2019 TAX SEASON

A Note from Tax Commissioner Ryan Rauschenberger:
It's hard to believe that tax season is already here. As you are in the midst of your busy season, we wanted to thank you for what you do as tax preparers and advisors to help the great citizens of North Dakota. Here are a few tips and reminders to help your 2019 tax season go smoothly:

What's New - notable changes to the North Dakota income tax forms for the 2018 tax year:

- **Individual Income Tax**
  - Suspension of the federal dependency exemption by the TCJA resulted in the removal of the stillborn child deduction from Schedule ND-1SA.
  - Line changes on Schedule ND-1TC if claiming the endowment fund tax credit, and the addition of a new Contribution Adjustment Worksheet for Form ND-1, line 4a.

- **Other Income Taxes**
  - Fiduciaries claiming an income tax credit **must** now complete and attach a new supplemental schedule, Schedule 38-TC, to Form 38.
  - Filers of Forms 38, 40, 58 and 60 claiming the endowment fund tax credit **must** now complete and attach a new supplemental schedule, Schedule QEC, to their returns.
  - Changes to Schedules K and K-1 for Form 58 and Form 60 filers, and to Schedule K-1 for Form 38 filers, to remove lines for expired tax credits and to add lines relating to an endowment fund tax credit received from another passthrough entity.
  - For more information on these and the other changes made, see the developments pages in the income tax return instruction booklets found at www.nd.gov/tax/forms.

Other Reminders

- **Email Alerts:** This is a legislative session year in North Dakota. Make sure you sign up for email updates (lower-left of our website's homepage) and watch our website www.nd.gov/tax for tax law changes and other updates.
- **ACH Debit for Estimated Tax Payments:** Enhancements to our online payment tool make it easy and secure for your clients to make free electronic payments. This will help eliminate lost payments.
  - North Dakota supports the quarterly payment of estimated taxes via Automated Clearing House (ACH) debit at the time you file your client's 2018 tax return.
    - Verify with your software company that they support ACH debit of estimated payments. Visit our website for a list of approved software providers and the North Dakota tax forms supported.
- **Verify Client Information**
  - Current Mailing Address
  - Correct Estimated Payment Amount
    - A Form 500 will enable you to call our office on your client's behalf to obtain the correct amount.
  - Correct Banking Information for Direct Deposit
  - W-2 Information: Current Employer Information and FIN

- **Tax Clearance Requirements:** When claiming certain tax credits, your client may need to attach to their return a completed property tax clearance record that is obtained for each county where they have a 50 percent or greater interest in real property. This will be required for each year the credit is claimed. See the "State and Local Tax Clearance Guideline" on our website for more information.
- **Attach Schedule ND-1QEC for Credits:** When claiming a credit like the qualified endowment credit, you must include or attach a PDF of the North Dakota Schedule ND-1QEC. It's also helpful if you can attach the documents received from the charitable organization. This may help our office process the return quicker by eliminating the need to contact the client when there is a question regarding the qualified endowment.
- **1099-MISC Miscellaneous Income:** Remember to enter each 1099-MISC separately if claiming North Dakota withholding from a particular oil and gas company. This is similar to entering each W-2 separately – you cannot lump them as one amount when there is withholding.
- **Utilize Electronic 1099-G:** Encourage clients to consent to obtain the 1099-G electronically by marking the circle on the bottom of the ND-EZ and ND-1 forms (found at bottom of forms by the disclosure authorization circle for preparers). We also offer a 1099-G look-up tool on our website – www.nd.gov/tax, then click on For Individuals, then select the "1099-G Look-up Tool."
- **No Non-resident Filer Use of Schedule ND-1CR:** When preparing a return for a non-resident, they will never have a Schedule ND-1CR - Claim for Income Tax Paid to Another State or Local Jurisdiction. Only North Dakota residents can use a Schedule ND-1CR.
- **Taxpayer Access Point:** Use TAP to electronically file your clients W-2's and 1099 MISC forms.
    - Your client doesn't have to have a separate TAP account to E-file.