GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 4

Short Title:	Eliminate Tax on Gov't Retirees.	(Public)
Sponsors:	Senator Burgin (Primary Sponsor).	
Referred to:	Rules and Operations of the Senate	

January 26, 2023

A BILL TO BE ENTITLED

AN ACT TO EXEMPT RETIREMENT INCOME OF GOVERNMENT EMPLOYEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-153.5(b) reads as rewritten:

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

…

(5) The amount received during the taxable year from one or more State, local, or federal government retirement plans <u>(i) for at least 20 years of government employment or (ii)</u> to the extent the amount is exempt from tax under this Part pursuant to a court order in settlement of any of the following cases:

a. Bailey v. State, 92 CVS 10221, 94 CVS 6904, 95 CVS 6625, 95 CVS 8230.

b. Emory v. State, 98 CVS 0738.

c. Patton v. State, 95 CVS 04346.

…."

SECTION 2. This act is effective for taxable years beginning on or after January 1, 2024.