

May 16, 2006

**S 1459. PHASE OUT TAX INCREASES & RAISE MINIMUM WAGE.** Filed 5/16/06. *TO INCREASE THE MINIMUM WAGE AND TO PHASE OUT THE TEMPORARY INCREASE IN THE STATE SALES TAX AND THE TOP INDIVIDUAL INCOME TAX BRACKET.* (1) *Sales tax.* Amends GS 105-164.4(a) to decrease the sales tax from the current 4.5% to 4.25% effective January 1, 2007, and to 4.0% effective July 1, 2007. (2) *Income tax.* Amends GS 105-134.2(a) to reduce the top state income tax rate from the current 8.25% to 8% effective for taxable years beginning on or after January 1, 2007, and to 7.75% for taxable years beginning on or after January 1, 2008. (3) *Minimum wage.* Amends GS 95-25.3(a), which ties the state minimum wage to the federal minimum wage (now, \$5.15 per hour), to uncouple the state and federal minimum wages and set the state minimum wage at \$6 per hour, effective July 1, 2006.

**Intro. by Hoyle.**

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