

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 1161

Short Title: Raise Individual Income Tax.

(Public)

Sponsors: Representatives McLaughlin; Barnes, Barnhill, Easterling, Foster, and Gottovi.

Referred to: Finance.

May 6, 1991

A BILL TO BE ENTITLED

AN ACT TO ADD AN ADDITIONAL BRACKET TO THE INDIVIDUAL INCOME TAX SO THAT HIGHER-INCOME TAXPAYERS PAY TAX AT A HIGHER MARGINAL RATE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-134.2(a) reads as rewritten:

"(a) A tax is imposed upon the North Carolina taxable income of every individual. The tax shall be levied, collected, and paid annually and shall be computed at the following percentages of the taxpayer's North Carolina taxable income.

(1) For married individuals who file a joint return under G.S. 105-152.1 and for surviving spouses, as defined in section 2(a) of the Code:

On the North Carolina taxable income up to twenty-one thousand two hundred fifty dollars (\$21,250), six percent ~~(6%)~~; ~~and (6%)~~.

On the ~~excess amount~~ over twenty-one thousand two hundred fifty dollars ~~(\$21,250)~~, ~~(\$21,250)~~ and up to sixty thousand dollars (\$60,000), seven percent (7%).

On the amount over sixty thousand dollars (\$60,000), eight percent (8%).

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

On the North Carolina taxable income up to seventeen thousand dollars (\$17,000), six percent ~~(6%)~~; ~~and (6%)~~.

1 On the ~~excess~~ amount over seventeen thousand dollars
2 ~~(\$17,000), (\$17,000)~~ and up to forty-eight thousand dollars
3 ~~(\$48,000),~~ seven percent (7%).

4 On the amount over forty-eight thousand dollars
5 (\$48,000), eight percent (8%).

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

8 On the North Carolina taxable income up to twelve
9 thousand seven hundred fifty dollars (\$12,750), six percent
10 ~~(6%); and (6%).~~

11 On the ~~excess~~ amount over twelve thousand seven
12 hundred fifty dollars ~~(\$12,750), (\$12,750)~~ and up to thirty-six
13 thousand dollars (\$36,000), seven percent (7%).

14 On the amount over thirty-six thousand dollars
15 (\$36,000), eight percent (8%).

- 16 (4) For married individuals who do not file a joint return under G.S. 105-
17 152.1:

18 On the North Carolina taxable income up to ten thousand
19 six hundred twenty-five dollars (\$10,625), six percent ~~(6%); and~~
20 (6%).

21 On the ~~excess~~ amount over ten thousand six hundred
22 twenty-five dollars ~~(\$10,625), (\$10,625)~~ and up to thirty
23 thousand dollars (\$30,000), seven percent (7%).

24 On the amount over thirty thousand dollars (\$30,000),
25 eight percent (8%)."

26 Sec. 2. Notwithstanding G.S. 105-163.15, no addition to tax may be made
27 under that statute for a taxable year beginning on or after January 1, 1991, and before
28 January 1, 1992, with respect to an underpayment of individual income tax to the extent
29 the underpayment was created or increased by this act.

30 Sec. 3. This act is effective for taxable years beginning on or after January 1,
31 1991.