

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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HOUSE BILL 1166

Short Title: Temporarily Raise Income Tax on Millionaires. (Public)

Sponsors: Representatives Luebke, McGuirt, Hall, and Harrison (Primary Sponsors).
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Rules, Calendar, and Operations of the House.

May 30, 2012

A BILL TO BE ENTITLED
AN ACT TO TEMPORARILY RAISE THE INCOME TAX RATE PAID BY HIGHLY
COMPENSATED TAXPAYERS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-134.2(a) reads as rewritten:

"(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 and for surviving spouses, as defined in section 2(a) of the Code:

| Over | Up To | Rate |
|--------------------|---------------------------|-------------|
| 0 | \$21,250 | 6% |
| \$21,250 | \$100,000 | 7% |
| \$100,000 | NA \$1,000,000 | 7.75% |
| <u>\$1,000,000</u> | <u>NA</u> | <u>8.5%</u> |

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

| Over | Up To | Rate |
|------------------|-------------------------|-------------|
| 0 | \$17,000 | 6% |
| \$17,000 | \$80,000 | 7% |
| \$80,000 | NA \$800,000 | 7.75% |
| <u>\$800,000</u> | <u>NA</u> | <u>8.5%</u> |

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

| Over | Up To | Rate |
|------------------|-------------------------|-------------|
| 0 | \$12,750 | 6% |
| \$12,750 | \$60,000 | 7% |
| \$60,000 | NA \$600,000 | 7.75% |
| <u>\$600,000</u> | <u>NA</u> | <u>8.5%</u> |

(4) For married individuals who do not file a joint return under G.S. 105-152:



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| Over | Up To | Rate |
|------------------|-------------------------|-------|
| 0 | \$10,625 | 6% |
| \$10,625 | \$50,000 | 7% |
| \$50,000 | NA \$500,000 | 7.75% |
| <u>\$500,000</u> | <u>NA</u> | 8.5%" |

SECTION 2. G.S. 105-134.2(a), as amended by Section 1 of this act, reads as rewritten:

"(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 and for surviving spouses, as defined in section 2(a) of the Code:

| Over | Up To | Rate |
|------------------------|---------------------------|-------|
| 0 | \$21,250 | 6% |
| \$21,250 | \$100,000 | 7% |
| \$100,000 | \$1,000,000 NA | 7.75% |
| \$1,000,000 | NA | 8.5% |

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

| Over | Up To | Rate |
|----------------------|-------------------------|-------|
| 0 | \$17,000 | 6% |
| \$17,000 | \$80,000 | 7% |
| \$80,000 | \$800,000 NA | 7.75% |
| \$800,000 | NA | 8.5% |

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

| Over | Up To | Rate |
|----------------------|-------------------------|-------|
| 0 | \$12,750 | 6% |
| \$12,750 | \$60,000 | 7% |
| \$60,000 | \$600,000 NA | 7.75% |
| \$600,000 | NA | 8.5% |

(4) For married individuals who do not file a joint return under G.S. 105-152:

| Over | Up To | Rate |
|----------------------|-------------------------|-------|
| 0 | \$10,625 | 6% |
| \$10,625 | \$50,000 | 7% |
| \$50,000 | \$500,000 NA | 7.75% |
| \$500,000 | NA | 8.5%" |

SECTION 3. Section 1 of this act is effective for taxable years beginning on or after January 1, 2012. Section 2 of this act is effective for taxable years beginning on or after January 1, 2014. The remainder of this act is effective when it becomes law.