



# INSTRUCTIONS

Form D-410 (Reverse)

**Purpose** - Use Form D-410 to ask for 6 more months to file the following North Carolina tax returns: Individual, Form D-400; Partnership, Form D-403; Estates and Trusts, Form D-407; or Gift, Form G-600. (You cannot use this form to apply for an extension of time to file Form D-499, Application for Tax Credit for Qualified Business Investments. To apply for an extension of time to file Form D-499, you must submit a written statement by April 15 requesting additional time. However, the date for filing Form D-499 cannot be extended beyond September 15.) Note: Even if you do not expect to owe additional tax, you must still apply for an extension and file the return by the extended due date for the return to be considered timely filed. You do not have to explain why you are asking for the extension. We will contact you only if your request is denied. You do not have to attach this form to your return.

#### To receive the extra time you MUST:

1. Properly estimate your 1999 tax liability using the information available to you,
2. Enter your tax liability on Line 1 of Form D-410, AND
3. File Form D-410 by the regular due date of your tax return.

You are not required to send a payment of the tax you estimate as due. However, because an extension of time to file the return does not extend the time for paying the tax, it will benefit you to pay as much as you can.

If you already had 2 extra months to file because you were "out of the country" (explained later) when your return was due, then use this form to ask for an additional 4 months to file.

In lieu of filing Form D-410, an automatic 6-month extension of time to file your State income or gift tax return will be granted if you file Federal Form 4868 (Federal Form 8736 for Partnership Returns and Forms 8736 or 2758 for Estates and Trusts Returns), Application for Automatic Extension of Time, with the Internal Revenue Service, provided you submit a copy of the completed Form 4868 to the Department of Revenue by the original due date of the return. When filing a copy of Form 4868 in lieu of Form D-410, you must clearly state that the form is for North Carolina; mark through the federal amounts shown on the form; and enter the applicable amounts for North Carolina.

Because North Carolina's automatic extension is for 6 months instead of 4 months as allowed for federal purposes, you are not required to apply for an additional 2 month extension or submit a copy of the application for an additional 2 month extension that you filed with the Internal Revenue Service because you are unable to file your return within the additional 4 months granted automatically for federal purposes.

**Filing Your Tax Return** - You may file the income or gift tax return at any time before the extended due date. But remember, Form D-410 does not extend the time to pay the tax. If you do not pay the amount due by the original due date, you will owe interest. You may also be charged penalties.

**Interest** - You will owe interest on tax not paid by the original due date of the return. Even if you had a good reason not to pay on time, you will still owe interest.

**Late Payment Penalty** - The late payment penalty is 10 percent (minimum \$5) of the tax not paid by the due date of the return. The penalty will apply on any remaining balance due if the tax paid by the original due date of the return is less than 90 percent of the total amount of tax due. If the 90 percent rule is met, any remaining balance due, including interest, must be paid with the income tax return on or before the expiration of the extension period to avoid the late payment penalty.

**Late Filing Penalty** - A penalty is usually charged if your return is filed after the due date (including extensions). It is 5 percent of the tax not paid by the due date for each month, or part of a month that your return is late (minimum \$5, maximum 25 percent).

If you do not file the application for extension by the original due date of the return, you are subject to both the 5 percent per month late filing penalty and the 10 percent late payment penalty on the remaining tax due.

**Invalid Extensions** - If the extension is determined invalid, both the late filing and the late payment penalties will apply. An extension is considered invalid if the amount entered on the extension form as the tax expected to be due is not properly estimated. In determining whether the amount reflected as tax due on the application is properly estimated, all facts and circumstances, including the amount of tax due in prior years, whether substantial underpayments have been made in other years, and whether an individual made a bona fide and reasonable attempt to locate, gather, and consult information, must be considered.

**How To Claim Credit For Payments Made With This Form** - When you file your return, include the amount paid with this extension on Line 19b of Form D-400. If you and your spouse each file a separate Form D-410, but file a joint return for 1999, enter the total paid with the two Forms D-410 on Line 19b of your return.

If you and your spouse jointly filed Form D-410, but file separate returns for 1999, you may enter the total amount paid with Form D-410 on either of your separate returns. Or, you and your spouse may divide the payment in any agreed amounts. Be sure each separate return

has the social security numbers of both spouses.

If this extension request is filed to extend the time in which to file a partnership return, enter the amount paid on Line 11 of Form D-403. If the extension request is for an estates and trusts return, enter the amount paid on Line 10 of Form D-407.

#### Specific Instructions

**Name, Address, and Social Security Numbers** - Enter your name, address, social security number, and your spouse's name and social security number if filing a joint return.

**Line 2** - Enter on this line any North Carolina income tax withheld, 1999 estimated tax payments (including any 1998 overpayment applied to 1999) and any other payments and credits you expect to show on your return.

**Line 4** - If you or your spouse are also using the extra 6 months to file a 1999 gift tax return, check whichever box applies on Line 4. However, if your spouse files a separate Form D-410 (or Federal Form 4868), do not check the box for your spouse.

**Lines 5a and 5b** - Enter the amount of gift tax you (or your spouse) are paying on these lines. If your spouse files a separate Form D-410 (or Federal Form 4868), enter on your form only the total gift tax you are paying.

**Out of the Country** - If you already had 2 extra months to file because you were a U. S. citizen or resident and were out of the country on the due date of your return, fill in the circle located in the signature box at the bottom of the form. For this purpose, "Out of the Country" means either (1) you live outside the United States and Puerto Rico, AND your main place of work is outside the United States and Puerto Rico, or (2) you are in military or naval service outside the United States or Puerto Rico.

**Your Signature** - This form must be signed. If you plan to file a joint return, both of you must sign. If there is a good reason why one of you cannot, then the other spouse may sign for both. Attach an explanation why the other spouse cannot sign.

**Others Who Can Sign For You** - Anyone with a power of attorney can sign. But the following can sign for you without a power of attorney:

- Attorneys, CPAs, and enrolled agents, or
- A person in close personal or business relationship to you who is signing because you cannot. There must be a good reason why you cannot sign, such as illness or absence. Attach an explanation to the form.

**Important:** Do not use this form to request extensions of time for filing corporate income or franchise tax returns.