

District of Columbia

★ The Nation's Capital ★

GENERAL

Forms request	202-727-4829	mytax.dc.gov
Tax assistance	202-727-4829	
Website	mytax.dc.gov	
Refund information	mytax.dc.gov	

NEW FOR 2025

Other miscellaneous additions. New additions exist for municipal bond interest from non-DC jurisdictions, capital gains on qualified small business stock excluded on the federal return, and recomputation of the business interest expense limitation using law as in effect before passage of the 2025 Tax Act. Use Schedule I to include them in DC gross income.

Other miscellaneous exclusions. Lump-sum payments an individual receives from the Early Childhood Educator Equity Fund are excluded from DC income or assets, unless otherwise prohibited by federal law. Forgiveness of River East at Grandview Condominium Loans are also excluded from DC income. If these items are included in federal adjusted gross income, use Schedule I to subtract them from DC gross income.

Decoupling from federal provisions. DC has decoupled from the federal provisions for the increased standard deduction amounts, full expensing of research and development costs and the special depreciation for certain business production property. In addition, it has established its own filing requirements for Form D-40, resulting in some taxpayers having to file a DC individual income tax return even if they are not required to file the federal Form 1040.

OTR tax notice 2025-01 filing requirement. Individual taxpayers with gross income exceeding \$500,000 (filing status of single, QSS with dependent child, or MFS) or \$1,000,000 (filing status of MFJ/RDP or MFS) must submit an electronic copy of their federal return (including any schedules or other information provided to the IRS) for the corresponding tax year or period.

The DC earned income tax credit (EITC) is increased to 100% of the federal credit.

The D-40B Nonresident request for refund can now be filed electronically through MyTax.DC.gov.

Draft state information. This information is based on the draft 2025 instructions or final 2024 instructions, as the state had not released final information at the time this publication was completed. Check the Updates section of [Quickfinder.com](https://www.quickfinder.com) for any changes due to final forms and instructions, and the state website for updates.

RESIDENCY STATUS AND FILING REQUIREMENTS

An individual must file if they:

- Are a resident of the District of Columbia and have gross income as indicated in the following chart,
- Lived in the District of Columbia for 183 days or more (even if permanent residence is elsewhere),
- Lived in the District of Columbia as a part-year resident during a tax year,
- Are a member of the Armed Forces whose home of record for part or all of the year is the District of Columbia,
- Are a spouse or domestic partner of an exempt person meeting any one of the preceding requirements, or
- Want to receive a refund for DC taxes withheld or are eligible for an earned income credit, property tax credit, or keep child care affordable tax credit.

Filing Status	Gross income at least:
Single	\$ 15,000
MFJ/RDP filing jointly/filing separately on same return	\$ 30,000
QSS	\$ 30,000
HOH	\$ 22,500
MFS	\$ 15,000
Dependent filer	\$ 15,000

Exempt person. The following individuals are considered exempt nonresidents of DC and do not need to file a DC tax return:

- A member of the U.S. Congress or an employee on the personal staff of a member of Congress who is considered a resident of the member's state of residency;
- An officer in the U.S. Executive Branch whose primary residence is not in the District of Columbia and who is appointed by the President, confirmed by the U.S. Senate and serves at the pleasure of the President; or
- A justice of the U.S. Supreme Court whose primary residence is not in the District of Columbia.

Note: Spouses of the exempt persons (except spouses of military members) are not exempt and must file a separate DC return.

Military. Members of the Armed Forces who meet the residency requirements must file a return. However, if the member's home of record is outside DC, all military wages are exempt from tax. In addition, if the service member's spouse is domiciled outside DC but accompanies the service member to DC, any wages earned in DC are exempt from tax.

Nonresidents. Nonresidents are non-taxable in DC. Nonresidents who erroneously had DC income tax withheld or made DC estimated tax payments may file Form D-40B to request a refund.

FORMS TO FILE

Form D-40 (Individual Income Tax Return). Use for resident and part-year resident returns. **Note:** Nonresidents are not required to file a District of Columbia return.

Form D-40P (Payment Voucher for Individual Income Tax). To make payment for a balance due with Form D-40.

Schedule H (Homeowner and Renter Property Tax Credit).

Schedule I (Additions to and Subtractions from Federal Adjusted Gross Income).

Schedule N (DC Non-Custodial Parent EITC Claim).

Schedule S (Supplemental Information and Dependents).

Schedule U (Additional Miscellaneous Credits and Contributions).

D-8609 (District of Columbia Low-Income Housing Credit Allocation and Certification).

Schedule ELC (Keep Child Care Affordable Tax Credit).

Schedule HSR (DC Health Care Shared Responsibility).

Form FR-127 (Extension of Time to File a DC Income Tax Return).

Form D-2210 (Underpayment of Estimated Income Tax by Individuals).

Form D-30 (Unincorporated Business Franchise Tax Return). To report District of Columbia business income of more than \$12,000.

Form D-30N (Affidavit of Gross Income In Lieu of D-30 Unincorporated Business Franchise Tax Return).

Form D-30P (Payment Voucher for Unincorporated Business Franchise Tax). To make payment for a balance due with Form D-30.

Form D-2440 (Disability Income Exclusion). Applies only to disabled retirees under 65.

District of Columbia

Form D-2441 (Child and Dependent Care Credit for Part-Year Residents).

Form D-40ES (Estimated Payment for Individual Income Tax).

Form D-30ES (Unincorporated Business Declaration of Estimated Franchise Tax).

Form D-40B (Nonresident Request for Refund).

FILING STATUS

District of Columbia filing status may be different than federal filing status. Allowable filing statuses are Single, MFJ, MFS, dependent claimed by someone else, MFS on same return, registered domestic partners filing jointly or filing separately on same return, HOH and qualifying widow(er) with dependent child. If more than one filing status applies, taxpayers should use the filing status that gives the lowest tax.

Single. District of Columbia follows the federal definition. Domestic partners registered in a jurisdiction other than the DC Department of Health may elect to file as single.

Filing jointly. Lawfully married couples or registered domestic partners may file jointly if not legally separated and:

- Both spouses/domestic partners were District of Columbia residents as of the end of the tax year or
- One spouse/domestic partner died during the current year and the other spouse/domestic partner did not remarry/register.

Note: It may be advantageous to file separately on the same return for the District of Columbia.

Filing separately. Taxpayers must file separately if:

- The taxpayer and spouse (or registered domestic partners) were residents of the District of Columbia during different periods of the tax year or
- The taxpayer or spouse (or registered domestic partner) is defined as an *Exempt person* on Page DC-1. In addition, if a member of the Armed Forces has a home of record outside DC but the spouse is a DC resident, MFS status should be used.

Filing separately on same return. Married couples (or registered domestic partners) who use this filing status must combine separate amounts using Calculation J on Schedule S, (Supplemental Information and Dependents). If both spouses have income, filing separate may be advantageous because of lower tax brackets.

Note: If both spouses were part-year residents of the District of Columbia during different periods of 2025 this filing status may not be used; separate returns must be filed.

Head of household. In general, the District of Columbia follows the federal definition.

Qualifying widow(er) with dependent child. In general, the District of Columbia follows the federal definition.

Note: The federal return now uses the term “Qualifying Surviving Spouse” instead of “Qualifying Widow(er),” while the District of Columbia is still using “Qualifying Widow(er).” These terms should be used interchangeably.

Dependent taxpayer. Any person who can be claimed as a dependent on another person’s return.

RESIDENT AND PART-YEAR RESIDENT SUMMARY

Form D-40

District of Columbia AGI

The District of Columbia restates federal adjusted gross income (AGI).

Income information. Report income and adjustments from the federal return—do not recalculate any amounts or totals. Some amounts entered on the federal return may not need to be entered on the District of Columbia return. Couples filing separately on the same return enter combined amounts as if filing jointly.

Part-year residents prepare a worksheet reconciling the type and amount of income received during the period of residency, during the period of nonresidency and total income on the federal return. Any state refunds received should be reported as the nonresidency income.

Additions

Franchise tax deduction. Enter any franchise tax deducted on the federal return, including amounts deducted on Schedules C, E and/or F.

Other additions. The following additions are entered on Schedule I.

- Federal adjustments for AGI that occurred during a part-year resident’s period of nonresidency.
- Income distributions eligible for income averaging on the federal return from federal Form 4972.
- Federal bonus depreciation or excess Section 179 expenses claimed on the federal return.
- Any part of a discrimination award subject to income averaging.
- DC does not recognize federal S status. Enter any deductions from S corporations from Schedule K-1.
- Other pass through losses from DC unincorporated businesses that exceed the \$12,000 threshold (reported as a loss on federal 1040 return).
- Any other item subject to DC tax but not to federal tax. This would include any interest on the obligations of other states and their political subdivisions (other than DC obligations), capital gains on qualified small business stock excluded on the federal return under IRC Sec. 1202, **capitalization amortization of domestic research and experimental expenditures**, and any additional business interest expense limitation when recomputed using federal law as in effect on January 1, 2025.
- Capital gains deferred on federal return due to investment in a Qualified Opportunity Fund.

Subtractions

Income received during period of nonresidency. Part-year residents may deduct any income received during the period of nonresidency.

State and local taxes. Any state or local refund reported on federal Form 1040, 1040-SR, or 1040-NR.

Social security and Tier 1 railroad retirement. Any taxable amount reported on federal Form 1040 or 1040-SR.

Franchise or fiduciary income. Any income taxed on Form D-20, D-30, or D-41.

District of Columbia and federal government survivor benefits. If the taxpayer is 62 years or older as of December 31, 2025, enter the total amount of these benefits. Do not include social security survivor benefits.

Unemployment insurance benefits. Unemployment insurance benefits provided by the federal government, District of Columbia, and any other state, are excluded in the computation of District gross income.

Other subtractions. The following subtractions are entered on Schedule I.

- Interest from U.S. Treasury bonds and other obligations.
- Disability income exclusion from Form D-2440—see *Disability income* on Page DC-3 for requirements.
- Interest and dividend income of a child from federal Form 8814. The child must file a separate Form D-40 to report the income.
- Awards, other than front pay and back pay, received because of unlawful employment discrimination.

District of Columbia

Low-income housing tax credit. Owners of residential low-income rental buildings placed in service after October 1, 2021, are allowed a low-income housing credit for each qualified project located in DC. A “qualified project” is a rental housing development that receives an allocation of federal low-income housing tax credits.

The credit can be taken against income tax, franchise tax, and insurance premium tax equally over ten years. The credit is not refundable, but any amount of the credit that exceeds the tax due for the current year can be carried forward to any of the ten remaining subsequent taxable years. All or any of the credits may be transferred, sold, assigned, or allocated to eligible parties.

To claim the credit, the owner/transferor must file with the DC return a copy of the eligibility statement from the DC Department of Housing and Community Development (DHDC), Form D-8609, and Schedule U. Failure to attach these documents results in disallowance of the credit. A claim should not be submitted if IRS Form 8609 has not been issued.

DCHD Rental Accommodations Division (RAD) Housing Provider Credit. The credit may be applied against income or franchise tax. The credit is available to providers of certain housing as a result of a hardship petition filed with RAD. To claim this credit the taxpayer must have a certification of income tax credit from RAD. Attach a copy of the certificate to the tax return.

Individual Health Care Shared Responsibility

All DC residents with federal AGI greater than \$34,743 are required to either have health care coverage, have an exemption, or pay a tax penalty on their DC tax return. The shared responsibility penalty is calculated on Schedule HSR. The maximum penalty is the smaller of the District Average Bronze Plan Premium (ABPP) or the greater of \$2,385 or 2.5% of AGI less DC standard deduction. Following are the **2025** amounts for ABPP that correspond to the number of family members. **2025 amounts are not yet available.**

- 1 person—\$4,494
- 2 persons—\$8,987
- 3 persons—\$13,481
- 4 persons—\$17,975
- 5 or more persons—\$22,468

The penalty is prorated for the months without insurance coverage. Low income taxpayers are exempt from shared responsibility payment if their AGI is equal to or less than the amount that corresponds to the number of family members and the age of the individual for which the exemption is claimed. See following table for low income exemption AGI thresholds.

Low Income Exemption AGI Threshold Amounts		
Number of Shared Responsibility Family Members:	If your AGI is equal to or below the following amounts, members age 21 or older as of 12/31/2025 are exempt:	If your AGI is equal to or below the following amounts, members under age 21 as of 12/31/2025 are exempt:
1	\$34,743.00	\$50,706.00
2	\$46,953.00	\$68,526.00
3	\$59,163.00	\$86,346.00
4	\$71,373.00	\$104,166.00
5	\$83,583.00	\$121,986.00
6	\$95,793.00	\$139,806.00
7	\$108,003.00	\$157,626.00
8	\$120,213.00	\$175,446.00
For Each Additional Member, add:	\$12,210.00	\$17,820.00

Refundable Credits

Property tax credit. Renters and homeowners with total federal adjusted gross income of \$66,000 or less (\$90,000 or less if

taxpayer is age 70 or older) may be eligible for a property tax credit of up to \$1,425. Schedule H (Homeowner and Renter Property Tax Credit) is filed with Form D-40. If Form D-40 is not required to be filed, Schedule H may be filed by itself. The credit must be claimed within three years of the due date for Form D-40, either on the original return or an amended return.

The credit is available only to full-year residents who rented or owned and lived in their home, apartment, rooming house or condominium in DC for the entire year. Only one member of a household can claim a property tax credit. There can be more than one claimant if individuals or families share housing but file separate tax returns. The credit claimed is calculated based on share of rent or property tax.

- The credit is not available if the taxpayer rented from a landlord whose property was either exempt from real property taxes or who paid a percentage of rental income to the District instead of paying real estate tax.
- Taxpayers under age 65 may not be claimed as a dependent on someone else’s federal, state or District of Columbia income tax return.
- The residence may not be part of a public housing dwelling.
- The property may not be owned by a government, house of worship, or non-profit organization.

Total federal AGI of every member of the tax filing unit includes income subject to federal but not subject to DC income tax. A tax filing unit is defined as an individual or married couple (including any persons who would be claimed as dependents) that could file one individual income tax return.

Use *Property Tax Credit Worksheet for Section A and Section B* on Page DC-8.

Earned income tax credit. Taxpayers who claimed the federal earned income credit may claim a District of Columbia earned income tax credit. The credit is 100% of the federal earned income credit amount for taxpayers with qualifying children.

Taxpayers without a qualifying child may qualify for the credit if earned income or federal AGI does not exceed \$30,941. The following worksheet should be completed by taxpayers without qualifying children to determine the amount of eligible credit.

If the allowable DC EITC is at least \$1,200, taxpayers can opt to receive the DC EITC portion of their refund in twelve equal monthly payments rather than one total payment. Taxpayers who decide not to spread the EITC payment over twelve months will receive their tax refund, including the EITC portion, in a single payment.

⚠ Caution: Choosing to receive the credit in monthly installments may cause a taxpayer to lose Supplemental Nutrition Assistance Program (SNAP) or other federal benefits.

DC Earned Income Credit Worksheet—No Qualifying Child	
1) Earned income, including wages from federal Form 1040 or 1040-SR, plus elected combat pay and less any Medicaid waiver payment excluded from income....	1) _____
2) If earned income is less than \$8,484, enter lesser of line 1 × .0765 or \$649.....	2) _____
3) Federal AGI	3) _____
4) Greater of line 1 or line 3	4) _____
5) If line 4 is less than \$23,288, enter amount from line 2. Part-year residents must prorate. Enter this amount on line 27e of Form D-40. If line 4 exceeds \$23,288 proceed to line 6	5) _____
6) Subtract \$23,288 from line 4	6) _____
7) Multiply line 6 by .0848	7) _____
8) Subtract line 7 from line 2 (not less than zero). Part-year residents must prorate. Enter here and on line 27e of Form D-40	8) _____

District of Columbia

UNINCORPORATED BUSINESS FRANCHISE TAX RETURN

Form D-30

Caution: This section was updated based on the 2025 Form D-30 and the 2024 instructions, as DC has not released the 2025 instructions at the time this publication was completed. Check the Updates section of Quickfinder.com for any changes due to final forms and instructions.

Filing requirements. Generally, an unincorporated business, with gross receipts over \$12,000, must file Form D-30 (whether or not it has net income). This includes any business carrying on or engaging in any trade, business or commercial activity in District of Columbia or receiving income from District of Columbia sources.

An unincorporated business with gross receipts of \$12,000 or less does not need to file Form D-30 or pay the minimum franchise tax. Instead, it should file Form D-30N (Affidavit of Gross Income In Lieu of D-30 Unincorporated Business Franchise Tax Return).

The following unincorporated businesses or activities with gross receipts in District of Columbia of over \$12,000, must also file an unincorporated business franchise tax return:

- Individual (whether a DC resident or a resident of another state).
- Limited liability company (LLC).
- Partnership, limited partnership or special partnership.
- Society or association.
- Estate, trust or executor, administrator, receiver, trustee, liquidator, conservator, committee assignee, or any other fiduciary or entity.
- Rental of real or tangible personal property.
- Leasing of real or tangible personal property.
- Any other similar arrangement.

Exceptions: The following are not required to file Form D-30:

- A corporation (including an S corporation) subject to the DC corporation franchise tax.
- A disregarded entity if properly disclosed on Schedule K of Form D-30 or D-20 filed by another entity.
- The trade or business is by law, custom or ethics, unable to incorporate.
- It is a trade or business licensed by District of Columbia to a blind person, for operating a stand in a federal building.
- The taxpayer is a professional corporation, incorporated under the District of Columbia Professional Corporation Act and therefore files a Form D-20.
- A Qualified High Technology Company (QHTC) business that is not incorporated and files a Form D-65 or D-40.
- It is a trade, business or professional organization where:
 - 1) 80% of its gross income comes from personal services actually rendered by owners or members of the business and
 - 2) Capital is not a material income-producing factor.
- A trade or business that arises solely by reason of the purchase, holding, or sale of, or entering, maintaining, or terminating of positions in stocks, securities, or commodities for the taxpayer's own account.

Multiple businesses. If an individual or group of individuals carries on two or more distinct unincorporated businesses in District of Columbia (none of which are exempt), they must be reported on one return.

Taxicab and limo drivers. Nonresident taxicab and limo drivers must file Form D-30. It is a requirement for operating or continuing to operate a motor vehicle for hire.

Calculating tax. The tax is 8.25% (0.825) multiplied by the taxpayer's total taxable income on line 36 of Form D-30 reduced by any available credits reported on Schedule UB. The minimum tax is \$250 for businesses with District of Columbia gross receipts of \$1 million or less and \$1,000 for businesses with District of Columbia gross receipts greater than \$1 million. However, no minimum tax is due for filers with income of less than \$12,000 who are filing solely to obtain a Certificate of Clean Hands.

Return due date. A calendar year return must be filed by April 15, 2026. Fiscal year returns must be filed by the fifteenth day of the fourth month after the tax year closes. A six-month extension (seven-months if a Combined Reporting filer) may be requested using Form FR-130.

RETURN MAILING ADDRESSES

Resident and noresident returns:

Refund or no balance due	Office of Tax and Revenue P.O. Box 96193, Washington DC 20090-6193
Tax due returns (Attach Form D-30P)	Office of Tax and Revenue P.O. Box 96165, Washington DC 20090-6165
Extension	Office of Tax and Revenue P.O. Box 96020, Washington DC 20090-6020
Make check payable to	DC Treasurer

Note: Any tax liability of \$5,000 or more must be paid electronically. See *Electronic Payments* on Page DC-6.

LOWER INCOME LONG-TERM HOMEOWNER CREDIT

Schedule L

Caution: DC has not released Schedule L at the time this publication was completed. Check the Updates section of Quickfinder.com for any changes due to final forms and instructions.

This credit is available to certain taxpayers that have maintained a principal residence in the District of Columbia on a long-term basis and have had their real property tax raised by more than 5% from 2024 to 2025. To qualify for this credit, taxpayers must have paid real property taxes on a property or a unit in a cooperative housing association receiving the homestead deduction that was used as their District of Columbia principal residence for at least seven consecutive years. Use the following worksheet to calculate the credit.

Lower Income Long-Term Homeowner Credit Worksheet

1) Number of household members	1) _____
2) Household income limit from the following table	2) _____
3) Total household federal AGI	3) _____
If line 3 is greater than line 2, STOP HERE; the credit can not be claimed.	
If line 3 is equal to or less than line 2, continue to line 4.	
4) District of Columbia real property tax for 2025	4) _____
5) District of Columbia real property tax for 2024	5) _____
6) Multiply line 5 by 1.05	6) _____
7) Allowable credit. Line 4 minus line 6	7) _____

2025 Household (HH) Income Limit Table

# of HH Members	HH Income Limit	# of HH Members	HH Income Limit
1	\$57,365	5	\$ 90,145
2	\$65,560	6	\$ 98,340
3	\$73,755	7	\$106,535
4	\$81,950	8 or more	\$114,730

Return due date. Schedule L must be filed by December 31, 2026, with the Office of Tax and Revenue, 1101 4th Street SW FL4, Washington, DC 20024.

USE TAX

Form FR-329

Use tax is a complement to sales tax that is due if during the tax year, a total of more than \$400 was spent on merchandise, services or rentals on which sales tax was not paid. The use tax rate equals 6% for most purchases. Higher rates may apply to alcoholic beverages consumed off-premises, for catered alcohol and food purchases, and for rental vehicles.

Use tax is reported on Form FR-329 (Consumer Use Tax on Purchases and Rentals) and is filed electronically via the DC web portal. Visit <http://myTax.DC.gov> for more information.

District of Columbia

Property Tax Credit Worksheet for Section A and Section B

See Property tax credit on Page DC-5.

The credit equals a percentage of the property taxes paid or accrued *or* the portion of the rent paid that is equivalent to property taxes (20% of rent paid) *in excess* of the applicable percentage of the total federal adjusted gross income of the tax filing unit. The maximum credit amount is \$1,425.

Age	Federal AGI	Percentage
Under 70	\$0–\$24,999	3.0%
	\$25,000–\$51,999	4.0%
	\$52,000–\$66,000	5.0%
	Over \$66,000	N/A
70 and older	\$0–\$90,000	3.0%
	Over \$90,000	N/A

1) Enter federal AGI of tax filing unit (Line 1, Section A, Schedule H or Line 5, Section B, Schedule H).....	1)	
2) Enter real property tax bill for 2025 or 20% of rent paid in 2025	2)	
3) Multiply Line 1 by the applicable percentage (.03, .04, or .05).....	3)	
4) Balance (Subtract Line 3 from Line 2).....	4)	
5) Property Tax Credit Limit	5)	\$1,425
6) Enter the smaller of Line 4 or Line 5 here on Line 6 and on Line 3 of Schedule H, Section A for credit based on rent paid, or Line 7 of Schedule H, Section B for credit based on property tax paid. Round to the nearest whole dollar	6)	

Notes

Idaho

★ The Gem State ★

GENERAL

Tax assistance/tax forms	800-972-7660	208-334-7660 (Boise area)
Website	https://tax.idaho.gov	
Refund information	https://tax.idaho.gov/refund	

NEW FOR 2025

Internal revenue code (IRC) conformity. Idaho conforms to the Internal Revenue Code as of January 1, 2026, with certain exceptions. **Idaho will provide guidance on how taxpayers who have already filed their returns can take advantage of the new deductions.**



Tax rate reduction. Idaho's tax rate for 2025 decreased from 5.695% to 5.3%.

Credit.

The Idaho Grocery Credit Refund (and Form 24) has been renamed the Food Tax Credit Refund. Also, an option to provide receipts of sales tax on qualifying food (up to \$250) has been added.

Parental Choice Tax Credit. A new refundable credit up to \$5,000 (\$7,500 if disabled) is available. Priority is given to parents with incomes under 300% of poverty level. Taxpayers must have created a TAP account by December 1 to apply.

RESIDENCY STATUS

Residents. Even if living outside Idaho, residents are individuals who consider Idaho their permanent home, have Idaho as the center of financial, social and family life, and intend to come back to Idaho after having been away.

Individuals are also considered residents if they:

- 1) Maintain a home in Idaho the entire year and
- 2) Spend more than 270 days in Idaho during the tax year.

Part-year residents are individuals who move into or out of Idaho during the tax year, or lived in Idaho for more than one day during the year.

Nonresidents have a permanent home outside of Idaho all year.

Special-case Idaho residents. Individuals are considered nonresidents if they:

- 1) Lived outside of Idaho for at least 445 days in a 15-month period,
- 2) Spent less than 60 days in Idaho during the year, after satisfying the 15-month period,
- 3) Did not have a personal residence in Idaho for self or family during any part of the current year,
- 4) Did not claim Idaho as their federal tax home,
- 5) Were not employed on the staff of a U.S. senator or representative and
- 6) Did not hold an elective or appointive office of the U.S. government other than the armed forces or a career appointment in the U.S. Foreign Service.

This exception to being an Idaho resident does not apply to a qualified service member.

Military taxpayers Idaho generally follows federal law regarding which type of military pay (active duty, disability, reserve, or retirement) is taxable.

Resident Military Stationed Outside of Idaho. Military income earned outside of Idaho is not subject to Idaho tax if the taxpayer was on active duty stationed outside of Idaho for 120 or more consecutive days (does not have to be in the same year). If single, or married to an Idaho resident, file Form 40. If married to a nonresident, part-year resident or military nonresident, file Form 43.

Resident Military Stationed in Idaho. All military wages and nonmilitary income are subject to Idaho tax. File Form 40.

Nonresident Military Stationed in Idaho. Idaho does not tax military income. Idaho does tax nonmilitary Idaho-source income. Idaho does not tax earned income of qualifying spouses of Idaho service members.

National Guard members on active duty in a combat zone. Idaho follows federal law to provide income tax relief to service members called to active duty and serving in a combat zone.

- All tax filing deadlines are extended for at least 180 days after the last day in a combat zone.
- No interest or penalty will accrue for nonpayment of individual income taxes while in a combat zone.
- An enlisted soldier or warrant officer does not owe tax on military pay received while in a combat zone. For a commissioned officer, the monthly exclusion is capped at the highest enlisted pay, plus any hostile fire or imminent danger pay received.
- Write "COMBAT ZONE" and the date of deployment on top of the tax return.

FILING REQUIREMENTS

Residents must file if:

- They are required to file a federal income tax return (unless filing only to pay self-employment tax) or
- Gross income exceeds amounts in the table below.

Filing status	Age	Gross income exceeds:
Single	Under 65	\$ 15,000
	65 or older	17,000
MFJ	Both under 65	\$ 30,000
	One 65 or older	31,600
	Both 65 or older	33,200
MFS	Any age	\$ 5
HOH	Under 65	\$ 22,500
	65 or older	24,500
QSS	Under 65	\$ 30,000
	65 or older	31,600

Dependents claimed on another person's return must file a return if any of the following apply:

- Unearned income was over \$1,350.
- Earned income was over \$15,000.
- Gross income was more than the larger of (1) \$1,350 or (2) earned income plus \$450.

Higher thresholds apply if the taxpayer is over age 65 or blind. Also, married dependents must file if gross income is \$5 or more and the spouse itemizes deductions on a separate return.

Part-year residents must file if gross income from all sources while a resident and gross income from Idaho sources while a nonresident is more than \$2,500.

Nonresidents must file if Idaho-source gross income is more than \$2,500.

FORMS TO FILE

Form 40 (Idaho Individual Income Tax Return). Resident returns.

Form 43 (Idaho Part-Year Resident and Nonresident Income Tax Return). Use for part-year residents, nonresidents, and certain military personnel.

Form 24 (Idaho Food Tax Credit Refund). Residents age 65 or older not required to file a return use this form to claim the credit.

Form 39R (Resident Supplemental Schedule). Residents use to report additions to and subtractions from federal adjusted gross income and to claim certain deductions and certain credits.

Idaho

Form 39NR (Part-year Resident and Nonresident Supplemental Schedule). Part-year and nonresidents use to report additions to and subtractions from federal adjusted gross income (AGI) and to claim certain deductions, certain credits and recapture Idaho credits. Military personnel who are filing Form 43 and Idaho residents who are filing Form 43 use Form 39NR to claim certain credits.

Form 44 (Idaho Business Income Tax Credits, Credit Recapture, and Nonrefundable Credit From a Prior Year Return). Use to claim business income tax credits, report recapture of the credits or report a nonrefundable credit from a prior year return.

Form 51 (Estimated Payment of Idaho Individual Income Tax).

Form CG (Idaho Capital Gains Deduction).

FILING STATUS

Idaho filing status must be the same as federal filing status.

RESIDENT SUMMARY

Form 40

Idaho Adjusted Gross Income (AGI)

Idaho starts with federal AGI. Idaho residents complete Part A of Form 39R to report additions to federal AGI and Part B of Form 39R to report subtractions from federal AGI.

Additions (Form 39R)

- Federal net operating loss (NOL).
- Capital loss or carryover incurred outside Idaho before becoming an Idaho resident or from activities not taxable by Idaho.
- Non-Idaho municipal bond interest and dividends.
- Nonqualified withdrawal from an Idaho college savings account less any amounts reported on Federal Form 1040.
- Federal bonus depreciation **under IRC Secs. 168(k) and 168(n)** claimed for federal purposes for property acquired before 2008 or after 2009. Refer to the instructions under the *Federal bonus depreciation* subtraction on Page ID-3. If bonus depreciation claimed in the current year contributed to a loss limitation relating to the at-risk, passive activity, or basis rules, the box on line 5 should be checked and Form DBDA (Deferred Bonus Depreciation Addition) should be completed to track the deferred bonus depreciation addition to subsequent years.

Other Additions

- Metal Bullion capital loss. Enter the capital loss from the sale of precious metal or monetized bullion included in federal AGI.
- Retirement plan lump-sum distributions. Include ordinary income and amount eligible for the federal capital gain election.
- Partner and S shareholder additions from Form ID K-1, *Part IV, Column B, Lines 20 and 23*.
- Idaho medical savings account (MSA) withdrawals not used for eligible medical expenses.
- Withdrawal from first-time home buyer savings account not used to pay for eligible home costs.
- Non-Idaho passive losses that were incurred from activities not taxable by Idaho or before taxpayer became an Idaho resident.
- Emergency rental assistance amounts excluded from federal income are taxable by Idaho.

Subtractions


- Idaho NOL. Use Form 56 to compute allowable loss carryforward and carryback.
- Federally taxable state income tax refund.
- Interest from U.S. government obligations.

- Energy efficiency upgrade (including labor) of an Idaho primary residence. Include description of upgrade. Home must have existed, been under construction or had a building permit issued on or before January 1, 2002.
- Alternative energy device deduction.
- Child and dependent care deduction. Attach federal Form 2441 (Child and Dependent Care Expenses).

Child and Dependent Care Deduction Worksheet

Refer to federal Form 2441 to determine amounts to enter on lines 1 – 6.

- | | |
|--|----------|
| 1) Qualified expense incurred and paid in current year | 1) _____ |
| 2) Enter \$12,000 for one or more children or dependents cared for during the year | 2) _____ |
| 3) Excluded benefits from Part III of Form 2441 | 3) _____ |
| 4) Subtract line 3 from line 2. If zero or less, STOP HERE. No deduction can be claimed | 4) _____ |
| 5) Enter the taxpayer's earned income | 5) _____ |
| 6) If MFJ, enter the spouse's earned income. All others enter the amount from line 5 | 6) _____ |
| 7) Allowable child and dependent care deduction. Enter the smallest of lines 1, 4, 5 or 6. Enter this amount on line 6, Part B of Form 39R | 7) _____ |

- Federally taxable social security, railroad or Canadian Social Security (OAS, QPP or CPP) benefits.
 - Retirement benefits deduction for full-year residents age 65 or older or age 62 or older and disabled. Eligible retirement income includes U.S. Civil Service, Foreign Service Retirement and Disability System, Idaho Firefighter's Retirement Fund, Policemen's Retirement Fund of Idaho cities, and military service retirement. Compute the allowable deduction on Form 39R. The maximum 2025 deduction is \$48,216 Single, \$72,324 MFJ and \$0 MFS.
 - Technological equipment donation.
 - Idaho capital gains deduction from the sale of the following qualified Idaho property:
 - Real property held for at least 12 months.
 - Tangible personal property used in a revenue-producing enterprise and held for at least 12 months.
 - Cattle and horses held for at least 24 months and other livestock used for breeding held for at least 12 months.
 - Timber held for at least 24 months.
 - Certain partnership interests held for at least 12 months, but only if a portion of the the gain is attributable to real property held by the partnership as a capital asset for at least 12 months. Publicly traded partnerships will not qualify.
- Complete Form CG to compute the capital gains deduction.
-  **Note:** Gains from the sale of stocks, goodwill, and other intangibles do not qualify.
- Military pay earned outside of Idaho.
 - Adoption expenses up to a maximum of \$10,000 per adoption.
 - Idaho MSA contributions up to \$10,000 (\$20,000 MFJ). Do not include amounts deducted on the federal return. Interest earned on the account is also deductible if included in federal income.
 - Idaho college saving program contributions up to \$6,000 (\$12,000 MFJ) per year.
 - Maintaining a home for aged and/or developmentally disabled family members. Idaho allows either a deduction of \$1,000 or a refundable credit of \$100 for each qualified individual (but not more than three deductions).
 - Idaho lottery winnings of less than \$600 per prize.
 - Income earned on a reservation by an American Indian.

Idaho

- Health insurance premiums. Deduct premiums paid for health insurance for the taxpayer, spouse and dependents if those premiums have not already been deducted or excluded from income. If a deduction for health insurance premiums was claimed on federal Schedule A, calculate the health insurance premiums allowed as a deduction by using the *Health and Long-Term Care Insurance Deduction Limits* on Page ID-3.

No deduction is allowed for the following:

- Medical insurance premiums paid for with money from an Idaho MSA.
- Premiums paid through a cafeteria plan or through another salary-reduction arrangement.
- Premiums deducted as a business expense.
- The amount paid for employer-required social security Medicare Part A. **Note:** Taxpayers who voluntarily enroll in Medicare Part B or D, or are not covered under social security and voluntarily enroll in Medicare Part A, may deduct premiums paid.

Taxpayers who do not itemize deductions for Idaho income tax purposes, but instead use the Idaho standard deduction, do not have to reduce health insurance costs by any amount claimed as a federal itemized deduction.

- Premiums paid for long-term care insurance that have not already been deducted. If a deduction for long-term care insurance was claimed on federal Schedule A, calculate the long-term care insurance allowed as a deduction using the following worksheet.

Health and Long-Term Care Insurance Deduction Limits	
1) Amount claimed for health insurance costs on Schedule A of federal Form 1040	1) _____
2) Amount claimed for long-term care insurance on Schedule A of federal Form 1040	2) _____
3) Additional medical expenses claimed on Schedule A of federal Form 1040	3) _____
4) Total medical expenses. Add lines 1, 2 and 3.....	4) _____
5) Enter 7.5% of federal AGI.....	5) _____
6) Medical expense deduction allowed on Schedule A of federal Form 1040. (Subtract line 5 from line 4. If less than zero, enter zero.).....	6) _____
Health Insurance	
7) Enter the total paid for health insurance.....	7) _____
8) Portion of health insurance deduction allowed on Schedule A of federal Form 1040. Enter the lesser of line 1 or line 6	8) _____
9) Enter the total health insurance costs deducted elsewhere on the federal return.....	9) _____
10) Idaho health insurance deduction allowed. Subtract lines 8 and 9 from line 7. Enter this amount on line 18 of Form 39R.....	10) _____
Long-Term Care Insurance	
11) Enter the total paid for long-term care insurance	11) _____
12) Medical expense deduction not allocated to health insurance costs. Subtract line 1 from line 6. If less than zero, enter zero	12) _____
13) Portion of long-term care insurance deduction allowed on Schedule A of federal Form 1040. Enter the lesser of line 2 or line 12.....	13) _____
14) Enter the total long-term care insurance costs deducted elsewhere on the federal return.....	14) _____
15) Long-term care insurance deduction allowed. Subtract lines 13 and 14 from line 11. Enter this amount on line 19 of Form 39R.....	15) _____
Note: Taxpayers who do not claim itemized deductions for Idaho, skip lines 1 through 6 and enter zeros on lines 8, 12 and 13.	

- Cost of workers' compensation insurance for self-employed individuals if the cost is not deducted elsewhere.

- Federal bonus depreciation. Idaho allowed bonus depreciation for property placed in service in 2008 or 2009. Bonus depreciation **allowed under IRC Secs. 168(k) and 168(n)** for assets placed in service in other years is not allowed. Complete a separate Form 4562 to compute Idaho depreciation without claiming any amounts for bonus depreciation. Compute the Idaho adjusted basis and any gains or losses from the sale or exchange of property without claiming any amounts for bonus depreciation. If federal depreciation (including gains and losses) is less than Idaho depreciation (including Idaho gains and losses), include difference as a subtraction. If it is more, include the difference as an addition in Part A of Form 39R. Attach the Form 4562 used to compute Idaho depreciation.

- Contributions to first-time home buyer savings account. Deduct contributions of up to \$15,000 (\$30,000 for MFJ) into a first-time home buyer savings account. Lifetime contributions into the account cannot exceed \$100,000. Deduct interest earned to the extent included in federal income. The account must be established in Idaho with an authorized bank, savings and loan association, credit union, or a trust company. A first-time home buyer is an individual who:

- Lives in Idaho.
- Has filed an Idaho income tax return.
- Does not own a residence individually or jointly.
- Has not previously owned or purchased a residence in any location.

Other subtractions. Identify any other subtraction the taxpayer is entitled to, including other subtractions from capital gain from sale of precious metal or monetized bullion, Form ID K-1, Part IV, Column B, Line 28, charitable contributions disallowed on the federal return due to NOL limitations, interest from Idaho Build America Bonds included in federal adjusted gross income, and any amounts included in federal income for one-time COVID relief (except for amounts received under the emergency rental assistance program). **If 2022, 2023, and/or 2024 federal returns were amended to fully deduct specified research or experimental expenses, include the amortization of the deduction as if the amended returns did not take place.**

Qualified Business Income (QBI) Deduction

Idaho allows the QBI deduction similar to the federal amount. Enter the amount from line 13a of federal Form 1040.

Schedule 1-A Deductions

Idaho allows the new deductions for no tax on tips, no tax on overtime, no tax on car loan interest, and the senior deduction.

Deductions

Idaho allows the larger of Idaho itemized deductions or the Idaho standard deduction. It is not necessary to use the same method used on the federal return. Couples filing separately must both use the same method.

Idaho Standard Deduction		
Filing Status	Standard Deduction	+ Age 65 or over or blind (each)
Single	\$ 15,000	\$ 2,000
MFJ, QSS	30,000	1,600
MFS	15,000	1,600
HOH	22,500	2,000

Dependent on another person's return. The standard deduction is limited to the greater of (1) earned income plus \$450 (but not more than the maximum allowed for filing status) or (2) \$1,350.

Idaho

Non-U.S. citizens. Nonresident aliens (unless from India) have a standard deduction of zero. Dual status aliens must itemize.

Idaho itemized deduction calculation starts with federal itemized deductions.

Idaho adjustments to federal itemized deductions. If the foreign tax credit was claimed on the federal return, Idaho itemized deductions may be increased by the amount claimed for the credit. Idaho itemized deductions also must be reduced by state or local income tax or general sales taxes claimed as an itemized deduction on federal Schedule A. If federal Schedule A, line 5d is \$10,000 or less (\$5,000 for MFS), use the amount from line 5a. If line 5d is more than \$10,000 (\$5,000 for MFS), subtract lines 5b and 5c from line 5e and use that amount.

Caution: The Idaho instructions have not yet been updated for the increased federal state and local tax deduction.

Calculating Tax—Residents

Residents calculate tax on Idaho net taxable income less \$9,622 (\$4,811 if Single or MFS).

2025 Tax Rate

Idaho 2025 income tax rate	5.3%
----------------------------------	------

Credits

Income tax paid to other states (line 21). Idaho allows a credit for residents and part-year residents who pay income tax to another state on income also taxed by Idaho. Attach a copy of each state's return and a separate Form 39R for each state to the Idaho return.

Calculate the credit as the lesser of:

- The other state's tax due less its income tax credits or
- Idaho tax before credits pro-rated by a ratio of the other state's adjusted income to Idaho adjusted income. The other state's adjusted income must be restated to a basis comparable to Idaho adjusted income.

Child tax credit (line 24). Taxpayers can claim a child tax credit of \$205 for each qualifying child who is of age 16 or under as of the last day of the tax year. The custodial parent is eligible to claim the credit for divorced or separated parents. The noncustodial parent may claim the credit if the court has awarded the right to claim the child for tax purposes or if the custodial parent has signed a written declaration that the noncustodial parent can claim the child tax credit. The credit is limited to the tax liability after any credit for tax paid to other states and credits from Forms 39R and 44.

Credit for contributions to educational entities (Form 39R). Idaho allows a credit for the donation of cash to qualified Idaho educational entities. The credit is limited to the smallest of:

- 1) one-half of the amount donated,
- 2) 50% of the tax on Form 40, line 20,
- 3) \$500 (\$1,000 on a joint return) or
- 4) the tax on line 20 less the amount on line 21 of Form 40.

Credit for contributions to youth and rehabilitation facilities (Form 39R). Idaho allows a credit for donations of cash or goods to a qualified center for independent living, a youth or rehabilitation facility or its foundation, or a nonprofit substance abuse center licensed by the Idaho Department of Health and Welfare. The credit is limited to the smallest of:

- 1) one-half of the amount donated,
- 2) 20% of the tax on Form 40, line 20,

3) \$100 (\$200 on a joint return) or

4) the tax on line 20 less the amounts on line 21 of Form 40 and Form 39R, Part D, line 1.

Credit for live organ donation expenses (Form 39R). A living taxpayer who donates a qualified organ is eligible for up to a \$5,000 credit for expenses related to the donation. Unused credit carries over five years.

Investment tax credit. Idaho allows a credit for the acquisition of assets used in a business. Compute and report the credit on Form 49. In addition, attach Form 44.

Credit for production equipment using post-consumer waste. Idaho allows a credit for the purchase of equipment that manufactures a product from post-consumer or post-industrial waste. The credit is limited to the smallest of:

- 1) \$30,000,
- 2) 20% of the cost to purchase qualified equipment plus the amount of the credit carried forward or
- 3) The tax available.

Promoter-sponsored event credit. Form ST-124 must be filed with the Tax Commission to qualify for the credit. Complete and attach Form 44.

Credit for Idaho research activities. Idaho allows a credit similar to the federal credit for increasing research activities. **Do not include any expenses that were deducted or amortized on the federal return under IRC Secs. 174 and 174A.** Complete and attach Forms 67 and 44.

Broadband equipment investment credit. Idaho allows a credit for acquiring qualified broadband equipment in Idaho. Complete and attach Forms 68 and 44.

Small employer tax credits. Idaho provides three separate small employer tax credits for business investments, property improvements and new jobs created. To qualify for these credits, taxpayers must file Form 89SE certifying that they will meet the tax incentive criteria for the respective credit.

Complete and attach Forms 44, 83, 84 and 85, as applicable.

Contributions to employee's college savings account. Employers may qualify for a credit for contributions to an employee's Idaho college savings account. Complete and attach Form ID-529.

Nonrefundable credit from a prior year return. A taxpayer that was denied a refund on a prior year return because the three-year statute of limitations had expired can claim a credit for up to 10 years from the original due date of the tax return. Unused credit can be carried forward. Complete Part III of Form 44.

Other Taxes

- **Fuels tax due.** Complete and attach Form 75.
- **Sales/use tax due.** The tax rate is 6%.
- **Recapture of income tax credits.** Complete and attach Form 44 and, as appropriate, Forms 49R, 68R, 83R, 84R, and/or 85R.
- **Recapture of qualified investment exemption (QIE).** Complete and attach Form 49ER if property ceases to be exempt from property taxes.
- **Permanent building fund tax.** Taxpayers are required to pay the \$10 permanent building fund tax if required to file an Idaho return. **Exceptions:** Individuals are not required to pay the tax if their gross income was less than the amount specified for their filing status, if they were receiving Idaho public assistance payments at the end of the tax year, or if the taxpayer or spouse was legally blind at the end of the tax year.

Idaho

• **Idaho medical savings account.** If a withdrawal is subject to tax and taxpayer is under age 59½, the withdrawal is subject to a 10% penalty.

Refundable Credits

- **Parental Choice Tax Credit.** A new refundable credit up to \$5,000 (\$7,500 if disabled) is available per eligible student. Priority is given to parents with incomes under 300% of poverty level. Parents can apply starting January 15, 2026, through March 15, 2026. However, taxpayers must have created a TAP account by December 1 to apply.
- **Food Tax credit.** The credit is either \$155 per taxpayer, spouse, and qualifying dependent or the actual amount of sales tax paid up to \$250 each. Receipts must be provided if claiming actual costs. Complete the following *Food Tax Credit Worksheet* to determine the amount of the credit.

Food Tax Credit Worksheet for Residents	
Taxpayer	
1) Number of qualified months.....	1) _____
2) Multiply line 1 by \$12.92 If qualified for entire year, enter \$155	2) _____
Spouse (if joint return)	
3) Number of qualified months.....	3) _____
4) Multiply line 3 by \$12.92 If qualified for entire year, enter \$155	4) _____
Resident dependents claimed on line 6 of Form 40	
5) Enter \$155 for each dependent who qualifies for the entire year. If they qualify for only part year, compute as follows:	
Number of qualified months _____ × \$12.92 = _____	
Number of qualified months _____ × \$12.92 = _____	
Number of qualified months _____ × \$12.92 = _____	
Number of qualified months _____ × \$12.92 = _____	5) _____
6) Add amounts on lines 2, 4 and 5. Enter on line 43 of Form 40	6) _____

- Maintaining a home for family member age 65 or older (excluding taxpayer and spouse) or developmentally disabled (including taxpayer and spouse). The taxpayer may claim either a credit of \$100 per qualified person (up to \$300) or a deduction of \$1,000 per qualified person. Complete and attach Form 39R.
- Special fuels (diesel, propane or natural gas) tax refund and gasoline tax refund. Attach Form 75.
- Reimbursement incentive act credit. Allowed credit from the Idaho incentive certificate which must be included with the return.
- Claim of right credit. Taxpayers who claimed a federal deduction or credit for claim of right should complete Idaho Worksheet CR (available at <https://tax.idaho.gov/taxes/income-tax/individual-income/popular-credits-and-deductions/claim-of-right-income-repayments/>) to determine which option provides the most benefit on the Idaho return.

PART-YEAR AND NONRESIDENT SUMMARY

Form 43

Idaho Adjusted Gross Income

Idaho-source income. Part-year residents include income from all sources while a resident and income from Idaho sources while a nonresident. Nonresidents include income from Idaho sources

only. Idaho-source income that is not taxable by nonresidents, or follows rules different from federal rules, includes the following:

- **Wages.** Idaho residents on active military duty outside Idaho include all wages (non-Idaho portion is a subtraction). Military nonresidents on active duty in Idaho do not include military pay. Nonresident military spouses do not include earned income.
- Idaho nonresidents are not taxed on interest, dividends, alimony received, IRA distributions, pensions, annuities or unemployment compensation earned or received while a nonresident. Nonresidents are taxed on dividends from Idaho sources and unemployment payments from the Idaho Department of Labor.
- **Business income** earned by a nonresident conducting business in Idaho and another state must be apportioned. Complete and attach Form 402.
- **Rents, royalties, partnerships, capital gain or loss, other gain or loss, other income, etc.** Report the amount earned or received while an Idaho resident or part-year resident, or the amount that is related to Idaho business or property.
- **Farm income or loss** earned by a nonresident conducting business in Idaho and another state must be apportioned. Complete and attach Form 402.

Idaho-source adjustments. Part-year residents include items from all sources while a resident and from Idaho sources while a nonresident. Nonresidents include items from Idaho sources only. Idaho adjustments that must be pro-rated by part-year and nonresidents include the following:

- IRA and HSA deductions must be pro-rated by a ratio of Idaho to total compensation and earned income.
- Deductions for moving expenses, alimony and student loan interest must be pro-rated by a ratio of total Idaho income (line 20 of Form 43) to total federal income (line 9 of federal Form 1040 or 1040-SR).
- Deductions for self-employment (SE) tax, health insurance and contributions to qualified plans, SEP, and SIMPLE plans on behalf of self-employed individuals must be pro-rated by a ratio of Idaho to total SE income.
- Penalty on early withdrawal of savings is included as it relates to interest income reported as Idaho income.
- Deductions from federal Form 1040 for certain adjustments on Schedule 1 lines 11 through 25. See Form 43 instructions. Amounts must be pro-rated by a ratio of Idaho income relating to that income to the federal income related to that item.

Additions and Subtractions

Idaho part-year and nonresidents complete Part A of Form 39NR to report additions to federal AGI and Part B of Form 39NR to report subtractions from federal AGI.

Column A. Modify federal AGI with Idaho additions and subtractions. In general, follow the same rules as for full-year residents.

Column B. Modify Idaho AGI with Idaho additions and subtractions. Include additions earned while an Idaho resident or part-year resident. In general, include subtractions as they apply to Idaho-source income.

Calculating Tax—Part-Year and Nonresidents

Part-year and nonresidents calculate tax on Idaho net taxable income less \$9,622 (\$4,811 if Single or MFS).

2025 Tax Rate	
Idaho 2025 income tax rate	5.3%

Deductions. The Idaho standard deduction or Idaho itemized deductions are calculated following the same rules as for full-year

Idaho

residents. The deduction is pro-rated by the Idaho percentage on the return.

Qualified business income deduction. The QBI deduction claimed on the federal return is pro-rated by the Idaho percentage.

Ratio. The Idaho percentage is determined by dividing modified Idaho AGI by modified federal AGI. Round the decimal to four digits to the right of the decimal point. The decimal cannot exceed 100%.

Credits and Other Taxes

In general, follow same rules as for full-year residents. *Exceptions:*
Income taxes paid to other states. Nonresidents do not qualify for this credit. Part-year residents use Part C of Form 39NR to compute the credit. Idaho military residents use Part D of Form 39NR to compute the credit. Attach a copy of each state's return and a separate Form 39NR for each state to the Idaho return.

Food tax credit. Nonresidents do not qualify for this credit. The credit is nonrefundable for part-year residents, who use the following worksheet:

Food Tax Credit Worksheet for Part-year Residents	
Taxpayer	
1) Number of qualified months.....	1) _____
2) Multiply line 1 by \$12.92	2) _____
Spouse (if joint return)	
3) Number of qualified months.....	3) _____
4) Multiply line 3 by \$12.92	4) _____
Resident dependents claimed on line 6 of Form 43	
5) Enter \$155 for each dependent who qualifies for the entire year. If they qualify for only part year, compute as follows:	
Number of qualified months _____ × \$12.92 = _____	
Number of qualified months _____ × \$12.92 = _____	
Number of qualified months _____ × \$12.92 = _____	
Number of qualified months _____ × \$12.92 = _____ 5) _____
6) Add amounts on lines 2, 4 and 5.....	6) _____
7) Enter tax. Line 42 less line 43 of Form 43.....	7) _____
8) Allowable credit. Enter the smaller of line 6 or line 7. Enter on line 63 of Form 43.....	
	8) _____

Maintaining a home for a family member age 65 or older or with a developmental disability. Part-year and nonresidents do not qualify for this credit. However, if either taxpayer or spouse is an Idaho resident or an Idaho resident on active military duty outside Idaho, compute the credit on Part F of Form 39NR.

ASSEMBLING RETURN

Attach required forms to Form 40 or 43.

- Form 39R or 39NR.
- Form 75.
- Form 44.
- Additional schedules in numerical order.
- Additional forms in alphabetical order.
- Form ID K-1 (if state taxes paid).

Forms W-2. Place the state copy of Forms W-2 on top of page 1 of the state return. Do not staple.

Payment. Do not staple check to the state return.

Federal attachments. Attach a complete copy of the federal income tax return (unless filing solely to claim food tax credit).

Other attachments. Place 1099s or other information forms that show Idaho withholding on top of the return. If claiming a credit for income tax paid to another state, attach a copy of the other state's income tax return.

RETURN DUE DATE

Idaho tax returns are due April 15, 2026.

RETURN MAILING ADDRESS

Balance due, or Payment with Form ID-VP for e-filed return	Idaho State Tax Commission P.O. Box 83784 Boise ID 83707-3784
Refund or No tax due	Idaho State Tax Commission P.O. Box 56 Boise ID 83756-0056
Delivery service	Idaho State Tax Commission 11321 W Chinden Blvd Bldg 2 Boise ID 83714
Check payable to	Idaho State Tax Commission

EXTENSIONS

Extension form. Idaho does not have an extension form.

Allowable extension. An automatic six-month extension for filing is allowed without written request provided 80% of current-year tax or 100% of prior-year tax has been paid. To make a tax payment, see the following section.

ESTIMATED TAX

Form 51

Filing requirements. Idaho does not require quarterly estimated payments for individuals. Use Form 51 (Estimated Payment of Idaho Individual Income Tax) to make a voluntary tax payment. To avoid penalties, pay (by the return due date):

- 80% of current-year tax liability or
- 100% of the tax reported on the return for the preceding year.

Estimated payment mailing address	Idaho State Tax Commission P.O. Box 83784 Boise ID 83707-3784
-----------------------------------	---

ELECTRONIC PAYMENTS

Payments of tax may be made by debit card, e-check, Mastercard, Visa, American Express or Discover by:

- Telephone: 1-800-972-7660 or 208-334-7660
- Internet: <https://tax.idaho.gov/epay>

A service fee may be charged for online payments.

Indiana

- 1) Home where the taxpayer is registered to vote. If this did not apply, then county of residence was:
- 2) Home where the taxpayer's personal automobile was registered. If this did not apply, then county of residence was:
- 3) Home where the majority of time was spent.

Taxpayers who had more than one job on January 1, 2025, determine the county of work as the place where they worked the most hours and earned the most income.

Retired persons, homemakers and unemployed individuals enter the county of residence for both county of residence and county of work. Military personnel stationed outside Indiana on January 1, 2025, owe no county tax unless spouse and family were living in Indiana.

Other Taxes

Complete and attach *Schedule 4: Other Taxes*.

Use tax due on internet, mail order and/or out-of-state purchases. Indiana residents who make purchases outside Indiana by mail order, through radio or television advertising, over the internet or directly from an out-of-state company are subject to Indiana use tax of 7% to the extent sales tax was not paid at the time of purchase. Use tax also applies to the purchase price of services and items other than tangible personal property that are subject to Indiana sales tax but on which sales tax was not paid in whole or in part.

Household employment taxes. Attach Schedule IN-H if a taxpayer paid cash wages over \$2,200 to a household worker who is their employee, or total cash wages of \$1,000 or more in any calendar quarter of 2024 or 2025 to all household employees.

Recapture of certain Indiana offset credits. These credits include the ABLE 529A Account Credit, Employer Child Care Expenditure Credit, Indiana 529 Education Savings Plan Credit, Physician Practice Ownership Tax Credit, and the Residential Historic Rehabilitation credit.

Credits

Complete and attach *Schedule 5: Credits*.

Indiana state and county tax withheld. Enclose Form W-2s, W-2Gs, Form 1099s, Form IN MSID-A, and Schedule IN K-1s reporting the withheld taxes.

Pass through entity tax (PTET) credit. Taxpayers may claim a credit for Indiana PTET credited to them on Schedule IN K-1. Enclose all Schedule IN K-1s reporting the PTET to verify the credit claim.

Estimated tax paid. If the taxpayer made estimated tax payments, enter the total paid for 2025 on line 4 of Schedule 5. Also, include any extension payment made with Form IT-9 (Extension of Time to File).

Unified tax credit for the elderly. Indiana allows a refundable credit for individuals who meet all the following requirements.

- 1) The taxpayer and/or spouse must be age 65 or older by the end of the year.
- 2) If married and living together at any time during the year, the couple must file a joint return.
- 3) Federal AGI must be less than \$10,000.
- 4) The taxpayer must be an Indiana resident for six months or more during the year.
- 5) The taxpayer must not have been in prison for 180 days or more during the year.

Unified Tax Credit for the Elderly

Federal AGI	Joint Filers Both Age 65 or Older	Only One Person Age 65 or Older
\$ 0 - 999	\$ 140	\$ 100
\$ 1,000 - 2,999	\$ 90	\$ 50
\$ 3,000 - 9,999	\$ 80	\$ 40

File Form SC-40 (Unified Tax Credit for the Elderly) if the taxpayer is not otherwise required to file Form IT-40. **Note:** Either Form SC-40 or Form IT-40 should be filed once to claim credit.

Earned income credit (EIC). Indiana allows a refundable EIC if an EIC was allowed on the federal return. Schedule IN-EIC must be completed and attached to claim the Indiana EIC. The Indiana EIC will be the taxpayer's federal EIC multiplied by 10%, and for the 2025 tax year Indiana follows all requirements and allowances for the federal EIC.

Lake County residential income tax credit. To qualify, taxpayers must meet all of the following requirements.

- 1) The taxpayer owns or is buying a principal residence under contract and paid property tax on the principal residence to Lake County in 2025.
- 2) The taxpayer's modified Indiana AGI is less than \$18,600. Modified Indiana AGI is Line 7 from IT-40 plus any Homeowner's Residential Property Tax Deduction reported on Schedule 2, Line 2.
- 3) The taxpayer is not claiming the residential homeowner's property tax deduction on line 2 of Schedule 2.

If modified Indiana AGI is less than \$18,000, the credit is the lesser of \$300 or property tax paid in 2025 on the principal residence. If earned income is between \$18,000 and \$18,600 and the filing status is single or MFJ, calculate the credit on the following worksheet.

Lake County Residential Income Tax Credit Worksheet

1) Allowable maximum Indiana AGI.....	1) \$18,600
2) Taxpayer's modified Indiana AGI.....	2) _____
3) Subtract line 2 from line 1 (If zero or less, STOP, taxpayer cannot take this credit.).....	3) _____
4) Multiply line 3 by 50% (0.5).....	4) _____
5) Property tax paid to Lake County in 2025 on the taxpayer's principal residence.....	5) _____
6) Credit is the smaller of line 4 or line 5. Enter amount on line 7 of Schedule 5.....	6) _____

Economic development for a growing economy credits. Credits may be available for job creation and/or job retention and contributing to the growth of Indiana income. Complete and enclose Schedule IN-EDGE or Schedule IN-EDGE-R. The approved credit agreement letter from the Indiana Economic Development Corporation must be maintained with the taxpayer's records. Taxpayers who receive a Schedule IN K-1 from a pass through entity with their share of this credit must include the completed Schedule IN K-1 with their submission.

Headquarters relocation credit. Credit may be refundable and up to 50% of the cost incurred in relocating the taxpayer's corporate headquarters to Indiana. Complete and enclose Schedule IN-OCC.

Adoption credit. The credit is the lesser of \$2,500 or 20% of the federal credit allowed (including both the refundable and nonrefundable credit) per child. The credit is also available for federal adoption carryforward credits and is limited to \$2,500.

Nebraska

★ The Cornhusker State ★

GENERAL

Forms online	https://revenue.nebraska.gov/about/forms	
Forms request	402-471-5729	NE and IA 800-742-7474
Tax assistance	402-471-5729	NE and IA 800-742-7474
Refund information	402-471-5729	NE and IA 800-742-7474
Website	www.revenue.nebraska.gov	

NEW FOR 2025

New adjustments to income. Additions to income now include Relocation Incentive Act employee recapture; loss on the sale or exchange of gold or silver bullion; and donations to food banks, food pantries, or food rescue organizations if a credit is claimed on the Nebraska return. Subtractions from income now include Nebraska National Guard income exclusion, Relocation Incentive Act employee wage exclusion, and gain on the sale or exchange of bullion.

New credits. New nonrefundable credits exist for family caregivers; contributions to pregnancy help organizations; employer credits related to employing direct support professionals; Shortline rail modernization; **biodiesel operations**; and donations to food banks, pantries, and rescue operations. New refundable credits exist for employees who are direct support professionals, employees who move to Nebraska to accept a new job, and cast and crews.

The Opportunity Scholarships Act Credit has been repealed. Any unused credit from the 2024 return may be carried forward five years.

Nonresident wages. Nonresidents with limited presence in Nebraska may be able to exclude wages for services performed in Nebraska from Nebraska-sourced income.

Tax rates. The maximum tax rate has decreased to 5.20% in 2025. It will continue to decrease to 4.55% in 2026 and 3.99% in 2027.

Draft state information. ~~The material in this tab is based on 2025 draft forms, 2024 instructions, and 2025 legislative changes, as the state had not released final forms or instructions at the time this publication was completed. Check the Updates section of Quickfinder.com for any changes due to final forms and instructions.~~

RESIDENCY STATUS

Residents are taxed on entire federal AGI, even if some of it may have been earned for services performed outside Nebraska.

A resident is a person who is domiciled in Nebraska or has maintained a permanent place of abode within the state for an aggregate of more than six months and spent 183 days or more in Nebraska. A permanent place of abode does not include a vacation rental or dwelling place occupied only temporarily.

Domicile is the place an individual considers to be a permanent home, to which they intend to return after a period of absence. A person declaring a change in residence must show an intention to assume a new domicile while physically present in the new location for other than a temporary purpose, and must abandon their Nebraska domicile.

Part-year residents' tax liability is based on the percentage of Nebraska-source income to all income.

A part-year resident is a person who either establishes or ends their domicile in Nebraska during the tax year or resides in Nebraska for less than an entire year.

Nonresidents' tax liability is based on the percentage of Nebraska-source income to all income.

A nonresident is a person who is domiciled for the entire year in another state, and does not reside in Nebraska for 183 days or more during the year.

Military personnel are subject to tax only by the state of legal residence. If on active military duty status at any time during the year, check the "Active Military" box on page 1 of Form 1040N. The place of legal residence at the time of entry into the service is presumed to be the state of legal residence. Nebraska income tax is imposed on all federal AGI of a resident member of the armed forces, regardless of where the income is received. Nonresident military personnel stationed in Nebraska do not pay Nebraska income tax on their military pay. Other income earned in Nebraska is subject to Nebraska income tax. A spouse living in Nebraska for more than six months is a Nebraska resident. However, a military spouse present in Nebraska solely because the service member is stationed in Nebraska is considered a nonresident. Nonresident military personnel who file a married joint federal return may elect to file a Nebraska married joint return and can deduct any nonresident military service compensation included in the servicemember's federal AGI. The election is made by the nonresident servicemember filing a joint Nebraska return with the resident spouse.

FILING REQUIREMENTS

Residents must file if they:

- Are required to file a federal return and report a federal liability before credits or
- Have \$5,000 or more in Nebraska adjustments to federal AGI.

Nonresidents and part-year residents must file if they have income derived from or connected with Nebraska sources.

FORMS TO FILE

Form 1040N (Nebraska Individual Income Tax Return). Use for resident, part-year and nonresident returns.

Schedules I, II, III, attachment to Form 1040N, contains these schedules on one form:

- Schedule I (Nebraska Adjustments to Income). Use for residents, part-year and nonresidents to report adjustments increasing and decreasing federal AGI.
- Schedule II (Credit for Tax Paid to Another State). Use for full-year residents to claim a credit for taxes paid to another state.
- Schedule III (Computation of Nebraska Tax). Use for part-year and nonresident returns.

Form 3 (Nebraska and Local Individual Use Tax Return).

Form 1040N-ES (Nebraska Individual Estimated Income Tax).

Form 4868N (Nebraska Application for Automatic Extension of Time to File a Nebraska Individual Income Tax Return).

FILING STATUS

Nebraska filing status must generally be the same as federal.

Exception: If a joint federal return was filed and the residency status of the two spouses is different, the couple may choose to file a joint return or separate returns.

- **Joint return.** If a joint Nebraska return is filed, the couple has made an election for both to be treated as Nebraska residents while either is a resident. As residents, the income of both spouses is subject to Nebraska income tax.
- **Separate returns.** If a Nebraska separate return is filed it is calculated as if federal separate returns had been filed.

Nebraska

RESIDENT, PART-YEAR, AND NONRESIDENT SUMMARY

Form 1040N

All residents and partial-year residents domiciled in Nebraska on December 31, 2025 must indicate the high school district code where they are domiciled in Nebraska. See *2025 Public High School District Codes on Page NE-11*.

Exemptions

A Nebraska exemption is allowed for the taxpayer, spouse, and each dependent claimed on the federal return unless a different filing status is used for Nebraska. If the taxpayer or spouse is claimed as a dependent by someone else, the exemption may not be claimed. See the Nebraska personal exemption credit under *Nonrefundable credits* on Page NE-3.

Adjustments to Income

Nebraska starts with federal AGI. If the taxpayer was not required to file a federal return but must file a Nebraska return to report state and local bond interest greater than \$5,000, federal AGI is all income that would have been included in federal AGI.

Deductions

Itemized deductions or the standard deduction. If the standard deduction is used on the federal return, then the Nebraska standard deduction must be used on the Nebraska return. However, if taxpayer itemized for federal purposes, Nebraska allows the larger of the Nebraska standard deduction or federal itemized deductions less state and local income tax.

2025 Nebraska Standard Deduction		
Filing Status	Standard Deduction	+ Age 65 or Over or Blind Each
Single	\$ 8,600	\$ 2,000
MFJ or QSS	\$17,200	\$ 1,650
HOH	\$12,600	\$ 2,000
MFS ¹	\$ 8,600	\$ 1,650

¹ If married, filing separately, the additional amounts for 65 and over and blind apply only if the primary taxpayer can claim an exemption for their spouse.

The allowable standard deduction for dependents claimed on another person's return is the smaller of the federal standard deduction or the Nebraska standard deduction.

The Nebraska itemized deduction calculation is the same as the federal itemized deduction, minus the state and local income tax that was included on a Schedule A, Form 1040, even if limited to \$40,000 (\$20,000 MFS) on line 5e of Schedule A. If the general state sales tax was deducted on federal Schedule A, no adjustment needs to be made.

Adjustments to AGI

Adjustments to federal AGI are made for income that may be taxable on the federal return, but not on the Nebraska return. They are also made for income that is taxable in Nebraska, but not at the federal level. Use Schedule I to report Nebraska increases and decreases to federal AGI.

Increases to federal AGI:

- State and local interest (line 2a of federal Form 1040). This should be reported separately for Nebraska obligations.
- Financial institution tax credit reported on Form 1040N.
- Federal NOL deduction carryforward in computing federal AGI.
- Non-Nebraska-source S corporation or limited liability company (LLC) losses.

- Nebraska College Savings Plan distributions from the cancellation of a participation agreement refunded to the extent it was previously deducted or exempt from Nebraska income tax.
- Nebraska Enable program distributions from the cancellation of a participation agreement refunded to the extent it was previously deducted or exempt from Nebraska income tax.
- Nebraska PTET deducted under IRC Sec. 164. See Schedule K-1N.
- *Relocation Incentive Act employee recapture.* If taxpayer made the election to exclude wages for relocating to Nebraska for a new job but does not maintain residency in Nebraska for two years, any tax reduction resulting from the exclusion must be recaptured.
- *Loss on sale/exchange of gold or silver bullion.* Any loss claimed on the federal return on the sale or exchange of gold or silver bullion must be added back. This does not include sales within retirement plans or the subsequent distribution.
- *Food bank, food pantry, food rescue donation.* Add back any amount for which a deduction was claimed on the federal return but a credit was claimed on the Nebraska return.

Decreases to federal AGI:

- *State income tax refund included as taxable income on line 1, Schedule 1 of federal Form 1040.*
- *U.S. government interest and dividend income.* The amount and type of each U.S. government obligation exempt for Nebraska purposes must be listed on Schedule I. Amounts received from regulated investment companies are listed separately. For a complete list of exempt and nonexempt U.S. government obligations, see the related Income Tax Information Guide found in the Information Guides link at www.revenue.nebraska.gov.
- *Railroad Retirement Board benefit payments,* including retirement sick pay, disability, and unemployment included in federal AGI. Attach copy of Form RRB-1099, RRB-1099-R, 1099-G, or W-2 and pages 1 and 2 of federal Form 1040. If taxpayer received both Tier I payments and social security benefits, see Schedule I instructions.
- *Special capital gains/extraordinary dividend deduction.* A deduction from AGI is allowed for capital gains from the sale or exchange of capital stock and for extraordinary dividends paid on the capital stock of a qualified corporation. Capital stock of a qualified corporation is capital stock acquired either because of employment by the corporation or while employed by the corporation. An extraordinary dividend is any dividend that exceeds 20% of the fair market value of the stock on which it is paid as of the date the dividend is declared. Individuals are entitled to one lifetime election for the capital stock of one qualified corporation. Complete Form 4797N.
- *Nebraska College Savings Program contribution.* Allowed for contributions made to the Nebraska College Savings Program (NEST Direct College Savings Plan, NEST Advisor College Savings Plan, Bloomwell 529 Education Savings Plan, and the State Farm 529 Savings Plan). The maximum annual exempt contribution per return is \$10,000 (\$5,000 MFS). Withdrawals for K-12 expenses or for the repayment of qualified education loans that are permissible under federal law are considered non-qualified withdrawals for Nebraska and are subject to recapture to the extent previously deducted.
- *Employer contribution to Nebraska Educational Savings Plan Trust (NEST).* The amount included in federal AGI for employer contributions made to the taxpayer's NEST account are excluded from Nebraska income. The exclusion cannot exceed \$10,000 (\$5,000 MFS).
- *Nebraska Enable plan contributions.* A deduction up to \$10,000 (\$5,000 MFS) is allowed for contributions to one or more Nebraska ABLE Program (Enable Savings Plan) accounts.
- *Non-Nebraska-source S corporation or LLC income.* Attach federal Schedules K-1 and Nebraska Schedules K-1N.

Nebraska

or S corporation if the entity is also subject to Nebraska income tax. No credit is allowed for taxes paid to a foreign country. The AGI derived from another state is the income from sources within that state, not including S corporation or LLC income reported on Schedule I, or income which is not included in federal AGI after Nebraska adjustments from applicable lines of Form 1040N. For line 3 of Schedule II, calculate the ratio to six decimal places and then round the factor to five decimals.

- **Credit for elderly or disabled.** The credit equals the amount included in line 6d of federal Form 1040, Schedule 3. If the federal credit was limited by federal tax liability, use the lesser amount. Attach federal Schedule R.
- **Community Development Assistance Act credit.** See Nebraska Form CDN.
- **Form 3800N nonrefundable business credits.** See Form 3800N for a list of credits.
- **Child and dependent care expense credit.** Taxpayers with federal AGI over \$29,000 qualify. The credit equals the federal child and dependent care credit (either refundable or nonrefundable) multiplied by 25%. The credit is not allowed if the taxpayer filed a federal joint return but a MFS return for Nebraska. Attach federal Form 2441.
- **Financial institution tax credit.** Attach a copy of Form NFC to the Nebraska return.
- **Employer's credit for expenses incurred for TANF (ADC) recipients.**
- **Designated extremely blighted area tax credit.** Credit of \$5,000 if the taxpayer purchased a residence in a designated extremely blighted area. It must be the taxpayer's primary residence and cannot have been purchased from a family member. Attach Form 1040N-EB.
- **NE employer tax credit for employing convicted felons.** Credit of 10% of wages paid during first twelve months of employment up to \$20,000 per employee. Submit Form ETC-A to apply at beginning of employment. Include certificate number from approved Form ETC-A on return.
- **School readiness tax credit for providers.** Credit at provider level. Must apply for credit eligibility by March 1, 2026, to claim on 2025 return.
- **Child care tax credit for contributors.** Credit of up to \$100,000 for qualifying contributions to certain child-care programs. Must apply in advance. Include certificate number from Form CCTC-A.
- **Opportunity Scholarships Act credit for contributors.** Carryover only.
- **Creating High Impact Economic Futures (CHIEF) credit.** A credit for contributions to community betterment organization programs or projects certified for tax credit status by the Nebraska Department of Economic Development. This credit replaced the Community Development Assistance Act credit.
- **Family Caregiver Tax Credit Act.** A credit may be available for up to \$2,000 (\$3,000 if the family member is a veteran or is diagnosed with dementia) for 50% of eligible expenses incurred by family caregivers. Family caregivers are individuals who provide care and support to an eligible family member and personally incur uncompensated expenses directly related to caring for the family member. Include certificate number from Form 3165.
- **Nebraska Pregnancy Help Act Credit for contributors.** A credit may be available for contributions to eligible charitable organizations. The individual must notify the organization prior to the contribution in order to receive a receipt from the DOR reflecting their allocation of credit. The contribution may not have been claimed as a deduction on the federal return.

Tax after nonrefundable credits. Taxpayers who meet the following requirements are allowed to reduce Nebraska tax liability to the federal tax liability amount.

- Net adjustments increasing Nebraska income (Form 1040N, line 12 less line 13) must be less than \$5,000, and
- Nebraska tax after subtracting nonrefundable credits is greater than federal tax liability. Use the following worksheet.

Federal Tax Liability Worksheet	
1) Enter total federal tax from lines 16 of Form 1040, and 2 and 8 of Form 1040, Schedule 2	1) _____
2) Nebraska Form 1040N, line 17 minus line 34	2) _____
Enter the smaller of lines 1 and 2 on line 35, Form 1040N, and check federal tax box if line 1 is used.	

Refundable credits:

- **Pass-through entity Tax (PTET) credit.** Attach Schedules K-1N.
- **Form 3800N refundable credits.** See Form 3800N for a list of credits.
- **Child care expenses credit.** Available only if federal AGI (line 5 of Form 1040N) is \$29,000 or less. Only Nebraska full-year or part-year residents qualify for credit. The credit is not allowed if the taxpayer filed a federal joint return but a separate return for Nebraska. Complete Form 2441N to calculate the Nebraska credit. See the following schedule for the percentage of the federal credit that is allowable in Nebraska based on AGI.

Child Care Credit Schedule		
Federal AGI over:	but not over:	Percent
\$ 0	\$ 22,000	100%
\$ 22,000	\$ 23,000	90%
\$ 23,000	\$ 24,000	80%
\$ 24,000	\$ 25,000	70%
\$ 25,000	\$ 26,000	60%
\$ 26,000	\$ 27,000	50%
\$ 27,000	\$ 28,000	40%
\$ 28,000	\$ 29,000	30%

- **Beginning farmer credit.** Granted to eligible claimants that receive Form 1099 BFC, Statement of Nebraska Tax Credit from the Nebraska Department of Agriculture.
- **Nebraska earned income credit.** Nebraska residents who have a federal earned income credit are allowed a state credit equal to 10% of the federal credit. If a federal NOL was claimed, the Nebraska credit may be reduced. Complete the worksheet on page 19 of the instructions to determine eligibility. Part-year residents must calculate on Schedule III. Nonresidents are not allowed this credit.
- **Nebraska Property Tax Incentive Act credits.** The Act allows a credit for community college property taxes (up to 55%) paid during 2025. Use the Nebraska Property Look-up Tool at <https://ndr-1107parcel.ne.gov/parcellookup/faces/search.xhtml> to determine eligible taxes. Attach Form PTC.
- **Qualified Volunteer Emergency Responders credit.**
- **Stillborn child tax credit.** A \$2,000 credit is allowed to the parent of a stillborn child in the year the still birth occurred. The child must have advanced to at least the 20th week of gestation and would have been a dependent of the taxpayer.
- **Child care tax credit for parent or legal guardian.** Eligible taxpayers must have a child age 5 or younger. The credit is \$2,000 per child if household income is \$0-\$75,000, \$1,000 per child if household income is \$75,001-\$150,000 and not available for household income exceeding \$150,000. Must apply in advance. Enter certificate number from Form 7203.
- **School readiness tax credit for qualified staff member.** Must apply for credit eligibility by March 1, 2026, to claim on 2025 return.

North Carolina

★ The Old North State ★ The Tar Heel State ★

GENERAL

Forms request	877-252-3052	https://www.ncdor.gov/taxes-forms/individual-income-tax
Tax assistance	877-252-3052	
Website	www.ncdor.gov	
Refund information	877-252-4052	https://eservices.dor.nc.gov/wheresmyrefund/SelectionServlet

NEW FOR 2025

Tax Rate decreased from 4.5% to 4.25%.

Federal conformity. North Carolina conforms to the Internal Revenue Code as of January 1, 2023. Changes made by the 2025 Tax Act, such as reinstating 100% bonus depreciation or the increased amounts for the Section 179 deduction, will not be available in North Carolina.

RESIDENCY STATUS

Resident. An individual who is domiciled in North Carolina at any time during the tax year or who resides in North Carolina during the tax year for other than a temporary or transitory purpose. An individual who lives in North Carolina for more than 183 days of the tax year is presumed to be a resident for income tax purposes in the absence of factual proof of residence in another state.



Part-year resident. An individual who moves into North Carolina and becomes a resident of North Carolina, or out of North Carolina and becomes a resident of another state during the tax year.

Nonresident. An individual who maintains legal residency in another state or country and received income from North Carolina sources.

Military personnel who are residents of North Carolina when entering the military remain residents for income tax purposes until a change of legal residence is established. Actions that demonstrate intent to establish a new state of residence include (1) physical presence in a new location, (2) registration of automobiles, (3) location of bank accounts and (4) filing and paying local property and income tax in the new location. Without such actions, residency is not changed. A statement that a service member intends to carry out these actions at a later date is not sufficient. A nonresident spouse of a service member in North Carolina solely because the military spouse is stationed in North Carolina is not taxed on income received for services performed in North Carolina. A military spouse may elect to use the same state of residence as the service member regardless of when or where the taxpayers were married.

FILING REQUIREMENTS

Residents are required to file under the following conditions:

Resident Filing Requirements	
Filing status	Federal gross income exceeds:
Single	\$ 12,750
MFJ and QW/Surviving Spouse	\$ 25,500
MFS if spouse itemizes	\$ 0
MFS if spouse does not itemize	12,750
HOH	\$ 19,125

Part-year residents and nonresidents are required to file if they receive income while a resident or receive North Carolina-source

income while a nonresident and have total income equal to or in excess of the resident filing requirements. Nonresident aliens with North Carolina source income must file a return regardless of federal AGI or filing status.

FORMS TO FILE

Form D-400 (Individual Income Tax Return). Use for resident, part-year and nonresident returns.

Form D-400 Schedule S (N.C. Adjustments for Individuals).

Form D-400 Schedule A (N.C. Itemized Deductions).

Form D-400 Schedule PN (Part-Year Resident and Nonresident Schedule).

Form D-400 Schedule PN-1 (Other Additions and Other Deductions).

Form D-400TC (Individual Income Tax Credits).

Form NC-478 (Summary of Tax Credits Limited to 50% of Tax).

Form NC-NOL (Net Operating Loss Worksheet).

Form D-400V (Individual Income Payment Voucher).

Form D-410 (Application for Extension for Filing Individual Income Tax Return).

Form NC-40 (Individual Estimated Income Tax).

FILING STATUS

North Carolina filing status must be the same as federal filing status. *Exception:* If either spouse is a nonresident and the nonresident spouse had no North Carolina taxable income, a joint return may be filed or the spouse with North Carolina taxable income may file MFS. The spouse filing separately must either complete a federal return showing the MFS computation, or a schedule showing the MFS computation, and attach the computation to the North Carolina tax return.

RESIDENT, PART-YEAR AND NONRESIDENT SUMMARY

Form D-400

North Carolina starts with federal adjusted gross income as computed using the Internal Revenue Code as of January 1, 2023, unless NC specifically conforms to federal law. If the return requires a recalculation, include an explanation of the recalculation in an attachment. If federal adjusted gross income is less than zero, enter the negative amount and fill in the circle to indicate that the amount is negative.

Additions

The following additions are reported in part A of Form D-400 Schedule S and carried to line 7 of Form D-400:

- Interest income from obligations of states other than North Carolina if not included in federal taxable income.
- Deferred gains reinvested into a qualified Opportunity Fund under IRC Sec. 1400Z-2.
- Federal bonus depreciation and Section 179 expensing. See instructions for amount of adjustment.
- The amount by which basis of property under federal law exceeds North Carolina basis must be added to AGI in the year the property is disposed of.
- Amount of NOL taken on current year federal tax return.

Continued on the next page

Oregon

- ABLE account nonqualified withdrawal (950).
- Oregon higher education savings plan account nonqualified withdrawal (951).

Refundable Credits

Earned income credit (EIC). Taxpayer is allowed an Oregon EIC only if they qualify for the federal EIC. The credit is 12% of the federal credit amount for taxpayers whose youngest dependent is age two or younger. For all other taxpayers the credit is 9% of the federal credit amount.

Oregon Kids Credit. A refundable credit is available to qualifying taxpayers who claim at least one qualifying child under the age of 6 on their Oregon tax return. To qualify for the credit, the taxpayer must use a filing status other than MFS and have qualifying income under \$31,550, including Oregon additions and subtractions and with excluded foreign earned income and total losses greater than \$20,000 added back. **Deducted tip income, overtime wages, and passenger vehicle interest paid must also be added back.** Taxpayers with income of \$26,550 or less qualify for the maximum credit. Taxpayers with income between \$26,550 and \$31,550 will receive a reduced credit. For 2025, the maximum credit is \$1,050 per qualifying child (up to a maximum of \$5,250). A worksheet to calculate the credit is in the Form OR-40 instructions.

Oregon surplus credit (Kicker credit). In odd-numbered years, a refundable credit may be available if Oregon revenues are more than predicted. If there is no surplus, no credit is available. The kicker credit is available to taxpayers who have filed their even-numbered year Oregon return and had a personal income tax liability for that year. For 2025, the kicker is equal to 9.863% of the 2024 Oregon tax liability. Taxpayers can make an irrevocable election to donate the credit to the Oregon State School Fund.

Identify the following refundable credits reported on Schedule OR-ASC section F using the numeric code shown in parentheses.

Working family household and dependent care (WFHDC) (895). A refundable credit for low-to moderate-income families who paid for dependent care for qualifying individuals. Complete Schedule OR-WFHDC (Oregon Working Family Household and Dependent Care Credit for Full-Year Residents).

Qualifying families must meet all of the following requirements:

- 1) There is earned income for the year. Unemployment benefits do not count as earned income and there are special rules attributing earned income to parents that are disabled or full-time students.
- 2) The qualifying expenses must be paid by the taxpayer to allow both the taxpayer and spouse/RDP to work, look for work or attend school unless one spouse/RDP is disabled.
- 3) Filing status is single, HOH, QSS, or MFJ. See the WFHDC schedule instructions for exceptions if MFS.
- 4) The care expenses must be for a qualifying individual.
- 5) The care must be provided by someone other than the dependent's parent, guardian, or a relative or step relative under age 19.
- 6) AGI is less than the limit for household size (see the following table).

Household size	AGI Limit
2	\$ 63,450
3	79,950
4	96,450
5	112,950
6	129,450
7	145,950
8 or more	162,450

Note: A married taxpayer or RDP filing separately must have (1) lived apart from their spouse/RDP during the last six months of the current year, (2) provided the main home for the qualifying individual

for more than half of the current year and (3) paid more than half of the cost of keeping up that home in the current year to qualify.

For full-year residents, use AGI as reported on Form OR-40, line 7. For nonresidents or part-year residents, AGI is the greater of federal AGI on Form OR-N/OR-P, line 29F, or Oregon AGI on Form OR-N/OR-P, line 29S.

To figure the credit, first calculate household size. Household size is generally the number of individuals living in the taxpayer's home who are claimed on the taxpayer's federal return and related to them. Complete the following worksheet to determine the amount of credit available.

1) Enter the lesser of qualifying expenses or \$12,000 (\$24,000 if claiming two or more qualifying individuals).....	1) _____
2) Enter earned income from federal Form 2441, line 4 (line 18 if have non-taxable dependent care benefits).....	2) _____
3) If married filing jointly, enter spouse's earned income from federal Form 2441, line 5 (line 19 if have non-taxable dependent care benefits). Otherwise, enter the amount from line 2 above	3) _____
4) Enter the smaller of line 1, 2 or 3	4) _____
5) Enter the decimal value from the online calculator	5) _____
Note: The WFHDC Online Calculator is accessed at www.oregon.gov/DOR/programs/individuals , under the "Filing" column. The credit percentage is based on household size, AGI from Form OR-40, and the birth date of the youngest qualifying individual.	
6) Multiply line 4 by the decimal value on line 5.	6) _____
7) If 2024 expenses were paid in 2025, complete Worksheet OR-WFHDC-PR and enter the amount from line 13 or line 15. Otherwise, enter 0	7) _____
8) Add lines 6 and 7. Enter the result here and on Schedule OR-ASC, Section F using code 895. This is the total credit.	8) _____

Claim of right income repayment credit. Use Worksheet OR-CRC to determine the credit for income that was taxed in a prior year and that was repaid in the current year. (890)

Manufactured dwelling park closure credit. Enter the amount from Schedule OR-MPC, line 5. Attach Schedule OR-MPC to the return. (891)

Oregon higher education savings plan account contributions. A credit up to \$180 (\$360 MFJ) is available for taxpayers making contributions to an Oregon 529 College Savings Network account. Contributions may be made up until the date the return is filed or April 15, 2026 (calendar-year filers) or the 15th day of the fourth month after the end of the tax year (fiscal-year filers), whichever is earlier. (896)

ABLE account contributions. A credit of up to \$180 (\$360 MFJ) is available for taxpayers making contributions to an Oregon Achieving a Better Life Experience (ABLE) account. Contributions may be made up until the date the return is filed or April 15, 2026 (calendar-year filers) or the 15th day of the fourth month after the end of the tax year (fiscal-year filers), whichever is earlier. The credit is determined based on the taxpayer's AGI (897). See the following table.

If AGI is at least:	But not more than:	Percentage available:
\$0	\$30,000	100%
30,001	70,000	50
70,000	100,000	25
100,001	250,000	10
250,001		5

Oregon EIC for ITIN filers. A credit is available for taxpayers that would have qualified for the federal EITC this year but could not claim some or all of the credit only because taxpayer, taxpayers' spouse,