

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

**H.B. 1074**  
**Apr 28, 2026**  
**HOUSE PRINCIPAL CLERK**

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HOUSE BILL DRH30535-NIF-159

Short Title: Prescription Drug Expenses Tax Deduction. (Public)

Sponsors: Representative Reeder.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW AN INCOME TAX DEDUCTION FOR PRESCRIPTION DRUG  
3 EXPENSES.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 105-153.5 reads as rewritten:

6 "§ 105-153.5. Modifications to adjusted gross income.

7 ...

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

11 ...

12 (17) An amount, not to exceed five thousand dollars (\$5,000), of the total  
13 unreimbursed out-of-pocket expenditures for prescribed medications and  
14 pharmacy cost-sharing, excluding any amounts covered by tax-favored  
15 accounts such as a Flexible Spending Account or Health Savings Account. No  
16 deduction is allowed under this subdivision for any amount of prescribed  
17 medication or pharmacy cost-sharing for which a deduction is claimed under  
18 sub-subdivision (a)(2)c. of this section for the same taxable year.

19 ...."

20 SECTION 2. This act is effective for taxable years beginning on or after January 1,  
21 2026.

