

Schedule
ND-1FA

North Dakota Office of State Tax Commissioner
**Calculation of Tax Under 3-Year Averaging
Method for Elected Farm Income**



2014

Attach to Form ND-1

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 2014 Schedule J (Form 1040), line 2a. 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 2014 Form ND-1 instructions 4 _____
5. If you used Schedule ND-1FA to figure your tax for:
 - 2013, enter amount from your 2013 Schedule ND-1FA, line 11.
 - 2012 but not 2013, enter amount from your 2012 Schedule ND-1FA, line 15.
 - 2011 but not 2012 nor 2013, enter amount from your 2011 Schedule ND-1FA, line 3.
 Otherwise, enter amount from 2011 Form ND-1, line 18, **OR** from 2011 Form ND-EZ, line 1. ----- ▶ 5 _____

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. Figure the tax on the amount on line 7 using the 2011 Form ND-1/ND-EZ Tax Rate Schedules on page 2 of the instructions ----- ▶ 8 _____
9. If you used Schedule ND-1FA to figure your tax for:
 - 2013, enter amount from your 2013 Schedule ND-1FA, line 15.
 - 2012 but not 2013, enter amount from your 2012 Schedule ND-1FA, line 3.
 Otherwise, enter amount from 2012 Form ND-1, line 18, **OR** from 2012 Form ND-EZ, line 1. ----- ▶ 9 _____

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. Figure the tax on the amount on line 11 using the 2012 Form ND-1/ND-EZ Tax Rate Schedules on page 2 of the instructions ----- ▶ 12 _____
13. If you used Schedule ND-1FA to calculate your tax for 2013, enter the amount from your 2013 Schedule ND-1FA, line 3. Otherwise, enter amount from 2013 Form ND-1, line 18, **OR** from 2013 Form ND-EZ, 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. Figure the tax on the amount on line 15 using the 2013 Form ND-1/ Form ND-EZ Tax Rate Schedules on page 2 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:

- 2013, enter amount from your 2013 Schedule ND-1FA, line 12.
- 2012 but not 2013, enter amount from your 2012 Schedule ND-1FA, line 16.
- 2011 but not 2012 nor 2013, enter amount from your 2011 Schedule ND-1FA, line 4.

Otherwise, enter amount from 2011 Form ND-1, line 20 (if full-year resident) or Schedule ND-1NR, line 20 (if full-year nonresident or part-year resident) **OR** from 2011 Form ND-EZ, line 2.

----- 19 _____

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

- 2013, enter amount from your 2013 Schedule ND-1FA, line 16.
- 2012 but not 2013, enter amount from your 2012 Schedule ND-1FA, line 4.

Otherwise, enter amount from 2012 Form ND-1, line 20 (if full-year resident) or Schedule ND-1NR, line 20 (if full-year nonresident or part-year resident) **OR** from 2012 Form ND-EZ, line 2.

----- 20 _____

21. If you used Schedule ND-1FA to figure your tax for 2013, enter amount from 2013 Schedule ND-1FA, line 4. Otherwise, enter amount from 2013 Form ND-1, line 20 (if full-year resident) or Schedule ND-1NR, line 20 (if full-year nonresident or part-year resident) **OR** from 2013 Form ND-EZ, 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 your 2014 Form ND-1, line 20.
- If you are required to use Schedule ND-1NR, enter the amount from this line on your 2014 Schedule ND-1NR, line 20.

----- (F1) 23 _____

► **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 your 2014 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 the 2014 Schedule ND-1FA to calculate your tax for 2014 if you used Schedule J (Form 1040) to calculate your 2014 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 2014.

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 2011, 2012, and 2013 returns

You will need copies of your 2011, 2012, and 2013 North Dakota income tax returns to complete the 2014 Schedule ND-1FA. If you do not have a copy of any of these returns, see the back cover of the 2014 Form ND-1 instruction booklet for information on how to obtain one.

If you filed an amended North Dakota income tax return, or if the Office of State Tax Commissioner made changes to your North Dakota income tax return for 2011, 2012, or 2013, you must use the corrected amounts when completing Schedule ND-1FA.

Specific line instructions

Line 2

Enter your elected farm income from the 2014 Schedule J (Form 1040), line 2a. However, if you claimed an exclusion on line 8 of your 2014 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 2014 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. Complete the return through the line on which the tax is calculated. Use the figures from the return completed for the base year to complete the applicable lines of the 2014 Schedule ND-1FA.

2011 Form ND-1/ND-EZ Tax Rate Schedules

If you used Form ND-1 or Form ND-EZ for the 2011 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 2011 tax year.

Single
 If revised taxable income for tax year is: The revised tax is equal to:

Over	But not over		
\$ 0	\$ 34,500	1.51% of the revised taxable income	
34,500	83,600	\$ 520.95 + 2.82% of amount over	\$ 34,500
83,600	174,400	1,905.57 + 3.13% of amount over	83,600
174,400	379,150	4,747.61 + 3.63% of amount over	174,400
379,150		12,180.04 + 3.99% of amount over	379,150

Married filing jointly and Qualifying widow(er)
 If revised taxable income for tax year is: The revised tax is equal to:

Over	But not over		
\$ 0	\$ 57,700	1.51% of the revised taxable income	
57,700	139,350	\$ 871.27 + 2.82% of amount over	\$ 57,700
139,350	212,300	3,173.80 + 3.13% of amount over	139,350
212,300	379,150	5,457.14 + 3.63% of amount over	212,300
379,150		11,513.79 + 3.99% of amount over	379,150

Married filing separately
 If revised taxable income for tax year is: The revised tax is equal to:

Over	But not over		
\$ 0	\$ 28,850	1.51% of the revised taxable income	
28,850	69,675	\$ 435.64 + 2.82% of amount over	\$ 28,850
69,675	106,150	1,586.90 + 3.13% of amount over	69,675
106,150	189,575	2,728.57 + 3.63% of amount over	106,150
189,575		5,756.90 + 3.99% of amount over	189,575

Head of Household
 If revised taxable income for tax year is: The revised tax is equal to:

Over	But not over		
\$ 0	\$ 46,250	1.51% of the revised taxable income	
46,250	119,400	\$ 698.38 + 2.82% of amount over	\$ 46,250
119,400	193,350	2,761.21 + 3.13% of amount over	119,400
193,350	379,150	5,075.84 + 3.63% of amount over	193,350
379,150		11,820.38 + 3.99% of amount over	379,150

2012 Form ND-1/ND-EZ Tax Rate Schedules

If you used Form ND-1 or Form ND-EZ for the 2012 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 2012 tax year.

Single
 If revised taxable income for tax year is: The revised tax is equal to:

Over	But not over		
\$ 0	\$ 35,350	1.51% of the revised taxable income	
35,350	85,650	\$ 533.79 + 2.82% of amount over	\$ 35,350
85,650	178,650	1,952.25 + 3.13% of amount over	85,650
178,650	388,350	4,863.15 + 3.63% of amount over	178,650
388,350		12,475.26 + 3.99% of amount over	388,350

Married filing jointly and Qualifying widow(er)
 If revised taxable income for tax year is: The revised tax is equal to:

Over	But not over		
\$ 0	\$ 59,100	1.51% of the revised taxable income	
59,100	142,700	\$ 892.41 + 2.82% of amount over	\$ 59,100
142,700	217,450	3,249.93 + 3.13% of amount over	142,700
217,450	388,350	5,589.61 + 3.63% of amount over	217,450
388,350		11,793.28 + 3.99% of amount over	388,350

Married filing separately
 If revised taxable income for tax year is: The revised tax is equal to:

Over	But not over		
\$ 0	\$ 29,550	1.51% of the revised taxable income	
29,550	71,350	\$ 446.21 + 2.82% of amount over	\$ 29,550
71,350	108,725	1,624.97 + 3.13% of amount over	71,350
108,725	194,175	2,794.81 + 3.63% of amount over	108,725
194,175		5,896.65 + 3.99% of amount over	194,175

Head of Household
 If revised taxable income for tax year is: The revised tax is equal to:

Over	But not over		
\$ 0	\$ 47,350	1.51% of the revised taxable income	
47,350	122,300	\$ 714.99 + 2.82% of amount over	\$ 47,350
122,300	198,050	2,828.58 + 3.13% of amount over	122,300
198,050	388,350	5,199.56 + 3.63% of amount over	198,050
388,350		12,107.45 + 3.99% of amount over	388,350

2013 Form ND-1/ND-EZ Tax Rate Schedules

If you used Form ND-1 or Form ND-EZ for the 2013 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 2013 tax year.

Single
 If revised taxable income for tax year is: The revised tax is equal to:

Over	But not over		
\$ 0	\$ 36,250	1.22% of the revised taxable income	
36,250	87,850	\$ 442.25 + 2.27% of amount over	\$ 36,250
87,850	183,250	1,613.57 + 2.52% of amount over	87,850
183,250	398,350	4,017.65 + 2.93% of amount over	183,250
398,350		10,320.08 + 3.22% of amount over	398,350

Married filing jointly and Qualifying widow(er)
 If revised taxable income for tax year is: The revised tax is equal to:

Over	But not over		
\$ 0	\$ 60,650	1.22% of the revised taxable income	
60,650	146,400	\$ 739.93 + 2.27% of amount over	\$ 60,650
146,400	223,050	2,686.46 + 2.52% of amount over	146,400
223,050	398,350	4,618.04 + 2.93% of amount over	223,050
398,350		9,754.33 + 3.22% of amount over	398,350

Married filing separately
 If revised taxable income for tax year is: The revised tax is equal to:

Over	But not over		
\$ 0	\$ 30,325	1.22% of the revised taxable income	
30,325	73,200	\$ 369.97 + 2.27% of amount over	\$ 30,325
73,200	111,525	1,343.23 + 2.52% of amount over	73,200
111,525	199,175	2,309.02 + 2.93% of amount over	111,525
199,175		4,877.17 + 3.22% of amount over	199,175

Head of Household
 If revised taxable income for tax year is: The revised tax is equal to:

Over	But not over		
\$ 0	\$ 48,600	1.22% of the revised taxable income	
48,600	125,450	\$ 592.92 + 2.27% of amount over	\$ 48,600
125,450	203,150	2,337.42 + 2.52% of amount over	125,450
203,150	398,350	4,295.46 + 2.93% of amount over	203,150
398,350		10,014.82 + 3.22% of amount over	398,350