

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 1065
Finance Committee Substitute Adopted 8/18/97
Third Edition Engrossed 8/20/97

Short Title: Exempt Severance Pay.

(Public)

Sponsors:

Referred to:

April 21, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO EXPAND THE INCOME TAX EXCLUSION FOR SEVERANCE PAY
3 TO INCLUDE SEVERANCE PAY DUE TO AN EMPLOYEE'S INVOLUNTARY
4 TERMINATION THROUGH NO FAULT OF THE EMPLOYEE.

5 The General Assembly of North Carolina enacts:

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

7 "(11) The amount paid to the taxpayer as severance wages as the result of the
8 permanent closure of a manufacturing or processing plant, not to exceed
9 a maximum of thirty-five thousand dollars (\$35,000) for the taxable
10 year. Severance wages received by a taxpayer from an employer as the
11 result of the taxpayer's permanent, involuntary termination from
12 employment through no fault of the employee. The amount of
13 severance wages deducted as the result of the same termination may not
14 exceed thirty-five thousand dollars (\$35,000) for all taxable years in
15 which the wages are received."

16 Section 2. This act is effective for taxable years beginning on or after January
17 1, 1998.