

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

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HOUSE BILL 277

Short Title: Small Business Income Tax Relief. (Public)

Sponsors: Representatives K. Hall, Saine, Barnes, and Henson (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Commerce, if favorable, Finance, if favorable, Rules, Calendar, and Operations of
the House

March 6, 2019

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,

2019.

