

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1170

Short Title: Exempt Severance Pay.

(Public)

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Sponsors: Representative Buchanan.

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Referred to: Commerce, if favorable, Finance.

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April 29, 1997

A BILL TO BE ENTITLED

AN ACT TO EXPAND THE INCOME TAX EXCLUSION FOR SEVERANCE PAY  
TO INCLUDE SEVERANCE PAY DUE TO AN EMPLOYEE'S INVOLUNTARY  
TERMINATION THROUGH NO FAULT OF THE EMPLOYEE.

The General Assembly of North Carolina enacts:

Section 1. G. S. 105-134.6(b)(11) reads as rewritten:

"(11) The amount paid to the taxpayer as severance wages during the taxable year as the result of the permanent closure of a manufacturing or processing plant, taxpayer's permanent, involuntary termination from employment through no fault of the employee, not to exceed a maximum of thirty-five thousand dollars (\$35,000) for the taxable year when added to the amount of severance wages paid to the taxpayer by the same employer during the two preceding taxable years."

Section 2. This act is effective for taxable years beginning on or after January 1, 1998.