

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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HOUSE BILL 1744

Short Title: Exempt Unemployment Benefits. (Public)

Sponsors: Representatives Wainwright, Adams (Primary Sponsors); and Weiss.

Referred to: Finance.

May 27, 2004

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT UNEMPLOYMENT BENEFITS FROM INCOME TAX.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-134.6(b)(11) reads as rewritten:

5 "(b) Deductions. – The following deductions from taxable income shall be made
6 in calculating North Carolina taxable income, to the extent each item is included in
7 taxable income:

8 ...

9 (11) Severance wages received by a taxpayer from an employer as the
10 result of the taxpayer's permanent, involuntary termination from
11 employment through no fault of the ~~employee-taxpayer and~~
12 unemployment benefits received by the taxpayer under Chapter 96 of
13 the General Statutes. The amount of severance wages deducted as the
14 result of the same termination may not exceed thirty-five thousand
15 dollars (\$35,000) for all taxable years in which the wages are
16 received."

17 **SECTION 2.** This act becomes effective for taxable years beginning on or
18 after January 1, 2004. G.S. 105-134.6(b)(11) is repealed effective for taxable years
19 beginning on or after January 1, 2007.