

GENERAL ASSEMBLY OF NORTH CAROLINA
1997 SESSION

SESSION LAW 1997-525
SENATE BILL 1065

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

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

In the General Assembly read three times and ratified this the 28th day of August, 1997.

s/ Dennis A. Wicker
President of the Senate

s/ Harold J. Brubaker
Speaker of the House of Representatives

s/ James B. Hunt, Jr.
Governor

Approved 11:32 a.m. this 17th day of September, 1997