

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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HOUSE BILL 1074

Short Title: Prescription Drug Expenses Tax Deduction. (Public)

Sponsors: Representatives Reeder, Chesser, Campbell, and Paré (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Health, if favorable, Finance, if favorable, Rules, Calendar, and Operations of the House

April 29, 2026

A BILL TO BE ENTITLED

AN ACT TO ALLOW AN INCOME TAX DEDUCTION FOR PRESCRIPTION DRUG EXPENSES.

The General Assembly of North Carolina enacts:

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

"§ 105-153.5. **Modifications to adjusted gross income.**

...

(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:

...

(17) An amount, not to exceed five thousand dollars (\$5,000), of the total unreimbursed out-of-pocket expenditures for prescribed medications and pharmacy cost-sharing, excluding any amounts covered by tax-favored accounts such as a Flexible Spending Account or Health Savings Account. No deduction is allowed under this subdivision for any amount of prescribed medication or pharmacy cost-sharing for which a deduction is claimed under sub-subdivision (a)(2)c. of this section for the same taxable year.

...."

SECTION 2. This act is effective for taxable years beginning on or after January 1, 2026.



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