

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE DRS35315-LY-184 (3/13)

Short Title: LIFT Deduction.

(Public)

Sponsors: Senator Goodall.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE STANDARD DEDUCTION FOR LOWER-INCOME
INDIVIDUAL INCOME TAXPAYERS.

The General Assembly of North Carolina enacts:

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

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

...

(4) The applicable percentage of the amount by which the taxpayer's additional standard deduction for aged and blind has been increased for inflation under section 63(c)(4)(A) of the Code plus the applicable percentage of the amount by which the taxpayer's basic standard deduction, including adjustments for inflation, under the Code exceeds the appropriate amount in the following chart based on the taxpayer's filing status:

Filing Status	Standard Deduction
Married filing jointly/Surviving Spouse	\$6,000
Head of Household	4,400
Single	3,000
Married filing separately	3,000

a. The applicable percentage is zero for taxpayers listed in this subdivision based on filing status and income:

<u>Filing Status</u>	<u>Taxable Income</u>
<u>Married filing jointly/Surviving Spouse</u>	<u>Less than \$15,000</u>
<u>Head of Household</u>	<u>Less than \$10,000</u>
<u>Single</u>	<u>Less than \$7,500</u>

1	<u>Married filing separately</u>	<u>Less than \$7,500</u>
2	b. <u>The applicable percentage is fifty percent (50%) for taxpayers</u>	
3	<u>listed in this subdivision based on filing status and income:</u>	
4	<u>Filing Status</u>	<u>Taxable Income</u>
5	<u>Married filing jointly/</u>	
6	<u>Surviving Spouse</u>	<u>At least \$15,000 but less than \$17,500</u>
7	<u>Head of Household</u>	<u>At least \$10,000 but less than \$12,500</u>
8	<u>Single</u>	<u>At least \$7,500 but less than \$10,000</u>
9	<u>Married filing separately</u>	<u>At least \$7,500 but less than \$10,000</u>
10	c. <u>The applicable percentage is eighty percent (80%) for taxpayers</u>	
11	<u>listed in this subdivision based on filing status and income:</u>	
12	<u>Filing Status</u>	<u>Taxable Income</u>
13	<u>Married filing jointly/</u>	
14	<u>Surviving Spouse</u>	<u>At least \$17,500 but less than \$20,000</u>
15	<u>Head of Household</u>	<u>At least \$12,500 but less than \$15,000</u>
16	<u>Single</u>	<u>At least \$10,000 but less than \$12,500</u>
17	<u>Married filing separately</u>	<u>At least \$10,000 but less than \$12,500</u>
18	d. <u>The applicable percentage is one hundred percent (100%) for</u>	
19	<u>taxpayers listed in this subdivision based on filing status and</u>	
20	<u>income:</u>	
21	<u>Filing Status</u>	<u>Taxable Income</u>
22	<u>Married filing jointly/Surviving Spouse</u>	<u>\$20,000 or more</u>
23	<u>Head of Household</u>	<u>\$15,000 or more</u>
24	<u>Single</u>	<u>\$12,500 or more</u>
25	<u>Married filing separately</u>	<u>\$12,500 or more."</u>

26 **SECTION 2.** This act is effective for taxable years beginning on or after
 27 January 1, 2007.