

February 15, 2007

H 233. EQUAL TAX TREATMENT OF GOVT. RETIREE BENEFITS. Filed 2/15/07. *TO PROVIDE EQUAL INCOME TAX TREATMENT OF GOVERNMENT RETIREES' BENEFITS.*

Amends GS 105-134.6(b)(6) (establishing individual income tax deductions for retirement benefits). Current law provides an annual deduction, not to exceed \$4,000, for (1) state, local, or federal government retirement benefits received during the taxable year, plus (2) up to \$2,000 of non-government retirement benefits received during the taxable year. Effective beginning with the 2008 tax year, the bill provides a \$2,000 deduction for non-government retirement benefits, plus an unlimited deduction for NC government and federal retirement benefits, plus a reciprocal deduction for other states' government retirement benefits. The reciprocal deduction is the greater of \$4,000 or the amount of NC government retirement benefits the other state would exempt in an equivalent situation. Revises definition of *retirement benefits* in GS 105-134.1(13).

Intro. by Underhill, Faison, Glazier, Pate.

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