

Schedule  
**ND-1FA**

North Dakota Office of State Tax Commissioner  
**Calculation of tax under 3-year averaging  
method for elected farm income**



**2011**

Attach to Form ND-1

Please type or print in black or blue ink.

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 2011 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 2011 Form ND-1 instructions ----- 4 \_\_\_\_\_
5. If you used Schedule ND-1FA to figure your tax for:
  - 2010, enter amount from your 2010 Schedule ND-1FA, line 11.
  - 2009 but not 2010, enter amount from your 2009 Schedule ND-1FA, line 15.
  - 2008 but not 2009 nor 2010, enter amount from your 2008 Schedule ND-1FA, line 3.
 Otherwise, enter amount from 2008 Form ND-1, line 16, **OR** from 2008 Form ND-2, Tax Computation Schedule, line 1.
 

If line 5 is zero or less,  
see instructions.

 ----- 5 \_\_\_\_\_
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. If you used Form ND-1 for 2008, figure the tax on the amount on line 7 using the 2008 Form ND-1 Tax Rate Schedules on page 2 of the instructions. Otherwise, use the Form ND-2 Tax Rate Schedule on page 1 of the instructions -----▶ 8 \_\_\_\_\_
9. If you used Schedule ND-1FA to figure your tax for:
  - 2010, enter amount from your 2010 Schedule ND-1FA, line 15.
  - 2009 but not 2010, enter amount from your 2009 Schedule ND-1FA, line 3.
 Otherwise, enter amount from 2009 Form ND-1, line 18, **OR** from 2009 Form ND-EZ, line 1.
 

If line 9 is zero or less,  
see instructions.

 ----- 9 \_\_\_\_\_
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 2009 Form ND-1 Tax Rate Schedules on page 2 of the instructions -----▶ 12 \_\_\_\_\_
13. If you used Schedule ND-1FA to calculate your tax for 2010, enter the amount from your 2010 Schedule ND-1FA, line 3. Otherwise, enter amount from 2010 Form ND-1, line 18, **OR** from 2010 Form ND-1EZ, 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 2010 Form ND-1 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:

- 2010, enter amount from your 2010 Schedule ND-1FA, line 12.
- 2009 but not 2010, enter amount from your 2009 Schedule ND-1FA, line 16.
- 2008 but not 2009 nor 2010, enter amount from your 2008 Schedule ND-1FA, line 4.

Otherwise, enter amount from 2008 Form ND-1, line 17 (if full-year resident) or Schedule ND-1NR, line 20 (if full-year nonresident or part-year resident) **OR** from 2008 Form ND-2, Tax Computation Schedule, line 2.

----- 19 \_\_\_\_\_

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

- 2010, enter amount from your 2010 Schedule ND-1FA, line 16.
- 2009 but not 2010, enter amount from your 2009 Schedule ND-1FA, line 4.

Otherwise, enter amount from 2009 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 2009 Form ND-EZ, line 2.

----- 20 \_\_\_\_\_

21. If you used Schedule ND-1FA to figure your tax for 2010, enter amount from 2010 Schedule ND-1FA, line 4. Otherwise, enter amount from 2010 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 2010 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 2011 Form ND-1, line 20.
- If you are required to use Schedule ND-1NR, enter the amount from this line on your 2011 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 2011 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 2011 Schedule ND-1FA to calculate your tax for 2011 if you used Schedule J (Form 1040) to calculate your 2011 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 2011.

**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 2008, 2009, and 2010 returns

You will need copies of your 2008, 2009, and 2010 North Dakota income tax returns to complete the 2011 Schedule ND-1FA. If you do not have a copy of any of these returns, see the back cover of the 2011 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 2008, 2009, or 2010, you must use the corrected amounts when completing Schedule ND-1FA.

## Specific line instructions

### Line 2

Enter your elected farm income from the 2011 Schedule J (Form 1040), line 2a. However, if you claimed an exclusion on line 8 of your 2011 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 2011 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 2011 Schedule ND-1FA.

### Form ND-2 Tax Rate Schedule

If you used Form ND-2 for the 2008 tax year, use this schedule to calculate the tax for that tax year.

If revised taxable income for tax year is:		The revised tax is equal to:	
Over	But not over		
\$ 0	\$ 3,000	.....	2.67% of the revised taxable income
3,000	5,000	\$ 80.10 + 4.00%	of the amount over \$ 3,000
5,000	8,000	..... 160.10 + 5.33%	of the amount over 5,000
8,000	15,000	..... 320.00 + 6.67%	of the amount over 8,000
15,000	25,000	..... 786.90 + 8.00%	of the amount over 15,000
25,000	35,000	..... 1,586.90 + 9.33%	of the amount over 25,000
35,000	50,000	..... 2,519.90 + 10.67%	of the amount over 35,000
50,000		..... 4,120.40 + 12.00%	of the amount over 50,000

**2008 Form ND-1 Tax Rate Schedules**

If you used Form ND-1 for the 2008 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 2008 tax year.

**Single**

If revised taxable income for tax year is:		The revised tax is equal to:	
Over	But not over		
\$ 0	\$ 32,550	.....	2.1% of the revised taxable income
32,550	78,850	...	\$ 683.55 + 3.92% of amount over \$ 32,550
78,850	164,550	...	2,498.51 + 4.34% of amount over 78,850
164,550	357,700	...	6,217.89 + 5.04% of amount over 164,550
357,700		.....	15,952.65 + 5.54% of amount over 357,700

**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	\$ 54,400	.....	2.1% of the revised taxable income
54,400	131,450	...	\$ 1,142.40 + 3.92% of amount over \$ 54,400
131,450	200,300	...	4,162.76 + 4.34% of amount over 131,450
200,300	357,700	...	7,150.85 + 5.04% of amount over 200,300
357,700		.....	15,083.81 + 5.54% of amount over 357,700

**Married filing separately**

If revised taxable income for tax year is:		The revised tax is equal to:	
Over	But not over		
\$ 0	\$ 27,200	.....	2.1% of the revised taxable income
27,200	65,725	...	\$ 571.20 + 3.92% of amount over \$ 27,200
65,725	100,150	...	2,081.38 + 4.34% of amount over 65,725
100,150	178,850	...	3,575.43 + 5.04% of amount over 100,150
178,850		.....	7,541.91 + 5.54% of amount over 178,850

**Head of Household**

If revised taxable income for tax year is:		The revised tax is equal to:	
Over	But not over		
\$ 0	\$ 43,650	.....	2.1% of the revised taxable income
43,650	112,650	...	\$ 916.65 + 3.92% of amount over \$ 43,650
112,650	182,400	...	3,612.45 + 4.34% of amount over 112,650
182,400	357,700	...	6,648.60 + 5.04% of amount over 182,400
357,700		.....	15,483.72 + 5.54% of amount over 357,700

**2009 Form ND-1 Tax Rate Schedules**

If you used Form ND-1 or Form ND-EZ for the 2009 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 2009 tax year.

**Single**

If revised taxable income for tax year is:		The revised tax is equal to:	
Over	But not over		
\$ 0	\$ 33,950	.....	1.84% of the revised taxable income
33,950	82,250	...	\$ 624.68 + 3.44% of amount over \$ 33,950
82,250	171,550	...	2,286.20 + 3.81% of amount over 82,250
171,550	372,950	...	5,688.53 + 4.42% of amount over 171,550
372,950		.....	14,590.41 + 4.86% of amount over 372,950

**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	\$ 56,750	.....	1.84% of the revised taxable income
56,750	137,050	...	\$ 1,044.20 + 3.44% of amount over \$ 56,750
137,050	208,850	...	3,806.52 + 3.81% of amount over 137,050
208,850	372,950	...	6,542.10 + 4.42% of amount over 208,850
372,950		.....	13,795.32 + 4.86% of amount over 372,950

**Married filing separately**

If revised taxable income for tax year is:		The revised tax is equal to:	
Over	But not over		
\$ 0	\$ 28,375	.....	1.84% of the revised taxable income
28,375	68,525	...	\$ 522.10 + 3.44% of amount over \$ 28,375
68,525	104,425	...	1,903.26 + 3.81% of amount over 68,525
104,425	186,475	...	3,271.05 + 4.42% of amount over 104,425
186,475		.....	6,897.66 + 4.86% of amount over 186,475

**Head of Household**

If revised taxable income for tax year is:		The revised tax is equal to:	
Over	But not over		
\$ 0	\$ 45,500	.....	1.84% of the revised taxable income
45,500	117,450	...	\$ 837.20 + 3.44% of amount over \$ 45,500
117,450	190,200	...	3,312.28 + 3.81% of amount over 117,450
190,200	372,950	...	6,084.06 + 4.42% of amount over 190,200
372,950		.....	14,161.61 + 4.86% of amount over 372,950

**2010 Form ND-1 or Form ND-EZ Tax Rate Schedules**

If you used Form ND-1 or Form ND-EZ for the 2010 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 2010 tax year.

**Single**

If revised taxable income for tax year is:		The revised tax is equal to:	
Over	But not over		
\$ 0	\$ 34,000	.....	1.84% of the revised taxable income
34,000	82,400	...	\$ 625.60 + 3.44% of amount over \$ 34,000
82,400	171,850	...	2,290.56 + 3.81% of amount over 82,400
171,850	373,650	...	5,698.61 + 4.42% of amount over 171,850
373,650		.....	14,618.17 + 4.86% of amount over 373,650

**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	\$ 56,850	.....	1.84% of the revised taxable income
56,850	137,300	...	\$ 1,046.04 + 3.44% of amount over \$ 56,850
137,300	209,250	...	3,813.52 + 3.81% of amount over 137,300
209,250	373,650	...	6,554.82 + 4.42% of amount over 209,250
373,650		.....	13,821.30 + 4.86% of amount over 373,650

**Married filing separately**

If revised taxable income for tax year is:		The revised tax is equal to:	
Over	But not over		
\$ 0	\$ 28,425	.....	1.84% of the revised taxable income
28,425	68,650	...	\$ 523.02 + 3.44% of amount over \$ 28,425
68,650	104,625	...	1,906.76 + 3.81% of amount over 68,650
104,625	186,825	...	3,277.41 + 4.42% of amount over 104,625
186,825		.....	6,910.65 + 4.86% of amount over 186,825

**Head of Household**

If revised taxable income for tax year is:		The revised tax is equal to:	
Over	But not over		
\$ 0	\$ 45,550	.....	1.84% of the revised taxable income
45,550	117,650	...	\$ 838.12 + 3.44% of amount over \$ 45,550
117,650	190,550	...	3,318.36 + 3.81% of amount over 117,650
190,550	373,650	...	6,095.85 + 4.42% of amount over 190,550
373,650		.....	14,188.87 + 4.86% of amount over 373,650