

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 213

Short Title: Equal Tax Treatment of Gov't Retirees. (Public)

Sponsors: Representatives Cleveland, Blackwell, Hurley, and Speciale (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Pensions and Retirement, if favorable, Finance, if favorable, Rules, Calendar, and Operations of the House

February 28, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE EQUAL INCOME TAX TREATMENT OF GOVERNMENT
3 RETIREES' BENEFITS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-153.3 is amended by adding a new subdivision to read:

6 "(15a) Retirement plan. – A written retirement plan established by the employer to
7 provide payments to an employee or the beneficiary of an employee after the
8 end of the employee's employment with the employer where the right to
9 receive the payments is based upon the employment relationship. With respect
10 to a self-employed individual or the beneficiary of a self-employed individual,
11 the term means a written retirement plan established by the individual to
12 provide payments to the individual or the beneficiary of the individual after
13 the end of the self-employment. In addition, the term includes an individual
14 retirement plan as defined in the Code and any plan treated as an individual
15 retirement plan under the Code. For the purpose of this subdivision, the term
16 "employee" includes a volunteer worker."

17 **SECTION 2.** G.S. 105-153.5(b) reads as rewritten:

18 "(b) Other Deductions. – In calculating North Carolina taxable income, a taxpayer may
19 deduct from the taxpayer's adjusted gross income any of the following items that are included in
20 the taxpayer's adjusted gross income:

21 ...
22 (5a) The amount received during the taxable year from one or more State, local, or
23 federal government retirement plans, subject to the phase-in provided in this
24 subdivision:

25 **Taxpayer Vested in the Plan**

26 **Income Years Beginning**

27 August 1992

In 2019

28 August 1995

In 2020

29 August 1998

In 2021

30 August 2001

In 2022

31 August 2004

In 2023

32 August 2007

In 2024

33 August 2010

In 2025

34 August 2013

In 2026



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August 2019

In 2027.

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SECTION 3. G.S. 105-153.5(b) reads as rewritten:

"(b) Other Deductions. – In calculating North Carolina taxable income, a taxpayer may deduct from the taxpayer's adjusted gross income any of the following items that are included in the taxpayer's adjusted gross income:

...

(5b) The amount received during the taxable year under North Carolina State and local government retirement plans and under federal government retirement plans.

(5c) The amount received during the taxable year under a state or local government retirement plan of a state other than North Carolina, to the extent that other state would not subject to individual income tax the equivalent amount received under a North Carolina State or local government retirement plan.

...."

SECTION 4. Section 2 of this act is effective for taxable years beginning on or after January 1, 2019, and is repealed for taxable years beginning on or after January 1, 2028, and Section 3 of this act is effective for taxable years beginning on or after January 1, 2028. The remainder of this act is effective when it becomes law.