



### NORTH CAROLINA GENERAL ASSEMBLY **AMENDMENT** Senate Bill 257

AMENDMENT NO. A10 (to be filled in by

Principal Clerk)

S257-ARBxr-17 [v.5]

Page 1 of 4

Amends Title [NO] Second Edition

Date ,2017

Senator Rabon

moves to amend the bill on page 350, line 47, through page 360, line 3, by rewriting the lines to 1 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 Tax. - A tax is imposed for each taxable year on the North Carolina taxable income '(a) of every individual. The tax shall be levied, collected, and paid annually. The tax is five and 6 four hundred ninety-nine thousandths percent (5.499%) of the taxpayer's North Carolina 7 taxable income.annually and shall be computed at the following percentages of the taxpaver's 8

9 North Carolina taxable income:

10	(1)	For married individuals who file a joint return under G.S. 105-152 and for				
11		surviving spouse	<u>es:</u>			
12		Over	<u>Up to</u>	Rate		
13		<u>-0-</u>	\$21,250	<u>6%</u>		
14		<u>\$21,250</u>	<u>\$100,000</u>	<u>7%</u>		
15		<u>\$100,000</u>	NA	<u>7.75%</u>		
16	<u>(2)</u>	For heads of hou	useholds:			
17		Over	<u>Up to</u>	<u>Rate</u> "		
18		<u>-0-</u>	<u>\$17,000</u>	<u>6%</u>		
19		<u>\$17,000</u>	<u>\$80,000</u>	<u>7%</u>		
20		<u>\$80,000</u>	<u>NA</u>	<u>7.75%</u>		
21	<u>(3)</u>	For unmarried	individuals other than su	rviving spouses and heads of		
22		households:				
23		Over	<u>Up to</u>	Rate		
24		<u>-0-</u>	<u>\$12,750</u>	<u>6%</u>		
25		<u>\$12,750</u>	<u>\$60,000</u>	<u>7%</u>		
26		<u>\$60,000</u>	<u>NA</u>	<u>7.75%</u>		
27	<u>(4)</u>	For married indi	ividuals who do not file a joi	nt return under G.S. 105-152:		
28		Over	<u>Up to</u>	Rate		
29		<u>-0-</u>	<u>\$10,625</u>	<u>6%</u>		
30		<u>\$10,625</u>	<u>\$50,000</u>	<u>7%</u>		
31		<u>\$50,000</u>	<u>NA</u>	<u>7.75%.'</u>		
32	32 SECTION 38.1.(b) G.S. 105-134.2A is re-enacted and reads as rewritten:					





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#### NORTH CAROLINA GENERAL ASSEMBLY **AMENDMENT** Senate Bill 257

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

Page 2 of 4 ' <b>§ 105-134.2A. Income tax surtax.</b> (a) Surtax. An income tax surtax is imposed on a taxpayer equal to a percentage of the tax payable by the taxpayer under G.S. 105-134.2 for the taxable year. This tax is in	S257-ARBxr-17 [v.5]		Principal Clerk)						
(a) Surtax.—An income tax surtax is imposed on a taxpayer equal to a percentage of the tax payable by the taxpayer under G.S. 105-134.2 for the taxable year. This tax is in addition to the tax imposed by G.S. 105-134.2 and is due at the time prescribed in G.S. 105-155 for filling an individual income tax return. The surtax is imposed at the following percentage rates and applies to the tax payable on the taxpayer's North Carolina taxable income:         Filing Status       Over       Up To       Percentage         Married, filing jointly       or       Up To       Percentage         Married, filing jointly       or       \$100,000       \$2%         or surviving spouse       \$0       \$100,000       \$2%         \$250,000       NA       3%         Head of household       \$0       \$80,000       \$2%         \$200,000       NA       3%         Single       \$0       \$60,000       \$2%         \$200,000       NA       3%         Single       \$0       \$50,000       \$2%         \$200,000       NA       3%         Single       \$0       \$50,000       \$2%         \$200,000       NA       3%         Single       \$0       \$50,000       \$2%         \$200,000       \$125,000       \$2%       \$125,000         \$200,000       \$125,000			-	Page 2 of 4					
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the tax payable by the taxpayer under G.S. $105-134.2$ for the taxable year. This tax is in addition to the tax imposed by G.S. $105-134.2$ and is due at the time prescribed in G.S. $105-155$ for filing an individual income tax return. The surtax is imposed at the following percentage rates and applies to the tax payable on the taxpayer's North Carolina taxable income: <b>Filing Status Over Up To Percentage</b> Married, filing jointly or surviving spouse $$ 0$ $$ 100,000$ $$ 0\%$ $$ 100,000$ $$ 250,000$ $2\%$ $$ 250,000$ $2\%$ $$ 250,000$ $2\%$ $$ 200,000$ $$ 80,000$ $$ 0\%$ $$ 80,000$ $$ 200,000$ $2\%$ $$ 200,000$ $$ 80,000$ $$ 200,000$ $2\%$ $$ 200,000$ $$ 150,000$ $$ 2\%$ $$ 200,000$ $$ 150,000$ $$ 2\%$ $$ 150,000$ $$ 2\%$ $$ 50,000$ $$ 150,000$ $$ 2\%$ $$ 150,000$ $$ 2\%$ $$ 125,000$ $$ 2\%$ $$ 125,000$ $$ 2\%$ $$ 200,000$ $$ 1225,000$ $$ 2\%$ $$ 125,000$ $$ 2\%$ $$ 200,000$ $$ 1225,000$ $$ 2\%$ $$ 200,000$ $$ 1225,000$ $$ 2\%$ $$ 125,000$ $$ 2\%$ $$ 125,000$ $$ 1225,000$ $$ 2\%$ $$ 125,000$ $$ 2\%$ $$ 125,000$ $$ 1225,000$ $$ 2\%$ $$ 125,000$ $$ 2\%$ $$ 125,000$ $$ 2\%$ $$ 125,000$ $$ 125,000$ $$ 2\%$ $$ 125,000$ $$ 2\%$ $$ 125,000$ $$ 125,000$ $$ 2\%$ $$ 125,000$ $$ 125,000$ $$ 125,000$ $$ 2\%$ $$ 125,000$ $$ 125,000$ $$ 2\%$ $$ 125,000$ $$ 100,000$ $$ 1$	-		nosed on a taxnaver e	aual to a percentage of					
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Married, filing separately       \$ 0       \$ 50,000       0%         \$ 50,000       \$125,000       2%         \$ 125,000       NA       3%.         (b) Sunset. This section expires for taxable years beginning on or after January 1,         2011.'       SECTION 38.1.(c) This section is effective for taxable years beginning on or after January 1, 2017.         RESTORE STANDARD DEDUCTION AMOUNTS TO 2009 AMOUNTS SECTION 38.2.(a) G.S. 105-153.5(a)(1) reads as rewritten:         '(a)       Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may deduct from adjusted gross income either the standard deduction amount provided in subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2) of this subsection that the taxpayer claimed under the Code. The deduction amounts are as follows:         (1)       Standard deduction amount. – The standard deduction under section 63 of the Code. For all other taxpayers, the standard deduction amount is equal to the amount listed in the table below based on the taxpayer's filing status:         Filing Status       Standard Deduction Married, filing jointly/surviving spouse         Married, filing jointly/surviving spouse       \$17,500\$6,000 Head of Household         Head of Household       14,0004,400 Single		\$ 60,000	\$150,000	2%					
separately       \$ 0       \$ 50,000       0%         \$ 50,000       \$125,000       2%         \$ \$125,000       NA       3%.         (b) Sunset. This section expires for taxable years beginning on or after January 1,         2011.'       SECTION 38.1.(c) This section is effective for taxable years beginning on or after January 1, 2017.         RESTORE STANDARD DEDUCTION AMOUNTS TO 2009 AMOUNTS         SECTION 38.2.(a) G.S. 105-153.5(a)(1) reads as rewritten:         '(a)       Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may deduct from adjusted gross income either the standard deduction amount provided in subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2) of this subsection that the taxpayer claimed under the Code. The deduction amounts are as follows:         (1)       Standard deduction amount. – The standard deduction under section 63 of the Code. For all other taxpayers, the standard deduction amount is equal to the amount listed in the table below based on the taxpayer's filing status:         Filing Status       Standard Deduction Married, filing jointly/surviving spouse         \$17,509\$6,000       Head of Household       \$14,0004,400         Single       \$8,7593,000		\$150,000	NA	3%					
<ul> <li>\$ 50,000</li> <li>\$ 125,000</li> <li>2%</li> <li>\$ 125,000</li> <li>NA</li> <li>3%.</li> <li>(b) Sunset. This section expires for taxable years beginning on or after January 1,</li> <li>2011.'</li> <li>SECTION 38.1.(c) This section is effective for taxable years beginning on or after January 1, 2017.</li> <li>RESTORE STANDARD DEDUCTION AMOUNTS TO 2009 AMOUNTS</li> <li>SECTION 38.2.(a) G.S. 105-153.5(a)(1) reads as rewritten:</li> <li>'(a) Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may deduct from adjusted gross income either the standard deduction amount provided in subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2) of this subsection that the taxpayer claimed under the Code. The deduction amounts are as follows:</li> <li>(1) Standard deduction amount. – The standard deduction amount is zero for a person who is not eligible for a standard deduction under section 63 of the Code. For all other taxpayers, the standard deduction amount is equal to the amount listed in the table below based on the taxpayer's filing status:</li> <li>Filing Status Standard Deduction Married, filing jointly/surviving spouse \$17,500\$6,000 Head of Household 14,0004,400 Single \$7503,000</li> </ul>	Married, filing								
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SECTION 38.2.(a) G.S. 105-153.5(a)(1) reads as rewritten:         '(a)       Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may deduct from adjusted gross income either the standard deduction amount provided in subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2) of this subsection that the taxpayer claimed under the Code. The deduction amounts are as follows:         (1)       Standard deduction amount. – The standard deduction amount is zero for a person who is not eligible for a standard deduction under section 63 of the Code. For all other taxpayers, the standard deduction amount is equal to the amount listed in the table below based on the taxpayer's filing status:         FIling Status       Standard Deduction         Married, filing jointly/surviving spouse       \$17,500\$6,000         Head of Household       14,0004,400         Single       \$7503,000									
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deduct from adjusted gross income either the standard deduction amount provided in subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2) of this subsection that the taxpayer claimed under the Code. The deduction amounts are as follows:(1)Standard deduction amount. – The standard deduction amount is zero for a person who is not eligible for a standard deduction under section 63 of the Code. For all other taxpayers, the standard deduction amount is equal to the amount listed in the table below based on the taxpayer's filing status: <b>Filing StatusStandard Deduction</b> Married, filing jointly/surviving spouse\$17,500 <u>\$6,000</u> Head of Household14,000 <u>4,400</u> 8,750 <u>3,000</u>	<b>SECTION 38.2.</b> (	(a) G.S. 105-153.5(a)	)(1) reads as rewritten:						
subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2) of this subsection that the taxpayer claimed under the Code. The deduction amounts are as follows:         (1)       Standard deduction amount. – The standard deduction amount is zero for a person who is not eligible for a standard deduction under section 63 of the Code. For all other taxpayers, the standard deduction amount is equal to the amount listed in the table below based on the taxpayer's filing status:         Filing Status       Standard Deduction         Married, filing jointly/surviving spouse       \$17,500\$6,000         Head of Household       14,0004,400         Single       \$7503,000	'(a) Deduction Amou	nt. – In calculating N	North Carolina taxable	income, a taxpayer may					
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Head of Household     14,0004,400       Single     8,7503,000	e								
Single $\frac{8,7503,000}{3,000}$									
U									
	0	iling separately	-						



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#### NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT Senate Bill 257

AMENDMENT NO. <u>A10</u> (to be filled in by Principal Clerk)

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1	<b>SECTION 38.2.(b)</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	<b>SECTION 38.5.(a)</b> 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	<b>SECTION 38.5.(b)</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	<b>SECTION 38.5.(d)</b> G.S. 105-130.3C is repealed.
10	SECTION 38.5.(e) G.S. 105-130.3E 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
20	addition to the tax imposed by G.S. 105-130.3 and is due at the time prescribed in
21	G.S. 105-130.17 for filing a corporate income tax return.
22	(b) Sunset. This section expires for taxable years beginning on or after January 1,
23 24	2011.'
24 25	<b>SECTION 38.5.(e)</b> Subsections (b) and (e) of this section are effective for taxable
23 26	years beginning on or after January 1, 2017. The remainder of this section is effective when this
20 27	act becomes law.
27	act becomes law.
28 29	RESTORE STATE GENERAL SALES TAX RATE TO 2009 RATE
29 30	SECTION 38.8.(a) G.S. 105-164.4(a) reads as rewritten:
31	
32	'(a) A privilege tax is imposed on a retailer engaged in business in the State at the 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 (5.75%). The percentage rates are as follows:
34 25	(5.75%). The percentage rates are as follows:
35	 EECTION 28.8 (b) This section becomes offective July 1, 2017, and applies to
36	<b>SECTION 38.8.(b)</b> This section becomes effective July 1, 2017, and applies to
37	sales made on or after that date.
38	DE ENACT NODTH CADOLINA ESTATE TAY
39 40	<b>RE-ENACT NORTH CAROLINA ESTATE TAX</b>
40	<b>SECTION 38.9.(a)</b> 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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. . .'

#### NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT Senate Bill 257

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The limitations in this section apply when a taxpayer files a timely return reflecting a federal determination that affects the amount of State tax payable and the general statute of limitations for requesting a refund or proposing an assessment of the State tax has expired. A federal determination is a correction or final determination by the federal government of the amount of a federal tax due. A return reflecting a federal determination is timely if it is filed within the time required by G.S. <u>105-32.8</u>, 105-130.20, 105-159, 105-160.8, or 105-163.6A, as 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

# The official copy of this document, with signatures and vote information, is available in the Senate Principal Clerk's Office