

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

H.B. 46  
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HOUSE PRINCIPAL CLERK

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HOUSE DRH40025-MC-9B (11/12)

Short Title: Senior Tax Deduction for Medical Expenses.

(Public)

Sponsors: Representative Catlin.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW AN INDIVIDUAL INCOME TAX DEDUCTION FOR MEDICAL  
3 EXPENSES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-153.5(a) reads as rewritten:

6 **"§ 105-153.5. Modifications to adjusted gross income.**

7 (a) Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may  
8 deduct from adjusted gross income either the standard deduction amount provided in  
9 subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2)  
10 of this subsection that the taxpayer claimed under the Code. The deduction amounts are as  
11 follows:

- 12 (1) Standard deduction amount. – The standard deduction amount is zero for a  
13 person who is not eligible for a standard deduction under section 63 of the  
14 Code. For all other taxpayers, the standard deduction amount is equal to the  
15 amount listed in the table below based on the taxpayer's filing status:

<b>Filing Status</b>	<b>Standard Deduction</b>
Married, filing jointly	\$15,000
Head of Household	12,000
Single	7,500
Married, filing separately	7,500.

- 21 (2) Itemized deduction amount. – An amount equal to the sum of the items listed  
22 in this subdivision. The amounts allowed under this subdivision are not  
23 subject to the overall limitation on itemized deductions under section 68 of  
24 the Code:

25 a. Charitable contribution deduction amount. – The amount allowed as  
26 a deduction for charitable contributions under section 170 of the  
27 Code for that taxable year.

28 b. Mortgages expenses and property taxes. – The amount allowed as a  
29 deduction for interest paid or accrued during the taxable year under  
30 section 163(h) of the Code with respect to any qualified residence  
31 plus the amount claimed by the taxpayer as a deduction for property  
32 taxes paid or accrued on real estate under section 164 of the Code for  
33 that taxable year. The amount allowed under this sub-subdivision  
34 may not exceed twenty thousand dollars (\$20,000). For spouses  
35 filing as married filing separately or married filing jointly, the total  
36 mortgage interest and real estate taxes claimed by both spouses



1 combined may not exceed twenty thousand dollars (\$20,000). For  
2 spouses filing as married filing separately with a joint obligation for  
3 mortgage interest and real estate taxes, the deduction for these items  
4 is allowable to the spouse who actually paid them. If the amount of  
5 the mortgage interest and real estate taxes paid by both spouses  
6 exceeds twenty thousand dollars (\$20,000), these deductions must be  
7 prorated based on the percentage paid by each spouse. For joint  
8 obligations paid from joint accounts, the proration is based on the  
9 income reported by each spouse for that taxable year.

10 c. Medical expenses. – The amount allowed as a deduction for medical  
11 expenses under section 213 of the Code for that taxable year to the  
12 extent the medical expenses are incurred for a person who has  
13 attained the age of 65 before the close of the taxpayer's taxable year."

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

15 2015.