

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025**

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**SENATE BILL 712**

Short Title:   Caring for Our Caregivers Act. (Public)

Sponsors:    Senators Chitlik and Bradley (Primary Sponsors).

Referred to:   Rules and Operations of the Senate

March 26, 2025

A BILL TO BE ENTITLED  
AN ACT TO ENACT THE CARING FOR OUR CAREGIVERS ACT.  
The General Assembly of North Carolina enacts:

**INCOME TAX EXEMPTION**

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

**"§ 105-153.7. Individual income tax imposed.**

(a) Tax. – A tax is imposed for each taxable year on the North Carolina taxable income of every individual. The tax shall be levied, collected, and paid annually. Except as otherwise provided in subsection (a1) of this section, the tax ~~is a percentage of the taxpayer's North Carolina taxable income computed as follows:~~ shall be computed at the following percentages of the taxpayer's income for taxable year 2025 and computed at the following percentage reduced by twenty-six hundredths percent (0.26%) for taxable years after 2025:

<del>Taxable Years Beginning</del>	<del>Tax</del>
<del>In 2022</del>	<del>4.99%</del>
<del>In 2023</del>	<del>4.75%</del>
<del>In 2024</del>	<del>4.5%</del>
<del>In 2025</del>	<del>4.25%</del>
<del>After 2025</del>	<del>3.99%</del>

(1) For married individuals who file a joint return under G.S. 105-153.8 and for surviving spouses, as defined in section 2(a) of the Code:

<u>Over</u>	<u>Up To</u>	<u>Rate</u>
<u>-0-</u>	<u>1,000,000</u>	<u>4.25%</u>
<u>\$1,000,000</u>	<u>NA</u>	<u>5.05%</u>

(2) For heads of households, as defined in section 2(b) of the Code:

<u>Over</u>	<u>Up To</u>	<u>Rate</u>
<u>-0-</u>	<u>\$800,000</u>	<u>4.25%</u>
<u>\$800,000</u>	<u>NA</u>	<u>5.05%</u>

(3) For unmarried individuals other than surviving spouses and heads of households:

<u>Over</u>	<u>Up To</u>	<u>Rate</u>
<u>-0-</u>	<u>600,000</u>	<u>4.25%</u>
<u>\$600,000</u>	<u>NA</u>	<u>5.05%</u>

(4) For married individuals who do not file a joint return under G.S. 105-153.8:

<u>Over</u>	<u>Up To</u>	<u>Rate</u>
<u>-0-</u>	<u>500,000</u>	<u>4.25%</u>



1                                    \$500,000                                    NA                                    5.05%  
 2        (a1)    Rate Reduction Trigger. – Notwithstanding the tax rates set out in subsection (a) of  
 3 this section, if total General Fund revenue in a fiscal year set out below exceeds the trigger  
 4 amount indicated for that fiscal year, then the applicable tax rate for the indicated and subsequent  
 5 tax years shall be equal to the greater of (i) the prior taxable year's rate decreased by one-half  
 6 percentage point (0.50%) or (ii) two and forty-nine hundredths percent (2.49%). For purposes of  
 7 this subsection, total General Fund revenue is the amount stated in the final accounting of total  
 8 General Fund Reverting Net Tax and Non-Tax Revenues for the fiscal year, as reported by the  
 9 Office of State Controller in August following the end of the fiscal year.

Fiscal Year	Trigger Amount	Taxable Year Beginning
FY 2025-2026	\$33,042,000,000	In 2027
FY 2026-2027	\$34,100,000,000	In 2028
FY 2027-2028	\$34,760,000,000	In 2029
FY 2028-2029	\$35,750,000,000	In 2030
FY 2029-2030	\$36,510,000,000	In 2031
FY 2030-2031	\$38,000,000,000	In 2032
FY 2031-2032	\$38,500,000,000	In 2033
FY 2032-2033	\$39,000,000,000	In 2034

19        (b)    Withholding Tables. – The Secretary may provide tables that compute the amount of  
 20 tax due for a taxable year under this Part. The amounts of the tax determined under the tables  
 21 shall be computed on the basis of the rates prescribed by subsection (a) of this section. The tables  
 22 do not apply to an individual who files a return under section 443(a)(1) of the Code for a period  
 23 of less than 12 months due to a change in the individual's annual accounting period or to an estate  
 24 or trust."

25        **SECTION 1.(b)** G.S. 105-153.5(b) is amended by adding a new subdivision to read:

26        "(6a)    Income earned for work performed as one of the following:

- 27                    a.        Firefighter.
- 28                    b.        Emergency medical services personnel, including the following:
  - 29                                    1.        Emergency medical responder.
  - 30                                    2.        Paramedic.
  - 31                                    3.        Rescue squad member.
- 32                    c.        Emergency management worker.
- 33                    d.        911 call center worker.
- 34                    e.        Sworn law enforcement officer with the power of arrest.
- 35                    f.        Child care worker.
- 36                    g.        Public school unit employee.
- 37                    h.        Probation or parole officer.
- 38                    i.        Corrections officer."

39        **SECTION 1.(c)** This section is effective for taxable years beginning on or after  
 40 January 1, 2025.

## 41        **BENEFITS FOR CAREGIVER WORKERS**

42        **SECTION 2.(a)** For the purposes of this section, a qualifying caregiver worker is  
 43 any individual who meet both of the following requirements:

- 44                    (1)    Has an annual household income that does not exceed one hundred  
 45                                    twenty-five thousand dollars (\$125,000).
- 46                    (2)    Is employed in the State at least 30 hours a week as one of the following:  
 47                                    a.        Firefighter.
- 48                                    b.        Emergency medical services personnel, including the following:  
 49    1.        Emergency medical responder.  
 50    2.        Paramedic.

3. Rescue squad member.

c. Emergency management worker.

d. 911 call center worker.

e. Sworn law enforcement officer with the power of arrest.

f. Child care worker.

g. Public school unit employee.

h. Probation or parole officer.

i. Corrections officer.

**SECTION 2.(b)** There is appropriated from the General Fund to the Department of Health and Human Services, Division of Child Development and Early Education, the sum of one hundred sixty-five million dollars (\$165,000,000) recurring for each year of the 2025-2026 fiscal biennium to provide subsidized child care services to a family that includes an individual employed as a qualifying caregiver worker. The Division of Child Development and Early Education shall give priority to child care workers in award of these subsidies.

**SECTION 2.(c)** This section becomes effective July 1, 2025.

#### **EFFECTIVE DATE**

**SECTION 3.** Except as otherwise provided herein, this act is effective when it becomes law.