GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 83
Committee Substitute Favorable 3/9/21

Short Title: Eliminate Income Tax for Military Retirees. (Public)

Sponsors:

Referred to:

February 16, 2021

A BILL TO BE ENTITLED

AN ACT TO EXCLUDE MILITARY RETIREMENT PAY FROM TAXATION FOR CERTAIN RETIRED MEMBERS OF THE ARMED FORCES OF THE UNITED STATES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-153.5(b) reads as rewritten:

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

…

(5a) The amount received during the taxable year from the United States government for the payments listed in this subdivision. Amounts deducted under this subdivision may not also be deducted under subdivision (5) of this subsection. The payments are:

a. Retirement pay for a retired member of the Armed Forces of the United States who served at least 20 years.

b. Payments of a Plan defined in 10 U.S.C. § 1447 to a beneficiary of a retired member eligible under this subdivision.

…."

SECTION 2. This act is effective for taxable years beginning on or after January 1, 2021.