

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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SENATE BILL 1779

Short Title: Income Tax - Title 32 National Guard Exempt. (Public)

Sponsors: Senators Dalton and Hagan.

Referred to: Finance.

May 23, 2006

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT FROM INCOME TAX CERTAIN TITLE 32
3 COMPENSATION PAID TO NATIONAL GUARD PERSONNEL.

4 The General Assembly of North Carolina enacts:

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

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

9 ...

10 (19) Base pay compensation, up to a maximum of seven thousand five
11 hundred dollars (\$7,500), that is paid by the Armed Forces of the
12 United States under Title 32 of the United States Code to a member of
13 the North Carolina National Guard for up to 48 drill periods of inactive
14 duty training and up to 15 days of annual training active duty as an
15 officer or enlisted member. In the case of a married couple filing a
16 joint return, each spouse may qualify separately for the deduction
17 allowed under this subdivision."

18 **SECTION 2.** This act is effective for taxable years beginning on or after
19 January 1, 2006.