

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

FILED SENATE
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S.B. 967
PRINCIPAL CLERK

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SENATE BILL DRS35421-MCxf-282

Short Title: Budget Requirement for Tax Triggers. (Public)

Sponsors: Senators Grafstein and Garson (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED
AN ACT TO DISALLOW TAX RATE MODIFICATIONS IN THE ABSENCE OF A
COMPREHENSIVE BUDGET SPENDING PLAN.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-153.7(a1) reads as rewritten:

"(a1) Rate Reduction Trigger. – Notwithstanding the tax rates set out in subsection (a) of this section, if the General Assembly has ratified a Current Operations Appropriations Act, as defined in G.S. 143C-1-1, by July 1 of the fiscal year set out below and if total General Fund revenue in a ~~that~~ fiscal year set out below exceeds the trigger amount indicated for that fiscal year, then the applicable tax rate for the indicated and subsequent tax years shall be equal to the greater of (i) the prior taxable year's rate decreased by one-half percentage point (0.50%) or (ii) two and forty-nine hundredths percent (2.49%). For purposes of this subsection, total General Fund revenue is the amount stated in the final accounting of total General Fund Reverting Net Tax and Non-Tax Revenues for the fiscal year, as reported by the Office of State Controller in August following the end of the fiscal year.

Fiscal Year	Trigger Amount	Taxable Year Beginning
FY 2025-2026	\$33,042,000,000	In 2027
FY 2026-2027	\$34,100,000,000	In 2028
FY 2027-2028	\$34,760,000,000	In 2029
FY 2028-2029	\$35,750,000,000	In 2030
FY 2029-2030	\$36,510,000,000	In 2031
FY 2030-2031	\$38,000,000,000	In 2032
FY 2031-2032	\$38,500,000,000	In 2033
FY 2032-2033	\$39,000,000,000	In 2034"

SECTION 2. This act is effective when it becomes law.



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