

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL DRS45526-MCfy-209

Short Title: Const. Ad. - Income Tax Rate Cap Modification. (Public)

Sponsors: Senators Berger, Rabon, and P. Newton (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE NORTH CAROLINA CONSTITUTION TO PROVIDE THAT
3 THE MAXIMUM TAX RATE ON INCOMES CANNOT EXCEED FIVE PERCENT.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Section 2 of Article V of the North Carolina Constitution reads as
6 rewritten:

7 "Sec. 2. State and local taxation.

8 ...

9 (6) Income tax. The rate of tax on incomes shall not in any case exceed ~~seven~~five percent,
10 and there shall be allowed personal exemptions and deductions so that only net incomes are taxed.

11"

12 SECTION 2. The amendment set out in Section 1 of this act shall be submitted to
13 the qualified voters of the State at the statewide general election to be held on November 3, 2026,
14 which election shall be conducted in accordance with the laws governing elections at that time.
15 The question to be used in the voting systems and ballots shall be:

16 "[] FOR [] AGAINST

17 Constitutional amendment to reduce the income tax rate in North Carolina to a
18 maximum allowable rate of five percent (5%)."

19 SECTION 3. The State Board of Elections shall certify the results of the referendum
20 conducted under Section 2 of this act. If a majority of votes cast on the question are in favor of
21 the amendment set out in Section 1 of this act, the Secretary of State shall enroll the amendment
22 among the permanent records of that office. If a majority of votes cast on the question are against
23 the amendment set out in Section 1 of this act, the amendment shall have no effect.

24 SECTION 4. If the certification from the State Board of Elections under Section 3
25 of this act reflects that a majority of votes cast on the question are in favor of the amendment set
26 out in Section 1 of this act, the amendment set out in Section 1 of this act is effective upon
27 certification and shall apply to taxable years beginning on or after January 1, 2027.

28 SECTION 5. Except as otherwise provided, this act is effective when it becomes
29 law.



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