

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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SENATE BILL 348

Short Title: Equal Tax Treatment of Govt Retirees. (Public)

Sponsors: Senator Randleman (Primary Sponsor).

Referred to: Rules and Operations of the Senate.

March 23, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE EQUAL INCOME TAX TREATMENT OF GOVERNMENT
3 RETIREES' BENEFITS.

4 The General Assembly of North Carolina enacts:

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

6 "(15a) Retirement plan. – A written retirement plan established by the employer to
7 provide payments to an employee or the beneficiary of an employee after the
8 end of the employee's employment with the employer where the right to
9 receive the payments is based upon the employment relationship. With
10 respect to a self-employed individual or the beneficiary of a self-employed
11 individual, the term means a written retirement plan established by the
12 individual to provide payments to the individual or the beneficiary of the
13 individual after the end of the self-employment. In addition, the term
14 includes an individual retirement plan as defined in the Code and any plan
15 treated as an individual retirement plan under the Code. For the purpose of
16 this subdivision, the term "employee" includes a volunteer worker."

17 **SECTION 2.** G.S. 105-153.5 is amended by adding a new subdivision to read:

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

21 ...

22 (5a) The amount received during the taxable year from one or more state, local,
23 or federal government retirement plans, subject to the phase-in provided in
24 this subdivision:

25 **Taxpayer Vested in the Plan**

26 **on or Before**

27 August 1992

28 August 1995

29 August 1998

30 August 2001

31 August 2004

32 August 2007

33 August 2010

34 August 2013

35 August 2016

Income Years Beginning

In 2015

In 2016

In 2017

In 2018

In 2019

In 2020

In 2021

In 2022

In 2023."



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1 **SECTION 3.** G.S. 105-153.5(b) is amended by adding two new subdivisions to
2 read:

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

6 ...

7 (5b) The amount received during the taxable year under North Carolina State and
8 local government retirement plans and under federal government retirement
9 plans.

10 (5c) The amount received during the taxable year under a state or local
11 government retirement plan of a state other than North Carolina, to the
12 extent that other state would not subject to individual income tax the
13 equivalent amount received under a North Carolina State or local
14 government retirement plan."

15 **SECTION 4.** Section 2 of this act is effective for taxable years beginning on or
16 after January 1, 2015. Section 2 of this act is repealed for taxable years beginning on or after
17 January 1, 2024, and Section 3 of this act is effective for taxable years beginning on or after
18 January 1, 2024. The remainder of this act is effective when it becomes law.