

Schedule
ND-1FA

North Dakota Office of State Tax Commissioner
**Calculation of tax under 3-year averaging
method for elected farm income**



2009

Attach to Form ND-1

Please type or print in black or blue ink.

Your name as shown on Form ND-1	Your Social Security Number
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▶ See instructions to this schedule to see if you are eligible to use it

1. North Dakota taxable income from Form ND-1, line 18 ----- 1 _____
2. Elected farm income from your 2009 Schedule J (Form 1040), line 2. If this amount includes a net long-term capital gain, see instructions. *Do not enter more than the amount on line 1* ----- 2 _____
3. Subtract line 2 from line 1 ----- 3 _____
4. Tax on the amount on line 3 from Tax Table on page 20 of 2009 Form ND-1 instructions ----- 4 _____
5. If you used Schedule ND-1FA to figure your tax for:
 - 2008, enter amount from your 2008 Schedule ND-1FA, line 11.
 - 2007 but not 2008, enter amount from your 2007 Schedule ND-1FA, line 15.
 - 2006 but not 2007 nor 2008, enter amount from your 2006 Schedule ND-1FA, line 3.
 Otherwise, enter amount from 2006 Form ND-1, line 16, **OR** from 2006 Form ND-2, Tax Computation Schedule, line 1.

*If line 5 is zero or less,
see instructions.*
6. Divide the amount on **line 2** by **3.0** ----- 6 _____
7. Add lines 5 and 6. *If less than zero, enter zero* ----- 7 _____
8. If you used Form ND-1 for 2006, figure the tax on the amount on line 7 using the 2006 Form ND-1 Tax Rate Schedules on page 2 of the instructions. Otherwise, use the Form ND-2 Tax Rate Schedule on page 1 of the instructions ----- 8 _____
9. If you used Schedule ND-1FA to figure your tax for:
 - 2008, enter amount from your 2008 Schedule ND-1FA, line 15.
 - 2007 but not 2008, enter amount from your 2007 Schedule ND-1FA, line 3.
 Otherwise, enter amount from 2007 Form ND-1, line 16, **OR** from 2007 Form ND-2, Tax Computation Schedule, line 1.

*If line 9 is zero or less,
see instructions.*
10. Enter amount from line 6 ----- 10 _____
11. Add lines 9 and 10. *If less than zero, enter negative number* ----- 11 _____
12. If you used Form ND-1 for 2007, figure the tax on the amount on line 11 using the 2007 Form ND-1 Tax Rate Schedules on page 2 of the instructions. Otherwise, use the Form ND-2 Tax Rate Schedule on page 1 of the instructions ----- 12 _____
13. If you used Schedule ND-1FA to calculate your tax for 2008, enter the amount from 2008 Schedule ND-1FA, line 3. Otherwise, enter amount from 2008 Form ND-1, line 16, **OR** from 2008 Form ND-2, Tax Computation Schedule, line 1 ----- 13 _____

*If line 13 is zero or less,
see instructions.*
14. Enter amount from line 6 ----- 14 _____
15. Add lines 13 and 14. *If less than zero, enter negative number* ----- 15 _____
16. If you used Form ND-1 for 2008, figure the tax on the amount on line 15 using the 2008 Form ND-1 Tax Rate Schedules on page 2 of the instructions. Otherwise, use the Form ND-2 Tax Rate Schedule on page 1 of the instructions ----- 16 _____
17. Add lines 4, 8, 12 and 16. Enter this amount on page 2, line 18, of this schedule ----- 17 _____



18. Enter the amount from page 1, line 17 ----- 18 _____

19. If you used Schedule ND-1FA to figure your tax for:

- 2008, enter amount from your 2008 Schedule ND-1FA, line 12.
- 2007 but not 2008, enter amount from your 2007 Schedule ND-1FA, line 16.
- 2006 but not 2007 nor 2008, enter amount from your 2006 Schedule ND-1FA, line 4.

Otherwise, enter amount from 2006 Form ND-1, line 17 (if full-year resident) or Schedule ND-1NR, line 20 (if full-year nonresident or part-year resident) **OR** from 2006 Form ND-2, Tax Computation Schedule, line 2.

----- 19 _____

20. If you used Schedule ND-1FA to figure your tax for:

- 2008, enter amount from your 2008 Schedule ND-1FA, line 16.
- 2007 but not 2008, enter amount from your 2007 Schedule ND-1FA, line 4.

Otherwise, enter amount from 2007 Form ND-1, line 17 (if full-year resident) or Schedule ND-1NR, line 20 (if full-year nonresident or part-year resident) **OR** from 2007 Form ND-2, Tax Computation Schedule, line 2.

----- 20 _____

21. If you used Schedule ND-1FA to figure your tax for 2008, enter amount from 2008 Schedule ND-1FA, line 4. Otherwise, enter amount from 2008 Form ND-1, line 17 (if full-year resident) or Schedule ND-1NR, line 20 (if full-year nonresident or part-year resident) **OR** from 2008 Form ND-2, Tax Computation Schedule, line 2. ----- 21 _____

22. Add lines 19, 20, and 21 ----- 22 _____

23. Subtract line 22 from line 18. Enter result on your return as follows:

- If you (and your spouse, if filing jointly) were full-year residents, enter the amount from this line on Form ND-1, line 20.
- If you are required to use Schedule ND-1NR, enter the amount from this line on Schedule ND-1NR, line 20.

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► **Caution:** If you (and your spouse, if filing jointly) are full-year residents, the tax on line 23 above may be higher than the tax calculated without the use of this schedule.

If you are required to use Schedule ND-1NR, the tax on line 23 above is not your actual tax liability. You must enter the tax from line 23 of this schedule on Schedule ND-1NR, line 20, and complete the remainder of Schedule ND-1NR to calculate your actual tax liability. Please note that the tax calculated based on the use of Schedule ND-1FA may be higher than the tax calculated without it.

► **Attach this schedule to your Form ND-1 only if you are choosing to pay the tax based on its use.**

General instructions

Eligibility

You are eligible to use Schedule ND-1FA to calculate your tax for 2009 if you used Schedule J (Form 1040) to calculate your 2009 federal income tax.

The use of Schedule ND-1FA is elective. You do not have to use it even though you used Schedule J (Form 1040) to calculate your federal income tax for 2009.

IMPORTANT: It is possible for the tax calculated using Schedule ND-1FA to be higher than the tax calculated on all of your income using the regular method (without Schedule ND-1FA). Complete and attach Schedule ND-1FA to your Form ND-1 *only if* you are electing to pay the tax that results from using Schedule ND-1FA.

Copies of 2006, 2007, and 2008 returns

You will need copies of your 2006, 2007, and 2008 North Dakota income tax returns to complete the 2009 Schedule ND-1FA. If you do not have a copy of any of these returns, see the back cover of the 2009 Form ND-1 instruction booklet for information on how to obtain one.

If you filed an amended North Dakota income tax return or our office made changes to your North Dakota income tax return for 2006, 2007, or 2008, you must use the corrected amounts when completing Schedule ND-1FA.

Specific line instructions

Line 2

Enter your elected farm income from the 2009 Schedule J (Form 1040), line 2. However, if you claimed an exclusion on line 8 of your 2009 Form ND-1 attributable to a net long-term capital gain included in your federal elected farm income, subtract that portion of the exclusion from your federal elected farm income and enter the result on this line.

Lines 5, 9, and 13

For purposes of completing lines 5, 9, and 13 of the 2009 Schedule ND-1FA, your North Dakota taxable income may be a negative number. If your North Dakota taxable income for a base year is mathematically less than zero, use the negative number for purposes of completing these lines.

No filing requirement for base year.

If you were not required to file a North Dakota income tax return for one or more of the base years, you must complete the applicable North Dakota return for each base year for which a return was not filed. You may use either Form ND-1 or Form ND-2. Complete the return through the line on which the tax is calculated. If you were a part-year resident or full-year nonresident for the base year, Schedule ND-1NR (Form ND-1) or Schedule 3 (Form ND-2) also must be completed. Use the figures from the return completed for the base year to complete the applicable lines of the 2009 Schedule ND-1FA.

Form ND-2 Tax Rate Schedule

If you used Form ND-2 for the 2006, 2007, or 2008 tax year, use this schedule to calculate the tax for that tax year.

If revised taxable income for tax year is:		The revised tax is equal to:		
Over	But not over			
\$ 0	\$ 3,000.....		2.67%	of the revised taxable income
3,000	5,000.....	\$ 80.10	+	4.00% of the amount over \$ 3,000
5,000	8,000.....	160.10	+	5.33% of the amount over 5,000
8,000	15,000.....	320.00	+	6.67% of the amount over 8,000
15,000	25,000.....	786.90	+	8.00% of the amount over 15,000
25,000	35,000.....	1,586.90	+	9.33% of the amount over 25,000
35,000	50,000.....	2,519.90	+	10.67% of the amount over 35,000
50,000	.....	4,120.40	+	12.00% of the amount over 50,000

2006 Form ND-1 Tax Rate Schedules

If you used Form ND-1 for the 2006 tax year, use these tax rate schedules to calculate the tax to enter on line 8. Use the schedule that corresponds to your filing status for the 2006 tax year.

Single		Married filing jointly and Qualifying widow(er)	
If revised taxable income for tax year is:		If revised taxable income for tax year is:	
Over	But not over	Over	But not over
\$ 0	\$ 30,650	\$ 0	\$ 51,200
30,650	74,200 ...	51,200	123,700 ...
74,200	154,800 ...	123,700	188,450 ...
154,800	336,550 ...	188,450	336,550
336,550	.....	336,550	.....
The revised tax is equal to:		The revised tax is equal to:	
2.1% of the revised taxable income		2.1% of the revised taxable income	
643.65 + 3.92% of amount over	\$ 30,650	1,075.20 + 3.92% of amount over	\$ 51,200
2,350.81 + 4.34% of amount over	74,200	3,917.20 + 4.34% of amount over	123,700
5,848.85 + 5.04% of amount over	154,800	6,727.35 + 5.04% of amount over	188,450
15,009.05 + 5.54% of amount over	336,550	14,191.59 + 5.54% of amount over	336,550

Married filing separately		Head of Household	
If revised taxable income for tax year is:		If revised taxable income for tax year is:	
Over	But not over	Over	But not over
\$ 0	\$ 25,600	\$ 0	\$ 41,050
25,600	61,850 ...	41,050	106,000 ...
61,850	94,225 ...	106,000	171,650 ...
94,225	168,275 ...	171,650	336,550 ...
168,275	.....	336,550	.....
The revised tax is equal to:		The revised tax is equal to:	
2.1% of the revised taxable income		2.1% of the revised taxable income	
537.60 + 3.92% of amount over	\$ 25,600	862.05 + 3.92% of amount over	\$ 41,050
1,958.60 + 4.34% of amount over	61,850	3,408.09 + 4.34% of amount over	106,000
3,363.68 + 5.04% of amount over	94,225	6,257.30 + 5.04% of amount over	171,650
7,095.80 + 5.54% of amount over	168,275	14,568.26 + 5.54% of amount over	336,550

2007 Form ND-1 Tax Rate Schedules

If you used Form ND-1 for the 2007 tax year, use these tax rate schedules to calculate the tax to enter on line 12. Use the schedule that corresponds to your filing status for the 2007 tax year.

Single		Married filing jointly and Qualifying widow(er)	
If revised taxable income for tax year is:		If revised taxable income for tax year is:	
Over	But not over	Over	But not over
\$ 0	\$ 31,850	\$ 0	\$ 53,200
31,850	77,100 ...	53,200	128,500 ...
77,100	160,850 ...	128,500	195,850 ...
160,850	349,700 ...	195,850	349,700
349,700	.....	349,700	.....
The revised tax is equal to:		The revised tax is equal to:	
2.1% of the revised taxable income		2.1% of the revised taxable income	
668.85 + 3.92% of amount over	\$ 31,850	1,117.20 + 3.92% of amount over	\$ 53,200
2,442.65 + 4.34% of amount over	77,100	4,068.96 + 4.34% of amount over	128,500
6,077.40 + 5.04% of amount over	160,850	6,991.95 + 5.04% of amount over	195,850
15,595.44 + 5.54% of amount over	349,700	14,745.99 + 5.54% of amount over	349,700

Married filing separately		Head of Household	
If revised taxable income for tax year is:		If revised taxable income for tax year is:	
Over	But not over	Over	But not over
\$ 0	\$ 26,600	\$ 0	\$ 42,650
26,600	64,250 ...	42,650	110,100 ...
64,250	97,925 ...	110,100	178,350 ...
97,925	174,850 ...	178,350	349,700 ...
174,850	.....	349,700	.....
The revised tax is equal to:		The revised tax is equal to:	
2.1% of the revised taxable income		2.1% of the revised taxable income	
558.60 + 3.92% of amount over	\$ 26,600	895.65 + 3.92% of amount over	\$ 42,650
2,034.48 + 4.34% of amount over	64,250	3,539.69 + 4.34% of amount over	110,100
3,495.98 + 5.04% of amount over	97,925	6,501.74 + 5.04% of amount over	178,350
7,373.00 + 5.54% of amount over	174,850	15,137.78 + 5.54% of amount over	349,700

2008 Form ND-1 Tax Rate Schedules

If you used Form ND-1 for the 2008 tax year, use these tax rate schedules to calculate the tax to enter on line 16. Use the schedule that corresponds to your filing status for the 2008 tax year.

Single		Married filing jointly and Qualifying widow(er)	
If revised taxable income for tax year is:		If revised taxable income for tax year is:	
Over	But not over	Over	But not over
\$ 0	\$ 32,550	\$ 0	\$ 54,400
32,550	78,850 ...	54,400	131,450 ...
78,850	164,550 ...	131,450	200,300 ...
164,550	357,700 ...	200,300	357,700
357,700	.....	357,700	.....
The revised tax is equal to:		The revised tax is equal to:	
2.1% of the revised taxable income		2.1% of the revised taxable income	
683.55 + 3.92% of amount over	\$ 32,550	1,142.40 + 3.92% of amount over	\$ 54,400
2,498.51 + 4.34% of amount over	78,850	4,162.76 + 4.34% of amount over	131,450
6,217.89 + 5.04% of amount over	164,550	7,150.85 + 5.04% of amount over	200,300
15,952.65 + 5.54% of amount over	357,700	15,083.81 + 5.54% of amount over	357,700

Married filing separately		Head of Household	
If revised taxable income for tax year is:		If revised taxable income for tax year is:	
Over	But not over	Over	But not over
\$ 0	\$ 27,200	\$ 0	\$ 43,650
27,200	65,725 ...	43,650	112,650 ...
65,725	100,150 ...	112,650	182,400 ...
100,150	178,850 ...	182,400	357,700 ...
178,850	.....	357,700	.....
The revised tax is equal to:		The revised tax is equal to:	
2.1% of the revised taxable income		2.1% of the revised taxable income	
571.20 + 3.92% of amount over	\$ 27,200	916.65 + 3.92% of amount over	\$ 43,650
2,081.38 + 4.34% of amount over	65,725	3,612.45 + 4.34% of amount over	112,650
3,575.43 + 5.04% of amount over	100,150	6,648.60 + 5.04% of amount over	182,400
7,541.91 + 5.54% of amount over	178,850	15,483.72 + 5.54% of amount over	357,700