

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019**

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**SENATE BILL 763**

Short Title: Pay Equity for Essential Employees. (Public)

Sponsors: Senators Smith and Nickel (Primary Sponsors).

Referred to: Rules and Operations of the Senate

May 18, 2020

A BILL TO BE ENTITLED

AN ACT TO PROVIDE AN INCOME TAX BENEFIT FOR ESSENTIAL EMPLOYEES FOR  
INCOME EARNED FOR NECESSARY SERVICES DURING TIMES OF EMERGENCY.

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:

...

(13) The amount paid to the taxpayer during the taxable year from the State Emergency Response and Disaster Relief Reserve Fund for hurricane relief or assistance, but not including payments for goods or services provided by the taxpayer.

(13a) A percentage of income that (i) is earned by an essential employee and (ii) is derived from activities for which the employee is deemed essential during the period of March 28, 2020, to December 31, 2020. For purposes of this subdivision, an "essential employee" is an employee working in a critical infrastructure sector identified by the Cybersecurity & Infrastructure Security Agency of the United States Department of Homeland Security in the advisory list published on March 28, 2020. The percentage is to be applied as follows:

a. For the first one hundred thousand dollars (\$100,000) of income, fifty percent (50%).

b. For the portion of income above one hundred thousand dollars (\$100,000), seventy percent (70%)."

**SECTION 2.** This act is effective for taxable years beginning on or after January 1, 2020.

