



SENATE BILL 630: Various Constitutional Amendments.

2023-2024 General Assembly

Committee:	Senate Redistricting and Elections. If favorable, re-refer to Rules and Operations of the Senate	Date:	June 20, 2024
Introduced by:	Sens. B. Newton, Overcash, Daniel	Prepared by:	Jessica Sammons, Erika Churchill, Hillary Woodard, William Brewer Committee Co-Counsel
Analysis of:	Amendment to First Edition S630-ABKy-90		

OVERVIEW: *The amendment S630-ABKy-90 would place the following proposed amendments to the North Carolina Constitution on the November 5, 2024, ballot:*

- *To revise the language regarding citizenship and eligibility to vote.*
- *To revise the language regarding the requirement to present photo identification prior to voting.*
- *To reduce the cap on tax rate on both personal and corporate incomes to 5%.*

Citizens-Only Voting

CURRENT LAW: The Fourteenth Amendment of the United States Constitution provides:

All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and the State wherein they reside.

Federal law defines United States citizens to include individuals that are (8 U.S.C. Ch. 12):

- Born in the United States.
- Born abroad to a parent who is a citizen meeting certain requirements.
- Otherwise naturalized under federal law.

Section 1 of Article VI of the North Carolina Constitution provides as follows:

Section 1. Who may vote.

Every person born in the United States and every person who has been naturalized, 18 years of age, and possessing the qualifications set out in this Article, shall be entitled to vote at any election by the people of the State, except as herein otherwise provided.

Additionally, G.S. 163-55 statutorily sets forth qualifications to vote, providing, in part, the following:

"Every person born in the United States, and every person who has been naturalized, and who shall have resided in the State of North Carolina and in the precinct in which the person offers to vote for 30 days next preceding an election, shall, if otherwise qualified as prescribed in this Chapter, be qualified to vote in the precinct in which the person resides."

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BILL ANALYSIS: Section 1 would submit to the voters of North Carolina the question of whether to amend the State's Constitution to revise the language relating to the citizenship qualification for voting. The ballot question would be considered at the statewide general election to be held on November 5, 2024, and the ballot question would read:

"Constitutional amendment to provide that only a citizen of the United States who is 18 years of age and otherwise possessing the qualifications for voting shall be entitled to vote at any election in this State."

Photo ID Requirements for Voting

CURRENT LAW: Section 2 and Section 3 of Article VI of the North Carolina Constitution require that any voter voting in person must present photo identification. The General Assembly must enact laws establishing the requirements and exceptions for this requirement. G.S. 163-166.16 establishes the requirements for photo identification when voting in person, including the types of acceptable identification and exceptions including religious objections, reasonable impediments, and natural disasters. G.S. 163-230.1 also requires a voter casting an absentee ballot to submit a copy of their photo identification, or an affidavit of an exception, with their returned ballot.

BILL ANALYSIS: Section 2 would submit to the voters of North Carolina the question of whether to amend the State's Constitution to require photo identification for all voters, regardless of method of voting. The ballot question would be considered at the statewide general election to be held on November 5, 2024, and the ballot question would read:

"Constitutional amendment to require all voters, not just those presenting to vote in person, to present photo identification before voting."

Cap Income Tax Rate to 5%

CURRENT LAW: The General Assembly is restricted by the Constitution of North Carolina from imposing a tax rate on personal or corporate income that exceeds 7%.¹

The current tax rate on corporate income is 2.5%, and the rate is scheduled to fall to 2% for taxable years beginning on or after January 1, 2026, to 1% for taxable years beginning on or after 2028, and to 0% after 2029.²

The current tax rate on personal income is 4.5%; the rate is scheduled to fall to 4.25% for taxable years beginning on or after January 1, 2025, and to 3.99% for 2026.³ Three additional rate reductions are authorized between 2027 and 2034 if the total General Fund tax and nontax revenue in the preceding fiscal year reaches certain thresholds as set out in the chart below:

¹ North Carolina amended the Constitution in 1920 to cap taxation of incomes at 6%. In 1935, the cap was raised to 10%. In 2018, the cap was reduced to 7%.

² Corporate income has always been taxed at a flat rate. The highest corporate tax rate in North Carolina was 7.75%, from 1991-1996. The lowest rate to date is the current rate of 2.5%.

³ Personal income utilized a bracket system for taxation until 2014, when a flat rate was implemented. The highest marginal personal income tax rate in North Carolina was 8.25%, from 2001-2006. The lowest rate to date is the current rate of 4.5%.

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Fiscal Year	Trigger Amount (millions)	Tax Year	Previously Enacted Tax Rate	Tax Rate under S.L. 2023-134
-	-	2024	4.6%	4.5%
-	-	2025	4.5%	4.25%
-	-	2026	4.25%	3.99%
FY 2025-26	\$33,042	2027	3.99%	Up to 3 rate reductions of 0.5% each, contingent on triggers: 1 st Reduction: 3.99% to 3.49% 2 nd Reduction: 3.49% to 2.99% 3 rd Reduction: 2.99% to 2.49% (minimum rate = 2.49%)
FY 2026-27	\$34,100	2028		
FY 2027-28	\$34,760	2029		
FY 2028-29	\$35,750	2030		
FY 2029-30	\$36,510	2031		
FY 2030-31	\$38,000	2032		
FY 2031-32	\$38,500	2033		
FY 2032-33	\$39,000	2034		

BILL ANALYSIS: Section 3 would submit to the voters of North Carolina the question of whether to amend the State's Constitution to reduce the maximum allowed tax rate on incomes from 7% to 5%. The ballot question would be considered at the statewide general election to be held on November 5, 2024, and the ballot question would read:

"Reduce the income tax rate in North Carolina to a maximum allowable rate of five percent (5%)."

If enacted by the General Assembly and approved by a majority of the voters, Section 3 would limit the tax rate on both personal and corporate incomes to 5% for taxable years beginning on or after January 1, 2025. The limit, if enacted, would not reduce the current corporate or personal income tax rates since they are both below 5%.

EFFECTIVE DATE: If any of the amendments to the North Carolina Constitution are approved by the voters in the November 2024 election, the amendment would become effective upon certification of the results of the election.