

FAILED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. A10
(to be filled in by
Principal Clerk)

S257-ARBxr-17 [v.5]

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Amends Title [NO]
Second Edition

Date _____, 2017

Senator Rabon

1 moves to amend the bill on page 350, line 47, through page 360, line 3, by rewriting the lines to
2 read:

3 **"RESTORE PERSONAL INCOME TAX RATES TO 2009 RATES**

4 **SECTION 38.1.(a)** G.S. 105-153.7(a) reads as rewritten:

5 (a) Tax. – A tax is imposed for each taxable year on the North Carolina taxable income
6 of every individual. The tax shall be levied, collected, and paid ~~annually. The tax is five and~~
7 ~~four hundred ninety nine thousandths percent (5.499%) of the taxpayer's North Carolina~~
8 ~~taxable income annually and shall be computed at the following percentages of the taxpayer's~~
9 North Carolina taxable income:

10 (1) For married individuals who file a joint return under G.S. 105-152 and for
11 surviving spouses:

<u>Over</u>	<u>Up to</u>	<u>Rate</u>
<u>-0-</u>	<u>\$21,250</u>	<u>6%</u>
<u>\$21,250</u>	<u>\$100,000</u>	<u>7%</u>
<u>\$100,000</u>	<u>NA</u>	<u>7.75%</u>

16 (2) For heads of households:

<u>Over</u>	<u>Up to</u>	<u>Rate"</u>
<u>-0-</u>	<u>\$17,000</u>	<u>6%</u>
<u>\$17,000</u>	<u>\$80,000</u>	<u>7%</u>
<u>\$80,000</u>	<u>NA</u>	<u>7.75%</u>

21 (3) For unmarried individuals other than surviving spouses and heads of
22 households:

<u>Over</u>	<u>Up to</u>	<u>Rate</u>
<u>-0-</u>	<u>\$12,750</u>	<u>6%</u>
<u>\$12,750</u>	<u>\$60,000</u>	<u>7%</u>
<u>\$60,000</u>	<u>NA</u>	<u>7.75%</u>

27 (4) For married individuals who do not file a joint return under G.S. 105-152:

<u>Over</u>	<u>Up to</u>	<u>Rate</u>
<u>-0-</u>	<u>\$10,625</u>	<u>6%</u>
<u>\$10,625</u>	<u>\$50,000</u>	<u>7%</u>
<u>\$50,000</u>	<u>NA</u>	<u>7.75%.'</u>

32 **SECTION 38.1.(b)** G.S. 105-134.2A is re-enacted and reads as rewritten:



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1 **'§ 105-134.2A. Income tax surtax.**

2 (a) ~~Surtax.~~—An income tax surtax is imposed on a taxpayer equal to a percentage of
3 the tax payable by the taxpayer under G.S. 105-134.2 for the taxable year. This tax is in
4 addition to the tax imposed by G.S. 105-134.2 and is due at the time prescribed in G.S. 105-155
5 for filing an individual income tax return. The surtax is imposed at the following percentage
6 rates and applies to the tax payable on the taxpayer's North Carolina taxable income:

7 Filing Status	Over	Up To	Percentage
8 Married, filing jointly			
9 or surviving spouse	\$ 0	\$100,000	0%
10	\$100,000	\$250,000	2%
11	\$250,000	NA	3%
12 Head of household	\$ 0	\$ 80,000	0%
13	\$ 80,000	\$200,000	2%
14	\$200,000	NA	3%
15 Single	\$ 0	\$ 60,000	0%
16	\$ 60,000	\$150,000	2%
17	\$150,000	NA	3%
18 Married, filing			
19 separately	\$ 0	\$ 50,000	0%
20	\$ 50,000	\$125,000	2%
21	\$125,000	NA	3%.

22 (b) ~~Sunset.~~—~~This section expires for taxable years beginning on or after January 1,~~
23 ~~2011.~~

24 **SECTION 38.1.(c)** This section is effective for taxable years beginning on or after
25 January 1, 2017.

26
27 **RESTORE STANDARD DEDUCTION AMOUNTS TO 2009 AMOUNTS**

28 **SECTION 38.2.(a)** G.S. 105-153.5(a)(1) reads as rewritten:

29 (a) Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may
30 deduct from adjusted gross income either the standard deduction amount provided in
31 subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2)
32 of this subsection that the taxpayer claimed under the Code. The deduction amounts are as
33 follows:

34 (1) Standard deduction amount. – The standard deduction amount is zero for a
35 person who is not eligible for a standard deduction under section 63 of the
36 Code. For all other taxpayers, the standard deduction amount is equal to the
37 amount listed in the table below based on the taxpayer's filing status:

38 Filing Status	Standard Deduction
39 Married, filing jointly/surviving spouse	\$17,500 <u>\$6,000</u>
40 Head of Household	14,000 <u>4,400</u>
41 Single	8,750 <u>3,000</u>
42 Married, filing separately	8,750 <u>3,000.</u>

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1 **SECTION 38.2.(b)** This section is effective for taxable years beginning on or after
2 January 1, 2017.

3
4 **RESTORE CORPORATE INCOME TAX RATES TO 2009 RATES**

5 **SECTION 38.5.(a)** G.S. 105-130.3 reads as rewritten:

6 **'§ 105-130.3. Corporations.**

7 A tax is imposed on the State net income of every C Corporation doing business in this
8 State at the rate of ~~four percent (4%)~~ three percent (3%). An S Corporation is not subject to the
9 tax levied in this section.'

10 **SECTION 38.5.(b)** G.S. 105-130.3, as amended by subsection (a) of this section,
11 reads as rewritten:

12 **'§ 105-130.3. Corporations.**

13 A tax is imposed on the State net income of every C Corporation doing business in this
14 State at the rate of ~~three percent (3%)~~ six and nine-tenths percent (6.9%). An S Corporation is
15 not subject to the tax levied in this section.'

16 **SECTION 38.5.(d)** G.S. 105-130.3C is repealed.

17 **SECTION 38.5.(e)** G.S. 105-130.3B is re-enacted and reads as rewritten:

18 **'§ 105-130.3B. Income tax surtax.**

19 (a) ~~Surtax.~~—An income tax surtax is imposed on a taxpayer equal to three percent (3%)
20 of the tax payable by the taxpayer under G.S. 105-130.3 for the taxable year. This tax is in
21 addition to the tax imposed by G.S. 105-130.3 and is due at the time prescribed in
22 G.S. 105-130.17 for filing a corporate income tax return.

23 (b) ~~Sunset.~~—~~This section expires for taxable years beginning on or after January 1,~~
24 ~~2011.'~~

25 **SECTION 38.5.(e)** Subsections (b) and (e) of this section are effective for taxable
26 years beginning on or after January 1, 2017. The remainder of this section is effective when this
27 act becomes law.

28
29 **RESTORE STATE GENERAL SALES TAX RATE TO 2009 RATE**

30 **SECTION 38.8.(a)** G.S. 105-164.4(a) reads as rewritten:

31 (a) A privilege tax is imposed on a retailer engaged in business in the State at the
32 percentage rates of the retailer's net taxable sales or gross receipts, listed in this subsection. The
33 general rate of tax is ~~four and three-quarters percent (4.75%)~~ five and three-quarters percent
34 (5.75%). The percentage rates are as follows:
35 ...'

36 **SECTION 38.8.(b)** This section becomes effective July 1, 2017, and applies to
37 sales made on or after that date.

38
39 **RE-ENACT NORTH CAROLINA ESTATE TAX**

40 **SECTION 38.9.(a)** Article 1A of Chapter 105 of the General Statutes is re-enacted.

41 **SECTION 38.9.(b)** G.S. 105-241.10 reads as rewritten:

42 **'§ 105-241.10. Limit on refunds and assessments after a federal determination.**

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1 The limitations in this section apply when a taxpayer files a timely return reflecting a
2 federal determination that affects the amount of State tax payable and the general statute of
3 limitations for requesting a refund or proposing an assessment of the State tax has expired. A
4 federal determination is a correction or final determination by the federal government of the
5 amount of a federal tax due. A return reflecting a federal determination is timely if it is filed
6 within the time required by G.S. 105-32.8, 105-130.20, 105-159, 105-160.8, or 105-163.6A, as
7 appropriate. The limitations are:
8 ...!
9 **SECTION 38.9.(c)** G.S. 105-236(a)(5)e. is re-enacted.
10 **SECTION 38.9.(d)** This section becomes effective January 1, 2018, and applies to
11 the estates of decedents dying on or after that date.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

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and vote information, is available in the
Senate Principal Clerk's Office**