

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 2162

Short Title: Raise Individual Income Tax.

(Public)

Sponsors: Representatives Barnes; Fitch and Blue.

Referred to: Finance.

May 29, 1990

A BILL TO BE ENTITLED

AN ACT TO ADD TWO MORE BRACKETS TO THE INDIVIDUAL INCOME TAX
SO THAT HIGHER-INCOME TAXPAYERS PAY TAX AT HIGHER
MARGINAL RATES AND TO LEVY A ONE-TIME INCOME TAX SURTAX
ON INDIVIDUALS TO RAISE REVENUE FOR THE GENERAL FUND.

The General Assembly of North Carolina enacts:

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

"§ 105-134.2. Individual income tax imposed.

(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 seventy-five thousand dollars (\$75,000), seven percent (7%).

On the amount over seventy-five thousand dollars (\$75,000) and up to one hundred thousand dollars (\$100,000), seven and one-half percent (7 1/2%).

On the amount over one hundred thousand dollars (\$100,000), eight percent (8%).

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

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

4 On the ~~excess~~ amount over seventeen thousand dollars
5 ~~(\$17,000); (\$17,000)~~ and up to sixty thousand dollars (\$60,000),
6 seven percent (7%).

7 On the amount over sixty thousand dollars (\$60,000) and up
8 to eighty thousand dollars (\$80,000), seven and one-half
9 percent (7 1/2%).

10 On the amount over eighty thousand dollars (\$80,000), eight
11 percent (8%).

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

14 On the North Carolina taxable income up to twelve thousand
15 seven hundred fifty dollars (\$12,750), six percent ~~(6%); and~~
16 ~~(6%)~~.

17 On the ~~excess~~ amount over twelve thousand seven hundred
18 fifty dollars ~~(\$12,750); (\$12,750)~~ and up to forty-five thousand
19 dollars (\$45,000), seven percent (7%).

20 On the amount over forty-five thousand dollars (\$45,000)
21 and up to sixty thousand dollars (\$60,000), seven and one-half
22 percent (7 1/2%).

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

- 25 (4) For married individuals who do not file a joint return under G.S. 105-
26 152.1:

27 On the North Carolina taxable income up to ten thousand six
28 hundred twenty-five dollars (\$10,625), six percent ~~(6%); and~~
29 ~~(6%)~~.

30 On the ~~excess~~ amount over ten thousand six hundred twenty-
31 five dollars ~~(\$10,625); (\$10,625)~~ and up to thirty-seven thousand
32 five hundred dollars (\$37,500), seven percent (7%).

33 On the amount over thirty-seven thousand five hundred
34 dollars (\$37,500) and up to fifty thousand dollars (\$50,000),
35 seven and one-half percent (7 1/2%).

36 On the amount over fifty thousand dollars (\$50,000), eight
37 percent (8%)."

38 Sec. 2. Division II of Article 4 of Chapter 105 of the General Statutes is
39 amended by adding a new section to read:

40 "**§ 105-134.2A. Temporary income tax surtax.**

41 In addition to the income tax imposed by G.S. 105-134.2, every taxpayer required to
42 file a return under this Division shall pay an income tax surtax equal to three percent
43 (3%) of the tax payable by the taxpayer under G.S. 105-134.2 for the taxable year. This
44 surtax is due at the time prescribed for filing income tax returns in G.S. 105-155."

1 Sec. 3. Notwithstanding G.S. 105-163.15, no addition to tax may be made
2 under that statute for a taxable year beginning on or after January 1, 1990, and before
3 January 1, 1991, with respect to an underpayment of individual income tax to the extent
4 the underpayment was created or increased by this act.

5 Sec. 4. This act is effective for taxable years beginning on or after January 1,
6 1990. Section 2 of this act shall expire for taxable years beginning on or after January
7 1, 1991.