

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

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**SENATE BILL 928**

Short Title: Deduction for Net Capital Gains. (Public)

Sponsors: Senators Shubert; Ballantine and Brock.

Referred to: Finance.

April 3, 2003

1 A BILL TO BE ENTITLED  
2 AN ACT TO REDUCE THE AMOUNT OF NET CAPITAL GAINS SUBJECT TO  
3 STATE INCOME TAX FOR ASSETS ACQUIRED ON OR AFTER JANUARY 1,  
4 2004.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105-130.5(b) is amended by adding a new subdivision to  
7 read:

8 "(22) The amount of income reported as net capital gain under the Code with  
9 respect to any capital asset acquired on or after January 1, 2004, is  
10 reduced by the applicable percentage based on the period the taxpayer  
11 held the asset:

<u>Held More Than</u>	<u>Percentage Reduced</u>
<u>One Year</u>	<u>10%</u>
<u>Two Years</u>	<u>20%</u>
<u>Three Years</u>	<u>30%</u>
<u>Four Years</u>	<u>40%</u>
<u>Five Years</u>	<u>50%</u>
<u>Six Years</u>	<u>60%</u>
<u>Seven Years</u>	<u>70%</u>
<u>Eight Years</u>	<u>80%</u>
<u>Nine Years</u>	<u>90%</u>
<u>Ten Years</u>	<u>100%".</u>

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23 **SECTION 2.** G.S. 105-134.6(b) is amended by adding a new subdivision to  
24 read:

25 "(18) The amount of income reported as net capital gain under the Code with  
26 respect to any capital asset acquired on or after January 1, 2004, is  
27 reduced by the applicable percentage based on the period the taxpayer  
28 held the asset:

<u>Held More Than</u>	<u>Percentage Reduced</u>
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1	<u>One Year</u>	<u>10%</u>
2	<u>Two Years</u>	<u>20%</u>
3	<u>Three Years</u>	<u>30%</u>
4	<u>Four Years</u>	<u>40%</u>
5	<u>Five Years</u>	<u>50%</u>
6	<u>Six Years</u>	<u>60%</u>
7	<u>Seven Years</u>	<u>70%</u>
8	<u>Eight Years</u>	<u>80%</u>
9	<u>Nine Years</u>	<u>90%</u>
10	<u>Ten Years</u>	<u>100%".</u>

11           **SECTION 3.** This act becomes effective for taxable years beginning on or  
12 after January 1, 2005.