

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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HOUSE BILL 423

Short Title: Raise Homestead Income Limit to 30K. (Public)

Sponsors: Representatives Allred, McComas, Stiller (Primary Sponsors); Barnhart, Blackwood, Blust, Coates, Dockham, Frye, Grady, Hilton, Howard, Johnson, Lewis, Mackey, McElraft, McGee, Moore, Rapp, Rhyne, Setzer, Starnes, Steen, Tarleton, Tillis, and West.

Referred to: Ways and Means/Broadband Connectivity, if favorable, Finance.

March 5, 2009

A BILL TO BE ENTITLED

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2 AN ACT TO INCREASE THE INCOME LIMIT OF THE HOMESTEAD EXCLUSION TO
3 THIRTY THOUSAND DOLLARS FOR NORTH CAROLINA RESIDENTS WHO ARE
4 SIXTY-FIVE YEARS OF AGE OR WHO ARE TOTALLY AND PERMANENTLY
5 DISABLED.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 105-277.1(a2) reads as rewritten:

8 "(a2) Income Eligibility Limit. – For the taxable year beginning on July 1, ~~2008,2009~~, the
9 income eligibility limit is ~~twenty five thousand dollars (\$25,000)~~ thirty thousand dollars
10 (\$30,000). For taxable years beginning on or after July 1, ~~2009,2010~~, the income eligibility
11 limit is the amount for the preceding year, adjusted by the same percentage of this amount as
12 the percentage of any cost-of-living adjustment made to the benefits under Titles II and XVI of
13 the Social Security Act for the preceding calendar year, rounded to the nearest one hundred
14 dollars (\$100.00). On or before July 1 of each year, the Department of Revenue must determine
15 the income eligibility amount to be in effect for the taxable year beginning the following July 1
16 and must notify the assessor of each county of the amount to be in effect for that taxable year."

17 **SECTION 2.** G.S. 105-277.1(b)(1a) reads as rewritten:

18 "(b) Definitions. – The following definitions apply in this section:

19 ...

20 (1a) Income. – All moneys received from every source other than gifts or
21 inheritances received from a spouse, lineal ancestor, or lineal descendant. A
22 taxpayer's short-term and long-term capital losses, as defined in section 1222
23 and subject to the limitations of section 1211 of the Code, shall be deducted
24 in computing income. For married applicants residing with their spouses, the
25 income of both spouses must be included, whether or not the property is in
26 both names.

27 "

28 **SECTION 3.** This act is effective for taxes imposed for taxable years beginning on
29 or after July 1, 2009.

