

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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SENATE DRS85462-LY-413 (05/15)

Short Title: Adjust Individual Income Tax Brackets. (Public)

Sponsors: Senator Berger of Rockingham.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ADJUST THE INDIVIDUAL INCOME TAX BRACKETS.

The General Assembly of North Carolina enacts:

SECTION 1. Section 39.1 of S.L. 2003-284, as amended by Section 36.1(a) of S.L. 2005-276, is repealed.

SECTION 2. G.S. 105-134.2(a), as amended by Section 2 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 \$45,000 | 6% |
| \$21,250 \$45,000 | \$100,000 \$120,000 | 7% |
| \$100,000 \$120,000 | \$200,000 NA | 7.75% |
| \$200,000 | NA | 8.25% |

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

| Over | Up To | Rate |
|------------------------------|------------------------------|-------|
| 0 | \$17,000 \$36,000 | 6% |
| \$17,000 \$36,000 | \$80,000 \$96,000 | 7% |
| \$80,000 \$96,000 | \$160,000 NA | 7.75% |
| \$160,000 | NA | 8.25% |

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

| 3 | Over | Up To | Rate |
|---|-----------|----------|-------|
| 4 | 0 | \$12,750 | 6% |
| 5 | \$12,750 | \$27,000 | 7% |
| 6 | \$60,000 | \$72,000 | 7.75% |
| 7 | \$120,000 | NA | 8.25% |

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

| 12 | Over | Up To | Rate |
|----|-----------|----------|---------|
| 13 | 0 | \$10,625 | 6% |
| 14 | \$10,625 | \$22,500 | 7% |
| 15 | \$50,000 | \$60,000 | 7.75% |
| 16 | \$100,000 | NA | 8.25%". |

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 18 **SECTION 3.** Section 2 of this act is effective for taxable years beginning on
 19 or after January 1, 2006. The remainder of this act is effective when it becomes law.