GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2003

SENATE DRS75229-LC-89 (03/26)

Sponsors: Senator Shubert. Referred to: A BILL TO BE ENTITLED AN ACT TO REDUCE THE AMOUNT OF NET CAPITAL GAINS SUBJECT TO STATE INCOME TAX FOR ASSETS ACQUIRED ON OR AFTER JANUARY 1, 2004.

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 7 read:

8"(22)The amount of income reported as net capital gain under the Code with9respect to any capital asset acquired on or after January 1, 2004, is10reduced by the applicable percentage based on the period the taxpayer11held the asset:

11		nera the asset:		
12		<u>Held More Than</u>	Percentage Reduced	
13		<u>One Year</u>	<u>10%</u>	
14		Two Years	<u>20%</u>	
15		Three Years	<u>30%</u>	
16		Four Years	<u>40%</u>	
17		Five Years	<u>50%</u>	
18		Six Years	<u>60%</u>	
19		Seven Years	<u>70%</u>	
20		Eight Years	<u>80%</u>	
21		Nine Years	<u>90%</u>	
22		Ten Years	<u>100%</u> ".	
23		SECTION 2. G.S. 105-134.6(b) is ame	nded by adding a new subdivision to	
24	read:			
25		"(18) The amount of income reported as net capital gain under the Code with		
26		respect to any capital asset acqu	ired on or after January 1, 2004, is	

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(Public)

Short Title: Deduction for Net Capital Gains.

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1	reduced	by the applicable percent	tage based on the period the taxpayer
2	held the	asset:	
3		Held More Than	Percentage Reduced
4		<u>One Year</u>	<u>10%</u>
5		Two Years	<u>20%</u>
6		Three Years	<u>30%</u>
7		Four Years	<u>40%</u>
8		Five Years	<u>50%</u>
9		Six Years	<u>60%</u>
10		Seven Years	<u>70%</u>
11		Eight Years	<u>80%</u>
12		Nine Years	<u>90%</u>
13		Ten Years	<u>100%</u> ".
14	SECTION 3.	This act becomes effect	ive for taxable years beginning on or
15	after January 1, 2005.		