

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 must complete a separate federal return and attach it to the North Carolina tax return to show how the spouse's federal taxable 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 federal taxable income. A spouse who submits a schedule must attach a copy of pages 1 and 2 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 federal taxable 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, other than medical expenses, paid from a joint account are allowable to each spouse in proportion to the spouses' adjusted gross incomes for that tax year. Deductions for medical expenses paid from a joint account are allowable to the spouse who received the medical care.

History Note: *Authority G.S. 105-152(e); 105-262;*
 Eff. June 1, 1990;
 Amended Eff. August 1, 2002; August 1, 1998; February 1, 1991.