

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE JOINT RESOLUTION 1041

Sponsors: Representatives Hensley, Capps, Blue, Eddins, Ellis, Miner, Mosley; and Wainwright.

Referred to: Rules, Calendar and Operations of the House.

April 14, 1999

1 A JOINT RESOLUTION AUTHORIZING THE REVENUE LAWS STUDY
2 COMMITTEE TO REEVALUATE THE NORTH CAROLINA INCOME TAX
3 BURDEN ON INDIVIDUALS IN EACH FILING STATUS CATEGORY.

4 Whereas, the federal income tax law provides tax rates, standard deduction
5 amounts, and other rules that vary based on the filing status of the individual; and

6 Whereas, individuals file federal income tax returns in the following filing
7 status categories: married filing jointly, married filing separately, surviving spouse,
8 single, or head of household; and

9 Whereas, surviving spouse status applies only within the first two years after
10 the other spouse's death and only if the surviving spouse has one or more dependents; and

11 Whereas, head of household status applies only if the taxpayer is not married,
12 does not qualify as a surviving spouse, and maintains a household for one or more
13 dependents who can be claimed as dependents on the tax return; and

14 Whereas, depending upon each spouse's income, some married couples pay
15 more income tax than they would if they filed as single and some married couples pay
16 less income tax than they would if they filed as single; and

17 Whereas, North Carolina's income tax for individuals is calculated as a
18 percentage of federal taxable income, determined based on the individual's federal filing
19 status; and

20 Whereas, the federal rules for determining filing status affect the tax burden on
21 each category for both federal and North Carolina income tax purposes; and

1 Whereas, other factors such as income, expenditures, and family size also
2 affect the tax burden on individual taxpayers within each filing status category; Now,
3 therefore,

4 Be it resolved by the House of Representatives, the Senate concurring:

5 Section 1. The Revenue Laws Study Committee shall study the North Carolina
6 individual income tax burden on individuals within each federal filing status category.
7 The tax burden shall be determined and compared as it relates to income, marital status,
8 number of dependents, and other factors. The Revenue Laws Study Committee shall
9 determine whether the tax burden is appropriate for each filing status category as defined,
10 and for individuals within each category who have different levels of income and family
11 sizes. If the Committee finds that the tax burden is not distributed appropriately, it shall
12 recommend how the burden could be better distributed among or within the categories.

13 Section 2. The Revenue Laws Study Committee may make an interim report
14 to the 2000 Regular Session of the 1999 General Assembly and shall make a final report
15 of its findings and recommendations to the 2001 General Assembly.

16 Section 3. This resolution is effective upon ratification.