

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H.B. 505
Apr 1, 2015
HOUSE PRINCIPAL CLERK

H

D

HOUSE DRH30121-MC-139 (03/17)

Short Title: Small Business Tax Relief Act. (Public)

Sponsors: Representative Alexander.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE TAX RELIEF FOR SMALL BUSINESSES.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-153.5(b) is amended by adding a new subdivision to read:

5 "(b) Other Deductions. – In calculating North Carolina taxable income, a taxpayer may
6 deduct from the taxpayer's adjusted gross income any of the following items that are included
7 in the taxpayer's adjusted gross income:

8 ...

9 (10) An amount not to exceed twenty-five thousand dollars (\$25,000) of net
10 business income the taxpayer receives during the taxable year if the taxpayer
11 has annual receipts, combined with the annual receipts of all related persons,
12 as defined in G.S.105-163.010, of eight hundred thousand dollars
13 (\$800,000) or less. In the case of a married couple filing a joint return where
14 both spouses receive or incur net business income, the maximum dollar
15 amounts apply separately to each spouse's net business income, not to
16 exceed a total of fifty thousand dollars (\$50,000). For purposes of this
17 subdivision, the term "business income" does not include income that is
18 considered passive income under the Code."

19 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,
20 2015.

