

If you were a **full-year nonresident** or a **part-year resident** for the tax year, you must complete Schedule ND-1NR to calculate your tax. This also applies if you are married filing jointly and *either* you or your spouse was a nonresident for part or all of the tax year. **Attach Schedule ND-1NR.**

**Farm income averaging** — If you have farm income and used Schedule J (Form 1040) to calculate your federal income tax for 2018, you may be able to lower your North Dakota income tax by completing Schedule ND-1FA. **Attach Schedule ND-1FA.**

**Sale of tax credit** — If you received any proceeds from the sale of a North Dakota research expense tax credit to another taxpayer, you must obtain and complete Schedule ND-1CS to calculate your tax. **Attach Schedule ND-1CS.**

**Line 21 - Credit for income tax paid to another state**

If you were a full-year resident or part-year resident of North Dakota who paid income tax to another state or local jurisdiction, you may be eligible for an income tax credit. Obtain Schedule ND-1CR for more information. **Attach Schedule ND-1CR.**

**Line 22 - Marriage penalty credit**

You may be eligible for a tax credit if all of the following apply:

- You are married and filing a joint return with your spouse.
- Your joint North Dakota taxable income on line 19 of Form ND-1 is more than \$64,755;
- Both you and your spouse have qualified income. See “What’s included in qualified income?” below.
- The qualified income of the spouse with the lower qualified income is more than \$38,055.

Although you meet all of the above conditions, your fact situation may not produce a credit under the calculation formula prescribed by law. Complete the **Marriage Penalty Credit Worksheet** on this page to calculate the credit amount, if any, allowed to you.

**Marriage Penalty Credit Worksheet**

Complete this worksheet to determine the amount to enter on Form ND-1, line 22.

1. Is your filing status **Married filing jointly**?
  - No.** Stop; you do not qualify for the credit.
  - Yes.** Enter your taxable income from Form ND-1, line 19 ..... **1** \_\_\_\_\_
2. Is the amount on line 1 more than **\$64,755**?
  - No.** Stop; you do not qualify for the credit.
  - Yes.** Go to line 3.
3. a. Enter your qualified income..... **3a** \_\_\_\_\_
- b. Enter your spouse’s qualified income..... **3b** \_\_\_\_\_
4. Enter the smaller of line 3a or line 3b ..... **4** \_\_\_\_\_
5. Is the amount on line 4 more than **\$38,055**?
  - No.** Stop; you do not qualify for the credit.
  - Yes.** Go to line 6 ..... **12,000.00**
6. Subtract line 5 from line 4 ..... **6** \_\_\_\_\_
7. Calculate the tax on the amount on line 6 using the **Single** tax rate schedule on **page 32**..... **7** \_\_\_\_\_
8. Subtract line 6 from line 1 ..... **8** \_\_\_\_\_
9. Calculate the tax on the amount on line 8 using the **Single** tax rate schedule on **page 32**..... **9** \_\_\_\_\_
10. Calculate the tax on the amount on line 1 using the **Married filing jointly** tax rate schedule on **page 32**..... **10** \_\_\_\_\_
11. Add lines 7 and 9..... **11** \_\_\_\_\_
12. Subtract line 11 from line 10. If result is zero or less, stop; you do not qualify for the credit ..... **12** \_\_\_\_\_
13. Maximum credit ..... **13** **192.00**
14. Enter smaller of line 12 or line 13 ..... **14** \_\_\_\_\_
  - ▶ If you and your spouse are full-year residents, enter amount from line 14 on Form ND-1, line 22. Do not complete lines 15 and 16.
  - ▶ If you completed Schedule ND-1NR, complete lines 15 and 16.
15. Enter ratio from Schedule ND-1NR, line 18..... **15** \_\_\_\_\_
16. Multiply line 14 by line 15. Enter this amount on Form ND-1, line 22 ..... **16** \_\_\_\_\_

**What’s included in qualified income?**

For purposes of lines 3a and 3b of the worksheet, add the following amounts separately for you and your spouse:

- Wages, salaries, tips, etc. reported on Form 1040, line 1.
- Net self-employment income reported on Schedule SE (Form 1040), line 3 (short or long method), reduced by the self-employment tax deduction

reported on Form 1040, Schedule 1, line 27.

- Taxable portion of IRAs, pensions, annuities, and social security benefits reported on Form 1040, lines 4b and 5b. **Reduce this total by any taxable benefits from the U.S. Railroad Retirement Board entered on Form ND-1, line 10.**



## 2018 Tax Rate Schedules

If your North Dakota taxable income is \$100,000 or more, use the tax rate schedule below for your filing status to calculate your tax.

### Single

#### If North Dakota

#### taxable income is:

#### Your tax is equal to:

Over	But not over		
\$ 0	\$ 38,700.....	1.10%	of North Dakota taxable income
38,700	93,700.....	\$ 425.70	+ 2.04% of amount over \$ 38,700
93,700	195,450.....	1,547.70	+ 2.27% of amount over 93,700
195,450	424,950.....	3,857.43	+ 2.64% of amount over 195,450
424,950.....		9,916.23	+ 2.90% of amount over 424,950

### Married filing jointly and Qualifying widow(er)

#### If North Dakota

#### taxable income is:

#### Your tax is equal to:

Over	But not over		
\$ 0	\$ 64,650.....	1.10%	of North Dakota taxable income
64,650	156,150.....	\$ 711.15	+ 2.04% of amount over \$ 64,650
156,150	237,950.....	2,577.75	+ 2.27% of amount over 156,150
237,950	424,950.....	4,434.61	+ 2.64% of amount over 237,950
424,950.....		9,371.41	+ 2.90% of amount over 424,950

### Married filing separately

#### If North Dakota

#### taxable income is:

#### Your tax is equal to:

Over	But not over		
\$ 0	\$ 32,325.....	1.10%	of North Dakota taxable income
32,325	78,075.....	\$ 355.58	+ 2.04% of amount over \$ 32,325
78,075	118,975.....	1,288.88	+ 2.27% of amount over 78,075
118,975	212,475.....	2,217.31	+ 2.64% of amount over 118,975
212,475.....		4,685.71	+ 2.90% of amount over 212,475

### Head of household

#### If North Dakota

#### taxable income is:

#### Your tax is equal to:

Over	But not over		
\$ 0	\$ 51,850.....	1.10%	of North Dakota taxable income
51,850	133,850.....	\$ 570.35	+ 2.04% of amount over \$ 51,850
133,850	216,700.....	2,243.15	+ 2.27% of amount over 133,850
216,700	424,950.....	4,123.85	+ 2.64% of amount over 216,700
424,950.....		9,621.65	+ 2.90% of amount over 424,950