

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL DRS45429-Nif-158

Short Title: Main Street Resilience Act.

(Public)

Sponsors: Senators Smith, Batch, and Garrett (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE INCOME TAX RELIEF TO SMALL BUSINESSES.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-153.5(b) reads as rewritten:

5 "(b) Other Deductions. – In calculating North Carolina taxable income, a taxpayer may
6 deduct from the taxpayer's adjusted gross income any of the following items that are included in
7 the taxpayer's adjusted gross income:

8 ...

9 (17) An amount not to exceed seventy-five thousand dollars (\$75,000) of net
10 business income the taxpayer receives during the taxable year if the taxpayer
11 is a small business. In the case of a married couple filing a joint return where
12 both spouses receive or incur net business income, the maximum dollar
13 amounts apply separately to each spouse's net business income, not to exceed
14 a total of one hundred fifty thousand dollars (\$150,000). For purposes of this
15 subdivision, the term "business income" does not include income that is
16 considered passive income under the Code, and the term "small business"
17 means an independently owned and operated business (i) whose employees,
18 combined with the employees of all related persons, for the relevant tax year
19 did not exceed 50 and (ii) with annual revenues of less than five million dollars
20 (\$5,000,000)."

21 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,
22 2025.



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