

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 75

Short Title: Gov't Retirees Tax Deduction. (Public)

Sponsors: Representatives Cleveland, Blackwell, Hurley, and Clampitt (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Finance, if favorable, State Personnel, if favorable, Rules, Calendar, and
Operations of the House

February 15, 2021

A BILL TO BE ENTITLED
AN ACT TO CREATE GREATER TAX EQUALITY IN THE TREATMENT OF
GOVERNMENT RETIREES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-153.3 is amended by adding a new subdivision to read:

"(15a) Retirement plan. – A written retirement plan established by the employer to provide payments to an employee or the beneficiary of an employee after the end of the employee's employment with the employer where the right to receive the payments is based upon the employment relationship. With respect to a self-employed individual or the beneficiary of a self-employed individual, the term means a written retirement plan established by the individual to provide payments to the individual or the beneficiary of the individual after the end of the self-employment. In addition, the term includes an individual retirement plan as defined in the Code and any plan treated as an individual retirement plan under the Code. For the purpose of this subdivision, the term "employee" includes a volunteer worker."

SECTION 2. G.S. 105-153.5(b) reads as rewritten:

"(b) Other Deductions. – In calculating North Carolina taxable income, a taxpayer may deduct from the taxpayer's adjusted gross income any of the following items that are included in the taxpayer's adjusted gross income:

...
(5a) An amount received during the taxable year from one or more State, local, or federal government retirement plans, provided the amount does not exceed the lesser of (i) the product of three thousand dollars (\$3,000) multiplied by the number of years the taxpayer has claimed a deduction pursuant to this subdivision or (ii) thirty thousand dollars (\$30,000).

...."

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

