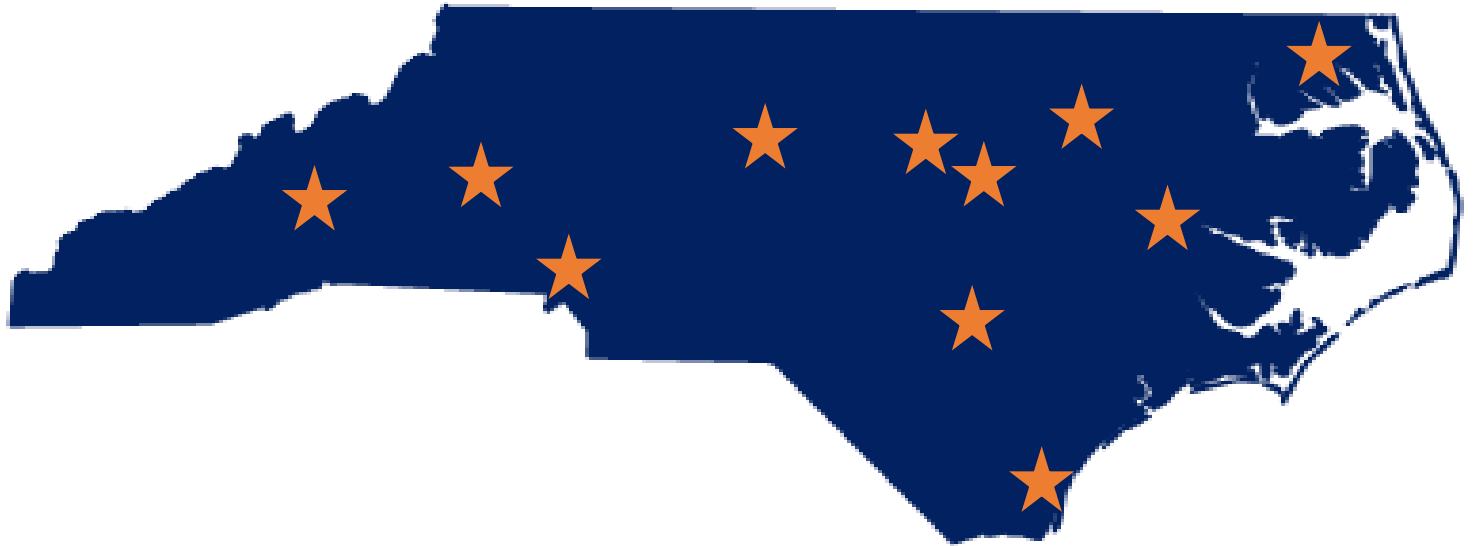


Ways to Contact Us

- **Call us or visit your local service center**

Contact Center
1-877-252-3052
7am – 4:30pm
Monday - Friday

Service Center
9am - 4pm
Monday – Friday
Limited walk-in schedule



Service Center Locations

Asheville
Charlotte
Durham
Elizabeth City

Fayetteville
Greensboro
Greenville
Hickory

Raleigh
Rocky Mount
Wilmington

Contact Information

Important Toll-Free Telephone Numbers:

- Automated Refund Inquiry Line.....1-877-252-4052
- Taxpayer Assistance Forms.....1-877-252-3052
- Tax Fraud Hotline1-800-232-4939

Mailing Addresses:

If you **are** due a refund:
NC Department of Revenue
PO Box R
Raleigh, NC 27634-0001

If you **are not** due a refund:
NC Department of Revenue
PO Box 2500
Raleigh, NC 27640-0640

Questions?

Jonetta Appling
Administrative Officer I
KEO Division
Jonetta.Appling@ncdor.gov



Remember: The answer to most general tax questions can be found on the DOR website, <https://www.ncdor.gov>

You may also call **1-877-252-3052**

Thank You For Attending!

To register for a DOR webinar:

Visit the Customer Education page
of [NCDOR.gov](https://www.ncdor.gov)

Or scan the QR Code

