A BILL TO BE ENTITLED
AN ACT TO AMEND THE INCOME TAX LAWS OF THE STATE IN ANTICIPATION OF
A CONSTITUTIONAL AMENDMENT TO MAKE CLEAR THAT THE
CONSTITUTIONAL AMENDMENT APPLIES ONLY TO THE PERCENTAGE RATE
OF TAX IMPOSED AND NOT OTHER CHANGES AFFECTING INCOME TAX
LIABILITY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-153.7(a) reads as rewritten:
"(a) Tax. – A tax is imposed for each taxable year on the North Carolina taxable income
of every individual. The tax shall be levied, collected, and paid annually. The rate of tax is five
and seventy-five hundredths percent (5.75%) of the taxpayer's North Carolina taxable income."

SECTION 2. G.S. 105-130.3 reads as rewritten:
"§ 105-130.3. Corporations.
A tax is imposed on the State net income of every C Corporation doing business in this
State at the rate of five percent (5%). An S Corporation is not subject to the tax
levied in this section."

SECTION 3. This act is effective when it becomes law.