



SENATE BILL 75: Const. Amd. - Max. Income Tax Rate of 5.5%.

2017-2018 General Assembly

Committee:	Senate Finance. If favorable, re-refer to Rules and Operations of the Senate	Date:	March 8, 2017
Introduced by:	Sens. Tucker, Brock, Tillman	Prepared by:	Nicholas Giddings
Analysis of:	First Edition		Staff Attorney

OVERVIEW: *Senate Bill 75 would propose amending the North Carolina Constitution to cap the tax on income at 5.5%. The cap is currently 10%.*

CURRENT LAW: The State Constitution may be amended by either a constitutional convention or by legislative action. An amendment proposed by legislative action must be approved by a vote of three-fifths of each house and submitted to the voters of the State. If a majority of the voters of the State approve the amendment, the amendment will become effective either the January following the public vote, or the date provided in the legislative proposal.

BILL ANALYSIS: If enacted by the General Assembly, and approved by a majority of the voters, this bill would limit the tax on incomes to 5.5% for taxable years beginning on or after January 1, 2019. Section 2 of Article V of the North Carolina Constitution currently provides the tax rate imposed on incomes cannot exceed 10%. The current tax rate on corporate income is 3%. The current tax rate on personal income is 5.499%.

The ballot question would be considered at the statewide general election to be held on November 6, 2018.

EFFECTIVE DATE: The bill is effective when it becomes law.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578