

April 18, 2005

H 1267. EXCLUDE PENSIONS FROM INCOME TAX. TO PROVIDE EQUAL INCOME TAX TREATMENT OF GOVERNMENT RETIREES' BENEFITS. Amends GS 105-134.6(b) to provide the following individual income tax treatment for retirement benefits: (1) retains \$2,000 exemption for private retirement benefits; (2) exempts 100% of federal and NC state and local government retirement benefits (was, up to \$4,000 exempt except that for retirees vesting before August 1989, 100% exempt); (3) for benefits of other state governments, exempts the amount the other state would exempt of NC government retirement benefits, but not less than \$4,000 (was, up to \$4,000 exempt). Dollar amounts apply separately to each spouse in case of a married couple filing a joint return. Effective beginning with 2005 tax year.

Intro. by Underhill.

Ref. to Finance

GS 105