

March 29, 2001

**H 845. EXCLUDE PENSIONS FROM INCOME TAX. TO PROVIDE EQUAL INCOME**

*TREATMENT OF GOVERNMENT RETIREES' BENEFITS.* Amends GS 105-134.6(b)(deductions from North Carolina taxable income for income). Sets maximum deduction of \$2,000 for taxable income received under all retirement plans other than state, local, or federal government retirement plans. Provides that maximum applies separately to each spouse's benefits if both spouses received retirement benefits under one or more of these plans. Amends GS 105.134.6 to set deduction for retirement benefits received under North Carolina state and local government plans and under federal government retirement plans. Allows deduction of the greater of (1) the amount received from a state or local government retirement plan from a state other than North Carolina, to the extent that other state would not subject equivalent amount received under a North Carolina plan to income or (2) up to \$4,000 received under a government plan from a state other than North Carolina. Provides that maximum amount applies separately to each spouse's benefits if both received these retirement benefits. Amends GS 105-134.1(13) to delete definition of "retirement benefits" and to add definition of "retirement plan." Effective for taxable years beginning on or after Jan. 1, 2001.

**Intro. by Davis.**

Ref. to Finance	GS 105
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