

**17 NCAC 06B .0112      JOINT FEDERAL BUT SEPARATE STATE RETURN**

(a) Separate Return or Schedule. -- A spouse who files a joint federal return but files a separate North Carolina return pursuant to G.S. 105-153.8(c) shall complete a separate federal return and attach it to the North Carolina tax return to show how the spouse's adjusted gross income would be determined on a separate federal return. In lieu of completing a separate federal return, the spouse may submit a schedule showing the computation of the spouse's separate adjusted gross income. A spouse who submits a schedule shall attach a copy of the spouse's joint federal return if the federal return reflects an address outside North Carolina.

(b) Allowable Deductions. -- In completing a separate federal return or preparing a schedule computing a spouse's separate adjusted gross income, deductions are allowable only for items paid during the tax year. Deductions for separate obligations are allowable only to the spouse who paid the obligation and was responsible for paying the obligation. Deductions for joint obligations paid by one spouse from that spouse's separate account are allowable only to that spouse. Deductions for joint obligations paid from a joint account are allowable to each spouse in proportion to the spouses' adjusted gross incomes for that tax year.

*History Note:*      *Authority G.S. 105-134.1; 105-153.5(a)(2); 105-153.8(e); 105-262;*  
*Eff. June 1, 1990;*  
*Amended Eff. August 1, 2002; August 1, 1998; February 1, 1991;*  
*Readopted Eff. May 1, 2016.*