A BILL TO BE ENTITLED
AN ACT TO PROVIDE INCOME TAX RELIEF FOR SMALL BUSINESSES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-153.5(b) is amended by adding a new subdivision to read:

"(12) An amount not to exceed fifty thousand dollars ($50,000) of net business income the taxpayer receives during the taxable year if the taxpayer is a small business. In the case of a married couple filing a joint return where both spouses receive or incur net business income, the maximum dollar amounts apply separately to each spouse's net business income, not to exceed a total of one hundred thousand dollars ($100,000). For purposes of this subdivision, the term "business income" does not include income that is considered passive income under the Code and the term "small business" is a business whose annual receipts, combined with the annual receipts of all related persons, for the taxable year did not exceed one million dollars ($1,000,000)."

SECTION 2. This act is effective for taxable years beginning on or after January 1, 2017.