

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL 188

Short Title: Military State Income Tax Relief. (Public)

Sponsors: Senator Burgin (Primary Sponsor).

Referred to: Rules and Operations of the Senate

March 6, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE INCOME TAX RELIEF FOR MEMBERS OF THE ARMED FORCES
3 OF THE UNITED STATES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-153.5(b) reads as rewritten:

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

9 ...

10 (5) The amount received during the taxable year from one or more State, local, or
11 federal government retirement plans to the extent the amount is exempt from
12 tax under this Part pursuant to a court order in settlement of any of the
13 ~~following cases; cases listed in this subdivision.~~ Amounts deducted under this
14 subdivision may not also be deducted under subdivision (5a) of this
15 subsection.

16 a. Bailey v. State, 92 CVS 10221, 94 CVS 6904, 95 CVS 6625, 95 CVS
17 8230.

18 b. Emory v. State, 98 CVS 0738.

19 c. Patton v. State, 95 CVS 04346.

20 (5a) The amount received during the taxable year from the United States
21 government as retirement pay for a retired member of the Armed Forces of
22 the United States or as survivorship benefits for survivors of active duty or
23 retired members of the Armed Forces of the United States. Amounts deducted
24 under this subdivision may not also be deducted under subdivision (5) of this
25 subsection.

26 ...

27 (14) The amount received as military pay by an active service member of any
28 branch of the Armed Forces of the United States for any period of time the
29 service member is not present in this State if the service member is a North
30 Carolina resident and the service member is not present in this State solely in
31 compliance with military orders reassigning the service member to a
32 permanent duty station located outside of the State."

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

34 2019.

