

Schedule
ND-1FA

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



2018

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 2018 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 2018 Form ND-1 instructions 4 _____
5. If you used Schedule ND-1FA to figure your tax for:
 - 2017, enter amount from your 2017 Schedule ND-1FA, line 11.
 - 2016 but not 2017, enter amount from your 2016 Schedule ND-1FA, line 15.
 - 2015 but not 2016 nor 2017, enter amount from your 2015 Schedule ND-1FA, line 3.
 Otherwise, enter amount from 2015 Form ND-1, line 18, **OR** from 2015 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 2015 Form ND-1/ND-EZ Tax Rate Schedules on page 2 of the instructions to this schedule ----- ▶ 8 _____
9. If you used Schedule ND-1FA to figure your tax for:
 - 2017, enter amount from your 2017 Schedule ND-1FA, line 15.
 - 2016 but not 2017, enter amount from your 2016 Schedule ND-1FA, line 3.
 Otherwise, enter amount from 2016 Form ND-1, line 18, **OR** from 2016 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 2016 Form ND-1/ND-EZ Tax Rate Schedules on page 2 of the instructions to this schedule ----- ▶ 12 _____
13. If you used Schedule ND-1FA to calculate your tax for 2017, enter the amount from your 2017 Schedule ND-1FA, line 3. Otherwise, enter amount from 2017 Form ND-1, line 18, **OR** from 2017 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 2017 Form ND-1/ Form ND-EZ Tax Rate Schedules on page 2 of the instructions to this schedule ----- ▶ 16 _____
17. Add lines 4, 8, 12 and 16. Enter this amount on page 2, line 18, of this schedule ----- 17 _____

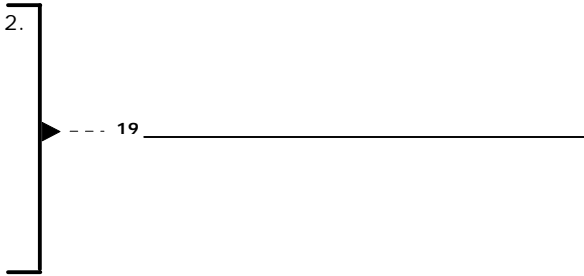


18. Enter the amount from page 1, line 17 ----- 18 _____

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

- 2017, enter amount from your 2017 Schedule ND-1FA, line 12.
- 2016 but not 2017, enter amount from your 2016 Schedule ND-1FA, line 16.
- 2015 but not 2016 nor 2017, enter amount from your 2015 Schedule ND-1FA, line 4.

Otherwise, enter amount from 2015 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 2015 Form ND-EZ, line 2.



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

- 2017, enter amount from your 2017 Schedule ND-1FA, line 16.
- 2016 but not 2017, enter amount from your 2016 Schedule ND-1FA, line 4.

Otherwise, enter amount from 2016 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 2016 Form ND-EZ, line 2.

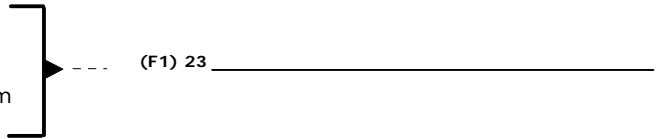


21. If you used Schedule ND-1FA to figure your tax for 2017, enter amount from 2017 Schedule ND-1FA, line 4. Otherwise, enter amount from 2017 Form ND-1, line 20 (if full-year resident) or Schedule ND-1NR, line 20 (if full-year nonresident or part-year resident) **OR** from 2017 Form ND-EZ, line 2. ----- 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 2018 Form ND-1, line 20.
- If you are required to use Schedule ND-1NR, enter the amount from this line on your 2018 Schedule ND-1NR, line 20.



► **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 2018 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 2018 Schedule ND-1FA to calculate your tax for 2018 if you used Schedule J (Form 1040) to calculate your 2018 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 2018.

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 base period returns

You will need copies of your 2015, 2016, and 2017 North Dakota income tax returns to complete the 2018 Schedule ND-1FA. If you do not have a copy of any of these returns, see the back cover of the 2018 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 2015, 2016, or 2017, you must use the corrected amounts when completing Schedule ND-1FA.

Specific line instructions

Line 2

Enter your elected farm income from the 2018 Schedule J (Form 1040), line 2a. However, if you claimed an exclusion on line 8 of your 2018 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 2018 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 2018 Schedule ND-1FA.

2015 Form ND-1/ND-EZ Tax Rate Schedules

If you used Form ND-1 or Form ND-EZ for the 2015 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 2015 tax year.

Single
 If revised taxable income for tax year is:

Over	But not over	The revised tax is equal to:	
\$ 0	\$ 37,450	1.10%	of the revised taxable income
37,450	90,750	\$ 411.95 + 2.04%	of amount over \$ 37,450
90,750	189,300	1,499.27 + 2.27%	of amount over 90,750
189,300	411,500	3,736.36 + 2.64%	of amount over 189,300
411,500		9,602.44 + 2.90%	of amount over 411,500

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

Over	But not over	The revised tax is equal to:	
\$ 0	\$ 62,600	1.10%	of the revised taxable income
62,600	151,200	\$ 688.60 + 2.04%	of amount over \$ 62,600
151,200	230,450	2,496.04 + 2.27%	of amount over 151,200
230,450	411,500	4,295.02 + 2.64%	of amount over 230,450
411,500		9,074.74 + 2.90%	of amount over 411,500

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

Over	But not over	The revised tax is equal to:	
\$ 0	\$ 31,300	1.10%	of the revised taxable income
31,300	75,600	\$ 344.30 + 2.04%	of amount over \$ 31,300
75,600	115,225	1,248.02 + 2.27%	of amount over 75,600
115,225	205,750	2,147.51 + 2.64%	of amount over 115,225
205,750		4,537.37 + 2.90%	of amount over 205,750

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

Over	But not over	The revised tax is equal to:	
\$ 0	\$ 50,200	1.10%	of the revised taxable income
50,200	129,600	\$ 552.20 + 2.04%	of amount over \$ 50,200
129,600	209,850	2,171.96 + 2.27%	of amount over 129,600
209,850	411,500	3,993.64 + 2.64%	of amount over 209,850
411,500		9,317.20 + 2.90%	of amount over 411,500

2016 Form ND-1/ND-EZ Tax Rate Schedules

If you used Form ND-1 or Form ND-EZ for the 2016 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 2016 tax year.

Single
 If revised taxable income for tax year is:

Over	But not over	The revised tax is equal to:	
\$ 0	\$ 37,650	1.10%	of the revised taxable income
37,650	91,150	\$ 414.15 + 2.04%	of amount over \$ 37,650
91,150	190,150	1,505.55 + 2.27%	of amount over 91,150
190,150	413,350	3,752.85 + 2.64%	of amount over 190,150
413,350		9,645.33 + 2.90%	of amount over 413,350

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

Over	But not over	The revised tax is equal to:	
\$ 0	\$ 62,900	1.10%	of the revised taxable income
62,900	151,900	\$ 691.90 + 2.04%	of amount over \$ 62,900
151,900	231,450	2,507.50 + 2.27%	of amount over 151,900
231,450	413,350	4,313.29 + 2.64%	of amount over 231,450
413,350		9,115.45 + 2.90%	of amount over 413,350

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

Over	But not over	The revised tax is equal to:	
\$ 0	\$ 31,450	1.10%	of the revised taxable income
31,450	75,950	\$ 345.95 + 2.04%	of amount over \$ 31,450
75,950	115,725	1,253.75 + 2.27%	of amount over 75,950
115,725	206,675	2,156.64 + 2.64%	of amount over 115,725
206,675		4,557.72 + 2.90%	of amount over 206,675

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

Over	But not over	The revised tax is equal to:	
\$ 0	\$ 50,400	1.10%	of the revised taxable income
50,400	130,150	\$ 554.40 + 2.04%	of amount over \$ 50,400
130,150	210,800	2,181.30 + 2.27%	of amount over 130,150
210,800	413,350	4,012.06 + 2.64%	of amount over 210,800
413,350		9,359.38 + 2.90%	of amount over 413,350

2017 Form ND-1/ND-EZ Tax Rate Schedules

If you used Form ND-1 or Form ND-EZ for the 2017 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 2017 tax year.

Single
 If revised taxable income for tax year is:

Over	But not over	The revised tax is equal to:	
\$ 0	\$ 37,950	1.10%	of the revised taxable income
37,950	91,900	\$ 417.45 + 2.04%	of amount over \$ 37,950
91,900	191,650	1,518.03 + 2.27%	of amount over 91,900
191,650	416,700	3,782.36 + 2.64%	of amount over 191,650
416,700		9,723.68 + 2.90%	of amount over 416,700

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

Over	But not over	The revised tax is equal to:	
\$ 0	\$ 63,400	1.10%	of the revised taxable income
63,400	153,100	\$ 697.40 + 2.04%	of amount over \$ 63,400
153,100	233,350	2,527.28 + 2.27%	of amount over 153,100
233,350	416,700	4,348.96 + 2.64%	of amount over 233,350
416,700		9,189.40 + 2.90%	of amount over 416,700

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

Over	But not over	The revised tax is equal to:	
\$ 0	\$ 31,700	1.10%	of the revised taxable income
31,700	76,550	\$ 348.70 + 2.04%	of amount over \$ 31,700
76,550	116,675	1,263.64 + 2.27%	of amount over 76,550
116,675	208,350	2,174.48 + 2.64%	of amount over 116,675
208,350		4,594.70 + 2.90%	of amount over 208,350

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

Over	But not over	The revised tax is equal to:	
\$ 0	\$ 50,800	1.10%	of the revised taxable income
50,800	131,200	\$ 558.80 + 2.04%	of amount over \$ 50,800
131,200	212,500	2,198.96 + 2.27%	of amount over 131,200
212,500	416,700	4,044.47 + 2.64%	of amount over 212,500
416,700		9,435.35 + 2.90%	of amount over 416,700