

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

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**SENATE BILL 471**

Short Title: Taxation of Out-of-State Military Pay. (Public)

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Sponsors: Senators Shaw; Goodall, Smith, and Snow.

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Referred to: Finance.

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March 5, 2007

A BILL TO BE ENTITLED

AN ACT TO EXEMPT FOR THE STATE INCOME TAX AMOUNTS EARNED BY  
ACTIVE DUTY MILITARY PERSONNEL OUTSIDE OF THIS STATE.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-134.6(b) is amended by adding a new subdivision to  
read:

"(b) Deductions. – The following deductions from taxable income shall be made  
in calculating North Carolina taxable income, to the extent each item is included in  
taxable income:

...

(19) Compensation that is paid by the armed forces of the United States for  
services performed outside of this State during the taxable year to an  
individual who is on active duty as a full-time member of the armed  
forces."

**SECTION 2.** This act is effective for taxable years beginning on or after  
January 1, 2007.