

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1348

Short Title: Deduction for Net Capital Gains.

(Public)

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Sponsors: Representatives Shubert, Cansler; Allen, Baker, Berry, Brown, Davis, Eddins, Hardy, Hiatt, Hurley, McComas, Morris, Rayfield, Sexton, and Warner.

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Referred to: Finance.

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May 20, 1998

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 1999.

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 read:

7 "(17) The amount of income reported as net capital gain under the Code with  
8 respect to any capital asset acquired on or after January 1, 1999, is  
9 reduced by the applicable percentage based on the period the taxpayer  
10 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>

1                            Nine Years                            90%  
2                            Ten Years                            100%."

3            Section 2. G.S. 105-134.6(b) is amended by adding a new subdivision to read:

4            "(15) The amount of income reported as net capital gain under the Code with  
5            respect to any capital asset acquired on or after January 1, 1999, is  
6            reduced by the applicable percentage based on the period the taxpayer  
7            held the asset:

8	<b><u>Held More Than</u></b>	<b><u>Percentage Reduced</u></b>
9	<u>One Year</u>	<u>10%</u>
10	<u>Two Years</u>	<u>20%</u>
11	<u>Three Years</u>	<u>30%</u>
12	<u>Four Years</u>	<u>40%</u>
13	<u>Five Years</u>	<u>50%</u>
14	<u>Six Years</u>	<u>60%</u>
15	<u>Seven Years</u>	<u>70%</u>
16	<u>Eight Years</u>	<u>80%</u>
17	<u>Nine Years</u>	<u>90%</u>
18	<u>Ten Years</u>	<u>100%."</u>

19            Section 3. This act becomes effective for taxable years beginning on or after  
20            January 1, 2000.