

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

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SENATE BILL 1418

Short Title: LIFT Deduction.

(Public)

Sponsors: Senators Goodall; Apodaca, Boseman, Hartsell, and Hoyle.

Referred to: Finance.

March 26, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE STANDARD DEDUCTION FOR LOWER-INCOME
3 INDIVIDUAL INCOME TAXPAYERS.

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 ...

10 (4) The applicable percentage of the amount by which the taxpayer's
11 additional standard deduction for aged and blind has been increased
12 for inflation under section 63(c)(4)(A) of the Code plus the applicable
13 percentage of the amount by which the taxpayer's basic standard
14 deduction, including adjustments for inflation, under the Code exceeds
15 the appropriate amount in the following chart based on the taxpayer's
16 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

17 a. The applicable percentage is zero for taxpayers listed in this
18 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>
<u>Married filing separately</u>	<u>Less than \$7,500</u>

b. The applicable percentage is fifty percent (50%) 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>At least \$15,000 but less than \$17,500</u>
<u>Head of Household</u>	<u>At least \$10,000 but less than \$12,500</u>
<u>Single</u>	<u>At least \$7,500 but less than \$10,000</u>
<u>Married filing separately</u>	<u>At least \$7,500 but less than \$10,000</u>

c. The applicable percentage is eighty percent (80%) 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>At least \$17,500 but less than \$20,000</u>
<u>Head of Household</u>	<u>At least \$12,500 but less than \$15,000</u>
<u>Single</u>	<u>At least \$10,000 but less than \$12,500</u>
<u>Married filing separately</u>	<u>At least \$10,000 but less than \$12,500</u>

d. The applicable percentage is one hundred percent (100%) 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>\$20,000 or more</u>
<u>Head of Household</u>	<u>\$15,000 or more</u>
<u>Single</u>	<u>\$12,500 or more</u>
<u>Married filing separately</u>	<u>\$12,500 or more."</u>

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