

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

H.B. 556
Apr 13, 2021
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30265-MCxf-186

Short Title: A Tax Plan for a Just Recovery.

(Public)

Sponsors: Representative Morey.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT A TAX PLAN FOR A JUST RECOVERY.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-153.7(a) reads as rewritten:

5 "(a) Tax. – A tax is imposed for each taxable year on the North Carolina taxable income
6 of every individual. The tax shall be levied, collected, and paid annually. ~~The tax is five and~~
7 ~~one quarter percent (5.25%) of the taxpayer's North Carolina taxable income annually and shall~~
8 be computed at the following percentages of the taxpayer's North Carolina taxable income:

9 (1) For married, filing jointly, and surviving spouses:

<u>Over</u>	<u>Up To</u>	<u>Rate</u>
-0-	\$500,000	5.25%
\$500,000	\$1,000,000	6.50%
\$1,000,000	N/A	7%

14 (2) For heads of household:

<u>Over</u>	<u>Up To</u>	<u>Rate</u>
-0-	\$375,000	5.25%
\$375,000	\$750,000	6.50%
\$750,000	N/A	7%

19 (3) For single:

<u>Over</u>	<u>Up To</u>	<u>Rate</u>
-0-	\$250,000	5.25%
\$250,000	\$500,000	6.50%
\$500,000	N/A	7%

24 (4) For married, filing separately:

<u>Over</u>	<u>Up To</u>	<u>Rate</u>
-0-	\$250,000	5.25%
\$250,000	\$500,000	6.50%
\$500,000	N/A	7%."

29 **SECTION 2.** G.S. 105-130.3 reads as rewritten:

30 **"§ 105-130.3. Corporations.**

31 A tax is imposed on the State net income of every C Corporation doing business in this State
32 at the rate of ~~two and one half percent (2.5%)~~ five percent (5%). An S Corporation is not subject
33 to the tax levied in this section."

34 **SECTION 3.** This act is effective for taxable years beginning on or after January 1,
35 2021.



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