

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1304

Short Title: No Income Tax Marriage Penalty.

(Public)

Sponsors: Representatives Decker; Allred, Arnold, Baker, Barbee, Brown, Brubaker, Cansler, Capps, Clary, Creech, Culp, Daughtry, Davis, Dockham, Eddins, Ellis, Esposito, Gardner, Gray, Gulley, Hiatt, Holmes, Horn, Kiser, McComas, McCombs, McMahan, Miner, Mitchell, Moore, Morris, Nye, Preston, Rayfield, Russell, Setzer, Sexton, Sherrill, Smith, Starnes, Tallent, Teague, Walend, Warwick, G. Wilson, and Wood.

Referred to: Finance.

April 21, 1999

A BILL TO BE ENTITLED

AN ACT TO REDUCE INCOME TAXES FOR MARRIED COUPLES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-134.6(c)(3) and (4) read as rewritten:

"(c) Additions. – The following additions to taxable income shall be made in calculating North Carolina taxable income, to the extent each item is not included in taxable income:

...

(3) Any amount deducted from gross income under section 164 of the Code as state, local, or foreign income tax to the extent that the taxpayer's total itemized deductions deducted under the Code for the taxable year exceed the standard deduction allowable to the taxpayer under the Code reduced by the amount by which the taxpayer's allowable standard deduction has been increased under section 63(c)(4) of the Code. the taxpayer is required to add to taxable income under subdivision (4) of this subsection.

- 1 (4) ~~The~~ In the case of married individuals who file a joint return, the amount
2 by which the taxpayer's standard deduction under the Code exceeds six
3 thousand dollars (\$6,000). In the case of a married individual filing a
4 separate return, the amount by which the taxpayer's standard deduction
5 under the Code exceeds three thousand dollars (\$3,000). In the case of
6 all other taxpayers, the amount by which the taxpayer's standard
7 deduction has been increased for inflation under section 63(c)(4)(A) of
8 the Code."

9 Section 2. G.S. 105-134.2(a) reads as rewritten:

10 "(a) A tax is imposed upon the North Carolina taxable income of every individual.
11 The tax shall be levied, collected, and paid annually and shall be computed at the
12 following percentages of the taxpayer's North Carolina taxable income.

- 13 (1) For married individuals who file a joint return under G.S. 105-152 and
14 for surviving spouses, as defined in section 2(a) of the Code:

15 On the North Carolina taxable income up to ~~twenty-one thousand two~~
16 ~~hundred fifty dollars (\$21,250),~~ twenty-five thousand five hundred dollars
17 (\$25,500), six percent (6%).

18 On the amount over ~~twenty-one thousand two hundred fifty dollars~~
19 ~~(\$21,250)~~ twenty-five thousand five hundred dollars (\$25,500) and up to
20 ~~one hundred thousand dollars (\$100,000),~~ twenty thousand dollars
21 (\$120,000), seven percent (7%).

22 On the amount over one hundred ~~thousand dollars (\$100,000),~~ twenty
23 thousand dollars (\$120,000), seven and seventy-five one-hundredths
24 percent (7.75%).

- 25 (2) For heads of households, as defined in section 2(b) of the Code:

26 On the North Carolina taxable income up to seventeen thousand dollars
27 (\$17,000), six percent (6%).

28 On the amount over seventeen thousand dollars (\$17,000) and up to
29 eighty thousand dollars (\$80,000), seven percent (7%).

30 On the amount over eighty thousand dollars (\$80,000), seven and
31 seventy-five one-hundredths percent (7.75%).

- 32 (3) For unmarried individuals other than surviving spouses and heads of
33 ~~households:~~ households, and for married individuals who do not file a
34 joint return:

35 On the North Carolina taxable income up to twelve thousand seven
36 hundred fifty dollars (\$12,750), six percent (6%).

37 On the amount over twelve thousand seven hundred fifty dollars
38 (\$12,750) and up to sixty thousand dollars (\$60,000), seven percent
39 (7%).

40 On the amount over sixty thousand dollars (\$60,000), seven and
41 seventy-five one-hundredths percent (7.75%).

- 42 (4) ~~For married individuals who do not file a joint return under G.S. 105-~~
43 ~~152:~~

1 ~~On the North Carolina taxable income up to ten thousand six hundred~~
2 ~~twenty five dollars (\$10,625), six percent (6%).~~

3 ~~On the amount over ten thousand six hundred twenty five dollars~~
4 ~~(\$10,625) and up to fifty thousand dollars (\$50,000), seven percent~~
5 ~~(7%).~~

6 ~~On the amount over fifty thousand dollars (\$50,000), seven and seventy-~~
7 ~~five one hundredths percent (7.75%)."~~

8 Section 3. This act is effective for taxable years beginning on or after January
9 1, 2002.