

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE BILL 846

Short Title: Small Business Tax Relief Act. (Public)

Sponsors: Representatives Saine, B. Brown, Hanes, and Adams (Primary Sponsors).  
*For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*

Referred to: Commerce and Job Development, if favorable, Finance.

April 15, 2015

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE TAX RELIEF FOR SMALL BUSINESSES.  
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-153.5(b) is amended by adding a new subdivision to read:  
5 "(b) Other Deductions. – In calculating North Carolina taxable income, a taxpayer may  
6 deduct from the taxpayer's adjusted gross income any of the following items that are included  
7 in the taxpayer's adjusted gross income:

8 ...  
9 (10) An amount not to exceed twenty-five thousand dollars (\$25,000) of net  
10 business income the taxpayer receives during the taxable year if the taxpayer  
11 has annual receipts, combined with the annual receipts of all related persons,  
12 as defined in G.S. 105-163.010, of two hundred thousand dollars (\$200,000)  
13 or less. In the case of a married couple filing a joint return where both  
14 spouses receive or incur net business income, the maximum dollar amounts  
15 apply separately to each spouse's net business income, not to exceed a total  
16 of fifty thousand dollars (\$50,000). For purposes of this subdivision, the  
17 term "business income" does not include income that is considered passive  
18 income under the Code."

19 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,  
20 2015.

