

GENERAL ASSEMBLY OF NORTH CAROLINA
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SENATE BILL DRS45014-RBf-2

Short Title: Equal Tax Treatment of Gov't Retirees. (Public)

Sponsors: Senators Burgin, Davis, and Lazzara (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE EQUAL TAX TREATMENT OF MILITARY AND GOVERNMENT
3 RETIREES.

4 The General Assembly of North Carolina enacts:

5 SECTION 1.(a) G.S. 105-153.5(b) reads as rewritten:

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

9 ...

10 (5a) The amount received during the taxable year from a federal government
11 retirement plan for a retired member of the Armed Forces of the United States
12 or as survivorship benefits for survivors of active duty or retired members of
13 the Armed Forces of the United States. Amounts deducted under this
14 subdivision may not also be deducted under subdivision (5) of this subsection.

15"

16 SECTION 1.(b) G.S. 105-153.5(b) reads as rewritten:

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

20 ...

21 (5b) The amount received during the taxable year from one or more State, local, or
22 federal government retirement plans. Amounts deducted under this
23 subdivision may not also be deducted under subdivision (5) or (5a) of this
24 subsection.

25"

26 SECTION 1.(c) When the amount of net General Fund tax collected in a fiscal year
27 exceeds twenty-three billion eight hundred thirty-eight million dollars (\$23,838,000,000),
28 subsection (a) of this section becomes effective for the taxable year that begins on the following
29 January 1. When the amount of net General Fund collected in a fiscal year exceeds twenty-four
30 billion two hundred thirty-eight million dollars (\$24,238,000,000), subsection (b) of this section
31 becomes effective for the taxable year that begins on the following January 1. The Secretary must
32 notify taxpayers when the tax deductions enacted by this section become effective.

33 For purposes of this section, the amount of net General Fund tax collected for a fiscal
34 year is the amount of net revenue as reported by the Department of Revenue's June Final
35 Statement of Collection as "Total General Fund Revenue" for the 12-month period that ended
36 the previous June 30, modified as follows:



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- 1 (1) Less any large one-time, nonrecurring revenue as reported to the Fiscal
2 Research Division of the General Assembly by the Department and verified
3 by the Fiscal Research Division of the General Assembly.
4 (2) Adjusted by any changes in net collections resulting from the suspension or
5 termination of transfers out of General Fund tax collections.
6 **SECTION 2.** Except as otherwise provided, this act is effective when it becomes
7 law.