



Attach to Form ND-1

Name (First, MI, Last Name) Your Social Security Number

Important! All taxpayers must read this section. If you are claiming a deduction on line 4 or 5 of this schedule, you must complete this section. See "Property tax clearance" in instructions for details.

Do you (or does your spouse, if filing jointly) hold a 50 percent or more ownership interest in real property located in North Dakota? Yes No
If yes, enter name of each North Dakota county in which you or your spouse holds a 50% or more interest in real property:

Attach to Form ND-1 the completed Property Tax Clearance Record obtained from each county identified above.

Additions

- 1. Lump sum distribution from Federal Form 4972 (NA) 1
2. Loss from S corporation taxed as C corporation (NB) 2
3. Total additions. Add lines 1 and 2. Enter result on Form ND-1, line 3 3

Subtractions

- 4. Renaissance zone income exemption (Attach Schedule RZ) (S7) 4
5. New or expanding business income exemption (NH) 5
6. Human organ donor expense deduction (NL) 6
7. Employee workforce recruitment exclusion (CA) 7
8. a. Stillborn child deduction (CB) 8a
b. 11-digit certificate number from Certification of Fetal Death (CC) 8b
c. Date of death from Certification of Fetal Death (CD) 8c
9. Employer reimbursement of college expenses which is included in taxable wages on Form W-2 (Attach statement or letter from employer - see instructions) (CE) 9
10. Income from S corporation taxed as C corporation (S6) 10
11. Total subtractions. Add lines 4 through 8a, 9, and 10. Enter result on Form ND-1, line 16 11

Instructions

If you have any of the adjustments shown on this schedule, you must complete and attach it to Form ND-1.

Disclosure notification

Upon written request from the chairman of a North Dakota legislative standing committee or Legislative Management, the law requires the Office of State Tax Commissioner to disclose the amount of any deduction or credit claimed on a tax return. Any other confidential information, such as a taxpayer's name or social security number, may not be disclosed.

Property tax clearance

North Dakota Century Code (N.D.C.C.) § 57-01-15.1 provides that, before certain state tax incentives may be claimed, a taxpayer must obtain a property tax clearance record from each North Dakota county in which the taxpayer holds a 50% or more ownership interest in real property.

The property tax clearance record(s) must be attached to the North Dakota tax return on which the incentive is claimed. The deductions on lines 4 and 5 of this schedule are subject to this requirement.

If you are claiming the deduction on line 4 or line 5 of this schedule, you must complete the property tax clearance section at the top of the schedule. If you are required to attach a property tax clearance record from a county, obtain one by using the form Property Tax Clearance Record available on the Office of State Tax Commissioner's website at www.tax.nd.gov.

Line 1 - Lump sum distribution

If you received a lump-sum distribution from a qualified retirement plan that you elected to report on Federal Form 4972 (Tax On Lump-Sum Distributions), you must enter on this line the amount from Form 4972, line 6 plus line 10. However, if you received the distribution while a nonresident of North Dakota, do not make an entry on this line.

Line 2 - Loss from certain S corporations

Enter on this line the amount of a loss adjustment reported to you by an S corporation that elected to be taxed as a C corporation for North Dakota income tax purposes. For more information, see the guideline Adjustment For Income (Loss) From An S Corporation Electing To Be Taxed As A C Corporation under "Guidelines" at www.tax.nd.gov.

Line 4 - Renaissance zone income exemption

If you qualified for the business or investment income exemption under the North Dakota renaissance zone program, enter the sum of the amounts from Schedule RZ, Part 7, line 1c. Attach Schedule RZ.