GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2005

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HOUSE BILL 936*

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	Short Title:	Income Tax - Military/National Guard Exempt. (Public)
	Sponsors:	Representatives McLawhorn; Holliman, Coleman, Faison, Martin, Pierce, Rapp, and Wainwright.
	Referred to:	Finance.
	March 28, 2005	
1		A BILL TO BE ENTITLED
2	AN ACT TO EXEMPT FROM INCOME TAX CERTAIN COMPENSATION PAID	
3	TO MILITARY PERSONNEL.	
4	The General Assembly of North Carolina enacts:	
5	SI	ECTION 1. G.S. 105-134.6(b) is amended by adding a new subdivision to
6	read:	
7	"(b) D	eductions. – The following deductions from taxable income shall be made
8	in calculatin	g North Carolina taxable income, to the extent each item is included in
9	taxable income:	
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11	<u>(1</u>	8) Compensation, up to a maximum of seven thousand five hundred
12		dollars (\$7,500), that is paid by the Armed Forces of the United States,
13		including the reserve components, to an individual for active duty,
14		full-time National Guard duty, or inactive duty training as an officer or
15		enlisted member. In the case of a married couple filing a joint return,
16		each spouse may qualify separately for the deduction allowed under
17		this subdivision."
18	SI	ECTION 2. This act is effective for taxable years beginning on or after
10	Lawrence 1 O	005

19 January 1, 2005.