

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

S

1

SENATE BILL 710

Short Title: A Tax Plan for a Just Recovery. (Public)

Sponsors: Senators Nickel and Murdock (Primary Sponsors).

Referred to: Rules and Operations of the Senate

April 8, 2021

1 A BILL TO BE ENTITLED  
2 AN ACT TO ENACT A TAX PLAN FOR A JUST RECOVERY.  
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-153.7(a) reads as rewritten:

5 "(a) Tax. – A tax is imposed for each taxable year on the North Carolina taxable income  
6 of every individual. The tax shall be levied, collected, and paid ~~annually.~~ annually. ~~The tax is five and~~  
7 ~~one-quarter percent (5.25%) of the taxpayer's North Carolina taxable income annually and shall~~  
8 ~~be computed at the following percentages of the taxpayer's North Carolina taxable income:~~

9 (1) For married, filing jointly, and surviving spouses:

<u>Over</u>	<u>Up To</u>	<u>Rate</u>
<u>-0-</u>	<u>\$500,000</u>	<u>5.25%</u>
<u>\$500,000</u>	<u>\$1,000,000</u>	<u>6.50%</u>
<u>\$1,000,000</u>	<u>N/A</u>	<u>7%</u>

14 (2) For heads of household:

<u>Over</u>	<u>Up To</u>	<u>Rate</u>
<u>-0-</u>	<u>\$375,000</u>	<u>5.25%</u>
<u>\$375,000</u>	<u>\$750,000</u>	<u>6.50%</u>
<u>\$750,000</u>	<u>N/A</u>	<u>7%</u>

19 (3) For single:

<u>Over</u>	<u>Up To</u>	<u>Rate</u>
<u>-0-</u>	<u>\$250,000</u>	<u>5.25%</u>
<u>\$250,000</u>	<u>\$500,000</u>	<u>6.50%</u>
<u>\$500,000</u>	<u>N/A</u>	<u>7%</u>

24 (4) For married, filing separately:

<u>Over</u>	<u>Up To</u>	<u>Rate</u>
<u>-0-</u>	<u>\$250,000</u>	<u>5.25%</u>
<u>\$250,000</u>	<u>\$500,000</u>	<u>6.50%</u>
<u>\$500,000</u>	<u>N/A</u>	<u>7%."</u>

29 **SECTION 2.** G.S. 105-130.3 reads as rewritten:

30 "**§ 105-130.3. Corporations.**

31 A tax is imposed on the State net income of every C Corporation doing business in this State  
32 at the rate of ~~two and one-half percent (2.5%).~~ five percent (5%). An S Corporation is not subject  
33 to the tax levied in this section."

34 **SECTION 3.** This act is effective for taxable years beginning on or after January 1,  
35 2021.

