



**CREDIT FOR INCOME TAX PAID TO ANOTHER
STATE OR LOCAL JURISDICTION**
OFFICE OF STATE TAX COMMISSIONER
SFN 28721 (12-2025)

**Schedule ND-1CR
2025**

Name (First, MI, Last Name)

Social Security Number

Full-year resident and part-year resident

● **All taxpayers:** All taxpayers must enter the name of the other state in which state and/or local income tax was paid and complete lines 1a through 6.

● **Part-year resident:** If you were a part-year resident, this credit is allowed only if you reported income to North Dakota on Schedule ND-1NR, line 18, that (1) has its source in another state and (2) was received or earned while you were a resident of North Dakota.

► Enter the name of the other state in which you paid state and/or local income tax on income that is also taxed by North Dakota _____

1. a. Federal adjusted gross income from Form ND-1, line 1a _____ 1a _____

b. How much of the amount on line 1a has its source in the other state? If none, stop here; you are not eligible for this credit. **See instructions for proper amount to enter here** 1b _____

c. How much of the amount on line 1b did you (and your spouse, if filing jointly) receive or earn while a resident of North Dakota? If none, stop here; you are not eligible for this credit. **See instructions for proper amount to enter here** (S8) 1c _____

2. Enter the applicable amount for your residency status as instructed below (SJ) 2 _____

● **Full-year resident** - Enter the amount from Form ND-1, line 1a, less the amount from Form ND-1, line 5. (If married filing jointly, this applies only if both spouses were full-year residents.)

● **Part-year resident** - Enter the amount from Schedule ND-1NR, line 18. (If married filing jointly, this applies if either spouse was a part-year resident.)

3. Divide line 1c by line 2. Round to nearest four decimal places. If line 1c is equal to or more than line 2, enter 1 3 _____

4. Enter the amount of your North Dakota tax from Form ND-1, line 20 4 _____

5. Multiply line 4 by line 3 (SL) 5 _____

6. Enter the amount of income tax paid to the other state and its local jurisdictions. **See instructions for proper amount to enter here** (SM) 6 _____

● If you were a **full-year resident**, go to line 7. (If married filing jointly, this applies if both spouses were full-year residents.)

● If you were a **part-year resident**, skip line 7 and go to line 8. (If married filing jointly, this applies if either spouse was a part-year resident.)

Full-year resident only - Complete line 7 only if you were a full-year resident. (If married filing jointly, this applies only if both spouses were full-year residents.)

7. **Credit** - Enter the smaller of line 5 or line 6. Enter this amount on Form ND-1, line 21 7 _____

Part-year resident - Complete lines 8 through 11 only if you were a part-year resident. (If married filing jointly, this applies if either spouse was a part-year resident.)

8. Enter the amount from line 1b (SK) 8 _____

9. Divide line 1c by line 8. Round to nearest four decimal places. If line 1c is equal to or more than line 8, enter 1 9 _____

10. Multiply line 6 by line 9 (S9) 10 _____

11. **Credit** - Enter the smaller of line 5 or line 10. Enter this amount on Form ND-1, line 21 11 _____

General instructions

Who is eligible

You may be eligible for a credit for income tax paid to another state or local jurisdiction if both of the following apply:

- You were a North Dakota resident for all or part of the tax year.
- You paid income tax for the tax year to North Dakota and to the other state or local jurisdiction on the same income. If you were a part-year resident of North Dakota, the credit is allowed if the eligible income was earned or received during the time you were a North Dakota resident.

A "state" means any of the other 49 U.S. states, the District of Columbia, and a U.S. territory. A "local jurisdiction" means a city, township, county, etc., within a state.

Qualifying taxes—The credit is allowed for income taxes you paid to another state and any of its local jurisdictions. The credit is not allowed for income tax paid to a foreign country or its local jurisdictions, nor is it allowed for any tax that is not an income tax (e.g., property or sales taxes).

Composite income tax or pass-through entity income tax. If you owned an interest in a partnership, S corporation, or a limited liability company treated like a partnership or S corporation, you may claim a credit for your allocable share of an income tax paid by the pass-through entity to another state if either of the following apply:

- You elected to be included in a composite income tax return filed on your behalf in the other state by the pass-through entity, which satisfied your personal income tax filing and payment requirements in that state.
- You do not have to file an income tax return in the other state under a law that imposes the income tax on the pass-through entity's income tax payment satisfies your requirement to file and pay income tax on your share of the pass-through entity's income.

- You filed an individual income tax return with the other state on which you were allowed an income deduction or a tax credit to offset the other state's income tax on your share of the pass-through entity's income.

Other jurisdiction's income tax return—The credit is allowed only if you, or a pass-through entity in the case of a composite or entity-level income tax, file an income tax return with the other state or local jurisdiction. The credit is not allowed based on income tax withholding shown on a Form W-2 or estimated income tax paid to the other state or local jurisdiction.

Joint filers with different residency statuses. If you are filing a joint return and you and your spouse have different residency statuses, the credit is available to either or both of you, if you meet the eligibility requirements.

Credit for income tax paid to multiple states or local jurisdictions—If you paid income tax to more than one other state for the tax year, complete a separate Schedule ND-1CR for each state. If you also paid income tax to a local jurisdiction in another state, include the income tax paid to the local jurisdiction on the Schedule ND-1CR completed for the state in which the local jurisdiction is located. Add the separate credit amounts from all of the Schedule ND-1CR forms and enter the total on Form ND-1, line 21.

Note: If another state assesses you additional income tax after you file your North Dakota income tax return, you have up to one year following the date you paid the additional tax to the other state to file an amended North Dakota return to claim the credit and obtain a refund. This applies even though the regular time periods for filing a refund claim have expired.

Did you work in Montana? If you worked in Montana while a resident of North Dakota, the wages you receive for this work are not taxable by Montana under the income tax reciprocity agreement between the two states. If this applies to you, but your employer withheld Montana

income tax from the wages, do not complete this schedule. Instead, you must file a Montana individual income tax return to obtain a refund of the Montana income tax withheld.

Income other than wages from Montana sources—If you are a resident of North Dakota and you paid income tax to Montana on income other than wages—such as income from a business, rental property, or the sale of real property—complete Schedule ND-1CR to calculate the allowable credit for the tax paid on this income.

Did you work in Minnesota?

If you worked in Minnesota while a resident of North Dakota and maintained a home in North Dakota to which you returned at least once every month, the wages you receive for this work are not taxable by Minnesota under the income tax reciprocity agreement between the two states. If this applies to you, but your employer withheld Minnesota income tax from the wages, do not complete this schedule. Instead, you must file a Minnesota individual income tax return to obtain a refund of the Minnesota income tax withheld.

Income other than wages from Minnesota sources—If you are a resident of North Dakota and you paid income tax to Minnesota on income other than wages—such as income from a business, rental property, or the sale of real property—complete Schedule ND-1CR to calculate the allowable credit for the tax paid on this income.

Specific line instructions

Line 1b

Enter the items of income, gain, loss, and adjustments to income included in your federal adjusted gross income that have their source in the other state. Generally, they have their source in the other state if they are taxable or deductible under the tax laws of the other state or its local jurisdictions. Do not include personal or dependency exemptions, standard deduction or itemized deductions, or any other adjustment to federal adjusted gross income allowed or required by the tax laws of the other state or its local jurisdictions.

Include on this line your share of income included in a composite income tax return or a pass-through entity income tax return filed in the other state - see "Composite income tax or pass-through entity income tax" in these instructions.

Example: Taxpayer A is a full-year resident of North Dakota. His federal adjusted gross income is \$90,000, which consists of wages of \$89,000 and interest income of \$1,000. \$15,000 of his wages was earned for work he performed in another state and is taxable by that state. The amount to enter on line 1b of Schedule ND-1CR is \$15,000, which is the portion of his federal adjusted gross income that has a source in the other state.

Line 1c

Enter the portion of line 1b that was received or earned while a resident of North Dakota.

Example: Taxpayer B was a resident of a state other than North Dakota from January 1 through June 30 and a North Dakota resident from July 1 through December 31. While a resident of the other state, she received wages of \$30,000 for working in that state. After moving to North Dakota, she earned additional wages of \$28,000 for working in North Dakota. She also owns land located in the other state from which she received net rental income of \$1,000 per month (\$12,000 for the year). Her federal adjusted gross income is \$70,000 ($\$30,000 + \$28,000 + \$12,000$). The wages of \$30,000 and the net rental income of \$12,000 derived from the other state are taxable by that state. The amount to enter on line 1b of Schedule ND-1CR is \$42,000, which is the portion of her federal adjusted gross income that has a source in the other state. The amount to enter on line 1c of Schedule ND-1CR is \$6,000, which is the portion of her net rental income taxed by the other state that she received while a North Dakota resident.

Line 6

Enter on line 6 the amount of net income tax shown on the other state's income tax return. If you also paid income tax to a local jurisdiction in the other state, include the amount of net income tax shown on the local jurisdiction's income tax return (or, if applicable, the other state's return). "Net income tax" means the amount after income tax credits but before withholding and estimated taxes. Do not include on this line income tax withholding shown on a Form W-2 or estimated income tax paid to the other state or local jurisdiction.

Include on this line your share of income tax paid on a composite income tax return or a pass-through entity income tax return filed in the other state - see "Composite income tax or pass-through entity income tax" in these instructions.