

INDIVIDUAL INCOME TAX FILERS AND LIABILITY - TAX YEARS 2010 AND 2019
INDIVIDUAL INCOME TAX RATES- TAX YEARS 2011-2020

North Carolina Taxable Income	Individual Income Tax Filers and Liability by Income Level							
	Tax Year 2019				Tax Year 2010			
	Number of Returns	% of Total	Tax Liability	% of Total	Number of Returns	% of Total	Tax Liability	% of Total
0 to \$15,000.....	2,294,748	46.4%	\$ 411,353,202	3.4%	2,111,562	50.6%	\$ 410,148,735	4.5%
\$15,001 to \$25,000.....	553,234	11.1%	567,963,410	4.7%	544,097	13.0%	605,913,782	6.6%
\$25,001 to \$50,000.....	854,380	17.3%	1,590,215,526	13.1%	742,948	17.8%	1,650,402,270	17.9%
\$50,001 to \$75,000.....	439,952	8.9%	1,385,879,215	11.5%	347,180	8.3%	1,365,424,661	14.8%
\$75,001 to \$100,000.....	258,592	5.2%	1,146,239,036	9.5%	171,734	4.1%	981,297,519	10.7%
\$100,001 to \$200,000.....	369,866	7.5%	2,579,302,986	21.4%	186,466	4.5%	1,744,578,565	18.9%
\$200,001 and up.....	176,881	3.6%	4,396,279,781	36.4%	67,516	1.7%	2,451,647,298	26.6%
	<u>4,947,653</u>	<u>100.0%</u>	<u>\$ 12,077,233,156</u>	<u>100.0%</u>	<u>4,171,503</u>	<u>100.0%</u>	<u>\$ 9,209,412,830</u>	<u>100.0%</u>

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue. Tax year 2019 is the most recent year for which data is available.

Individual Income Tax Rates - Last 10 Years

Tax Years 2011-2013			
Tax Year	Bracket 1	Bracket 2	Bracket 3
Married - Joint:			
Taxable income	\$1-\$21,250	\$21,251-\$100,000	> \$100,000
Tax rate	6%	7%	7.75%
Married - Separate:			
Taxable income	\$1-\$10,625	\$10,626-\$50,000	> \$50,000
Tax rate	6%	7%	7.75%
Head of Household:			
Taxable income	\$1-\$17,000	\$17,001-\$80,000	> \$80,000
Tax rate	6%	7%	7.75%
Single:			
Taxable income	\$1-\$12,750	\$12,751-\$60,000	> \$60,000
Tax rate	6%	7%	7.75%

Income Tax Rate Restrictions

- The State Constitution (Article V, section 2(6)) places the following limitation on the income tax: "The rate of tax on incomes shall not in any case exceed ten percent, and there shall be allowed personal exemptions and deductions so that only net incomes are taxed."

Income Tax Surtax Expired

- Effective from the tax year beginning on or after January 1, 2011 North Carolina no longer has an income tax surtax.

Federal Adjusted Gross Income Starting Point

- Effective with tax year 2012 the starting point in determining North Carolina taxable income is federal adjusted gross income (FAGI) subject to some modifications.

Source: North Carolina Department of Revenue

Table 7

Individual Income Tax Rates - Last 10 Years

Tax Year 2014				
Married - Joint, Married - Separate, Head of Household, and Single:				
Taxable income	>\$0			
Tax rate	5.8%			
Tax Years 2015-2016				
Married - Joint, Married - Separate, Head of Household, and Single:				
Taxable income	>\$0			
Tax rate	5.75%			
Tax Years 2017-2018				
Married - Joint, Married - Separate, Head of Household, and Single:				
Taxable income	>\$0			
Tax rate	5.499%			
Tax Years 2019-2020				
Married - Joint, Married - Separate, Head of Household, and Single:				
Taxable income	>\$0			
Tax rate	5.250%			

Income Tax Rate and Base Structure Changes - Effective for tax years beginning on or after January 1, 2014, SL 2013- 316 (HB998), *An Act to Simplify the NC Tax Structure and to Reduce Individual and Business Tax Rates* (enacted July 23, 2013) replaces the multi- tiered bracket system with a flat rate structure.

Income Tax Rate and Base Structure Changes - The 2015 Appropriations Act reduces the personal income tax rate to 5.499% effective with taxable year 2017 and increases the withholding tax rate on or after January 1, 2016 to equal the statutory personal income tax rate plus 0.1% to reduce the incidence of deficient withholding.

Income Tax Rate Restrictions - The State Constitution (Article V, section 2(6)) places the following limitation on the income tax: "The rate of tax on incomes shall not in any case exceed seven percent, and there shall be allowed personal exemptions and deductions so that only net incomes are taxed." [Applicable to taxable years beginning on or after January 1, 2019]

Income Tax Rate and Base Structure Changes - The 2017 Appropriations Act reduces the personal income tax rate to the 5.25% effective for taxable year 2019.