

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021**

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SENATE BILL 591

Short Title: Business Income Tax Deduction. (Public)

Sponsors: Senators Garrett, deViere, and Salvador (Primary Sponsors).

Referred to: Rules and Operations of the Senate

April 7, 2021

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW A BUSINESS INCOME TAX DEDUCTION.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-153.5(b) is amended by adding a new subdivision to read:
5 "(15) An amount not to exceed seventy-five thousand dollars (\$75,000) of net
6 business income the taxpayer receives during the taxable year. In the case of
7 a married couple filing a joint return where both spouses receive or incur net
8 business income, the maximum dollar amounts apply separately to each
9 spouse's net business income, not to exceed a total of one hundred fifty
10 thousand dollars (\$150,000). For purposes of this subdivision, the term
11 "business income" does not include income that is considered passive income
12 under the Code."

13 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,
14 2021.

