

**17 NCAC 06C .0124      ADDITIONAL WITHHOLDING ALLOWANCES**

(a) Deductions. -- Additional withholding allowances may be claimed by taxpayers expecting to have allowable itemized deductions exceeding the standard deduction or allowable adjustments to income. For most taxpayers, one additional allowance may be claimed for each two thousand five hundred dollars (\$2,500) that the itemized deductions allowed under G.S. 105-153.5(a)(2) are expected to exceed the standard deduction allowed under G.S. 105-153.5(a)(1) and for each two thousand five hundred dollars (\$2,500) of net adjustments reducing income.

(b) Tax Credits. -- A taxpayer expecting to have allowable tax credits may claim additional withholding allowances. The number of additional allowances shall be determined by dividing the amount of the tax credit by the product determined by multiplying the withholding tax rate by two thousand five hundred dollars (\$2,500) and then rounding that number down to the nearest whole number. The withholding tax rate is the individual income tax rate plus one tenth of one percent (0.1%).

*History Note:      Authority G.S. 105-163.2(b); 105-163.2A; 105-163.5; 105-262;  
Eff. June 1, 1990;  
Amended Eff. April 1, 2001; July 1, 1999;  
Readopted Eff. May 1, 2016;  
Amended Eff. May 1, 2018.*