

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015**

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**HOUSE BILL 901**

Short Title:    Agribusiness Income Tax Exemptions. (Public)

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Sponsors:     Representatives Waddell, Ager, Dobson, and Goodman (Primary Sponsors).  
*For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*

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Referred to:   Finance.

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April 16, 2015

A BILL TO BE ENTITLED  
AN ACT TO PROVIDE FOR AN EXEMPTION FROM TAXABLE INCOME FOR THE  
FIRST TWENTY-FIVE THOUSAND DOLLARS OF BUSINESS INCOME FOR  
CERTAIN AGRIBUSINESSES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-153.5(b) is amended by adding a new subdivision to read:

"(b) Other Deductions. – In calculating North Carolina taxable income, a taxpayer may deduct from the taxpayer's adjusted gross income any of the following items that are included in the taxpayer's adjusted gross income:

...  
(10) An amount not to exceed twenty-five thousand dollars (\$25,000) of net business income the taxpayer receives during the taxable year if the taxpayer (i) demonstrates that the taxpayer is engaged in the business of farming by providing to the Department any of the forms of documentation listed in G.S. 153A-340(b)(2), (ii) has annual gross income from farming operations for the preceding taxable year, combined with the annual gross income of all related persons, of two hundred fifty thousand dollars (\$250,000) or less, (iii) has three or more full- or part-time positions, and (iv) is located in a development tier one or two area, as defined in G.S. 143B-437.08. In the case of a married couple filing a joint return where both spouses receive or incur net business income, the maximum dollar amounts apply separately to each spouse's net business income, not to exceed a total of fifty thousand dollars (\$50,000). For purposes of this subdivision, the term "business income" does not include income that is considered passive income under the Code, and the term "related persons" means a person described in one of the relationships set forth in section 267(b) or 707(b) of the Code.

**SECTION 2.** This act is effective for taxable years beginning on or after January 1, 2015, and expires for taxable years beginning on or after January 1, 2019.

