

Schedule for Certain Married Persons Required to File Separate State Returns

Important

This schedule is to be used only by married persons who file a joint federal return but are required to file separate state returns — see "Who must complete" in the instructions on the reverse side for details.

Identify the resident and nonresident spouses—

Resident spouse: Name \_\_\_\_\_ Social security number \_\_\_\_\_

Nonresident spouse: Name \_\_\_\_\_ Social security number \_\_\_\_\_

Complete the Federal return column first by entering the amounts from the federal return (but see special instructions for lines 7 and 14). Complete the Resident and Nonresident spouse columns according to the instructions on reverse side.

- 1. Wages, salaries, tips, etc.
2. Taxable interest (Schedule B, if required)
3. Dividend income (Schedule B, if required)
4. Taxable refunds, credits, or offsets of state and local income taxes
5. Alimony received
6. Business income or (loss) (Schedule C or C-EZ)
7. Capital gain or (loss) (Schedule D) (See special instructions)
8. Other gains or (losses) (Form 4797)
9. Taxable amount of IRA distributions
10. Taxable amount of pensions and annuities
11. Rental real estate, royalties, partnerships, S corporations, estates, trusts, etc. (Schedule E)
12. Farm income or (loss) (Schedule F)
13. Unemployment compensation
14. Taxable amount of social security benefits (See special instructions)
15. Other income
16. Total income for North Dakota purposes (Add lines 1 through 15) (Total may differ from federal return if line 7 or 14 is completed)
17. IRA deduction
18. Student loan interest deduction
19. Medical savings account deduction (Form 8853)
20. Moving expenses (Form 3903 or 3903-F)
21. One-half of self-employment tax (Schedule SE)
22. Self-employed health insurance deduction
23. Keogh and self-employed SEP and SIMPLE plans
24. Penalty on early withdrawal of savings
25. Alimony paid
26. Total adjustments (Add lines 17 through 25)
27. Adjusted gross income for N.D. purposes (Line 16 less line 26) (Total may differ from federal return if line 7 or 14 is completed)
28. Ratio (Divide each spouse's adjusted gross income by the total adjusted gross income on line 27. Round to two decimal places)
29. Standard deduction or itemized deductions (See instructions)
30. Exemptions (See instructions)
31. Federal taxable income for N.D. purposes (Line 27 less lines 29 and 30) (Total may differ from federal return if line 7 or 14 is completed)

Table with 3 columns: Federal return Amounts from federal return, North Dakota return Resident spouse, North Dakota return Nonresident spouse. Rows 1-31.

See instructions to lines 32, 33 and 34 before completing

- 32. Federal income tax liability — Form 37-S
33. Federal income tax — Schedule 2, Form 37 (Resident spouse)
34. Federal income tax — Schedule 3, Form 37 (Nonresident spouse)

# 1998 Schedule SF instructions

## Who must complete

This schedule is to be completed by married persons *only if* they meet both of the following conditions:

1. They file a joint federal income tax return; and,
2. One spouse is a resident of North Dakota and the other spouse is a nonresident of North Dakota.

If both conditions apply, each spouse must file a separate North Dakota return and check the "Married filing separately" filing status at the top of the return. This is the only exception to the requirement that a joint state return must be filed if a joint federal return is filed.

*A nonresident spouse who does not have any gross income from North Dakota sources does not have to file a North Dakota return. If this applies, attach a statement to the resident spouse's return explaining the situation.*

## Purpose of schedule

The purpose of this schedule is to determine each spouse's share of the amounts from the joint federal return that must be used to complete the separate North Dakota return(s).

**Federal return line references.** Disregard the federal return line references on the face of the North Dakota return as well as in the instructions to the return. Instead, the separate federal tax information as determined on this schedule must be used to fill in the federal tax amounts asked for on the separate North Dakota return(s). See "**How to transfer amounts to your return**" later in these instructions.

## Specific line instructions

### Lines 1 through 27

Except for lines 7 and 14 (*see below*), enter the amounts from the joint federal return on the appropriate lines in the **Federal return** column. Enter the amount belonging to each spouse in the **Resident** and **Nonresident** columns. Amounts from jointly owned property must be divided equally between the spouses.

**Special instructions to lines 7 and 14.** For lines 7 and 14, the amounts reportable by each spouse must be determined using the rules that apply when married persons file separate federal returns. Enter the separate amounts in the **Resident** and **Nonresident** columns first, and enter the total of the separate amounts in the **Federal return** column. These computations may cause the amounts in the **Federal return** column to differ from the actual amounts reported on the federal return.

### Line 29

If deductions were itemized for federal purposes, enter the amount from line 28, Schedule A (Federal Form 1040) in the **Federal return** column. Multiply this amount by each spouse's ratio on line 28 and enter the result in the appropriate column.

If the standard deduction was used for federal purposes, enter the amount from line 36, Federal Form 1040 or line 21, Federal Form 1040A in the **Federal return** column. Enter in the **Resident** and **Nonresident** columns the amount belonging to each spouse.

If Federal Form 1040EZ was used, and the "No" box on line 5 of that form was checked, enter \$7,100 in the **Federal return** column and \$3,550 in the **Resident** and **Nonresident** columns. However, if the "Yes" box was checked on line 5 of Federal Form 1040EZ, enter the amount from line E of the Worksheet For Dependents (on the back of Federal Form 1040EZ) in the **Federal return** column, and enter in the **Resident** and **Nonresident** columns the amount that would be allowed to each spouse had separate federal returns been filed.

### Line 30

Enter the amount from line 38, Federal Form 1040 or the amount from line 23, Federal Form 1040A in the **Federal return** column. Each spouse must claim his or her own personal exemption. Multiply the total exemption amount for dependents, if any, by each spouse's ratio on line 28 and round to the nearest whole exemption amount (\$2,700), and enter the result in the appropriate column.

If Federal Form 1040EZ was used, and the "No" box on line 5 of that form was checked, enter \$5,400 in the **Federal return** column and \$2,700 in the **Resident** and **Nonresident** columns. However, if the "Yes" box was checked on line 5 of Federal Form 1040EZ, enter the amount from line F of the Worksheet For Dependents (on the back of Federal Form 1040EZ) in the **Federal return** column, and enter in the **Resident** and **Nonresident** columns the amount that would be allowed to each spouse had separate federal returns been filed.

### Line 32 Form 37-S filers only

Enter in the **Federal return** column the amount from line 10, Federal Form 1040EZ or the amount from line 25, Federal Form 1040A. If Federal Form 1040 was used, see the instructions to line 1, Form 37-S (on page 5 of the individual instruction booklet) for the amount to enter in the **Federal return** column. Multiply this amount by each spouse's ratio on line 28 and enter the result in the appropriate column.

### Line 33 Resident spouse using Form 37

Enter in the **Federal return** column the amount from line 10 less line 8a, Federal Form 1040EZ or the amount from line 32 less lines 37a and 38, Federal Form 1040A. If Federal Form 1040 was used, see the instructions to line 26, Schedule 2, Form 37 (on page 7 of the income tax instruction booklet) for the amount to enter in the **Federal return** column. Multiply this amount by the resident spouse's ratio on line 28 and enter the result in the **Resident** spouse column.

### Line 34

**Nonresident spouse using Form 37**  
Enter in the **Federal return** column the amount from line 10 less line 8a, Federal Form 1040EZ or the amount from line 32 less lines 37a and 38, Federal Form 1040A. If Federal Form 1040 was used, see the instructions to line 11, Schedule 3, Form 37 (on the back of Schedule 3) for the amount to enter in the **Federal return** column. Multiply this amount by the nonresident spouse's ratio on line 28 and enter the result in the **Nonresident** spouse column.

## How to transfer amounts to your return

The following shows how to transfer the information from this schedule to each spouse's separate North Dakota return.

### Resident spouse

- If Form 37-S (Short form) is used, enter the amount—

<b>from Schedule SF:</b>	<b>on Form 37-S:</b>
Line 27	Line A
Line 31	Line B
Line 32	Line 1
- If Form 37 (Long form) is used, enter the amount—

<b>from Schedule SF:</b>	<b>on Schedule 2:</b>
Line 27	Line A
Line 31	Line 1
Line 33	Line 26

In addition, the ratio on line 28 of Schedule SF must be used to apportion the amounts for lines 3 and 21, Schedule 2 (Form 37).

### Nonresident spouse (if applicable)

- If Form 37-S (Short form) is used, enter the amount—

<b>from Schedule SF:</b>	<b>on Form 37-S:</b>
Line 27	Line A
Line 31	Line B
Line 32	Line 1

Also enter the amounts from lines 1 through 27 in the **Nonresident** column of Schedule SF on the appropriate lines of Schedule NR, Column A.

- If Form 37 (Long form) is used, enter the amount—

<b>from Schedule SF:</b>	<b>on Schedule 3:</b>
Line 34	Line 11
Line 29	Line 17 or 22 (whichever applies)
Line 30	Line 24

Also enter the amounts from lines 1 through 27 in the **Nonresident** column of Schedule SF on the appropriate lines of Schedule NR, Column A. In addition, the ratio on line 28 of Schedule SF must be used to apportion the amounts for lines 18 and 20 of Schedule 3 (Form 37).