

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 11

Short Title: Raise Standard Deduction.

(Public)

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Sponsors: Senators Sherron; Perdue, Albertson, Speed, Soles, Warren, Edwards, Dannelly, Hoyle, Hobbs, Kerr, Martin of Guilford, Winner, Odom, Plyler, Rand, Plexico, Gulley, Lucas, and Cooper.

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Referred to: Finance.

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January 26, 1995

1 A BILL TO BE ENTITLED  
2 AN ACT TO INCREASE THE INCOME TAX STANDARD DEDUCTION BY  
3 TWENTY PERCENT.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 105-134.6(c) reads as rewritten:

6 "(c) Additions. – The following additions to taxable income shall be made in  
7 calculating North Carolina taxable income, to the extent each item is not included in  
8 taxable income:

9 (1) Interest upon the obligations of states, other than this State, and their  
10 political subdivisions.

11 (2) Any amount allowed as a deduction from gross income under the Code  
12 that is taxed under the Code by a separate tax other than the tax imposed  
13 in section 1 of the Code.

14 (3) Any amount deducted from gross income under section 164 of the Code  
15 as state, local, or foreign income tax to the extent that the taxpayer's  
16 total itemized deductions deducted under the Code for the taxable year  
17 exceed the standard deduction allowable to the taxpayer under the Code  
18 reduced by the amount by which the taxpayer's allowable standard

1 deduction has been increased for inflation by more than twenty percent  
2 (20%) under section 63(c)(4) of the Code.

3 (4) The amount by which the taxpayer's standard deduction has been  
4 increased for inflation by more than twenty percent (20%) under section  
5 ~~63(e)(4)(A)~~ 63(c)(4) of the Code and the amount by which the taxpayer's  
6 personal exemptions have been increased for inflation under section  
7 151(d)(4)(A) of the Code. For the purpose of this subdivision, if the  
8 taxpayer's personal exemptions have been reduced by the applicable  
9 percentage under section 151(d)(3) of the Code, the amount by which  
10 the personal exemptions have been increased for inflation is also  
11 reduced by the applicable percentage.

12 (5) The fair market value, up to a maximum of one hundred thousand  
13 dollars (\$100,000), of the donated property interest for which the  
14 taxpayer claims a credit for the taxable year under G.S. 105-151.12 and  
15 the market price of the gleaned crop for which the taxpayer claims a  
16 credit for the taxable year under G.S. 105-151.14.

17 (6) The amount by which the basis of property under the Code exceeds the  
18 basis of the property under this Article, in the year the taxpayer disposes  
19 of the property."

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

21 1995.