

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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SENATE DRS75229-LC-89 (03/26)

Short Title: Deduction for Net Capital Gains.

(Public)

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.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-130.5(b) is amended by adding a new subdivision to
read:

"(22) The amount of income reported as net capital gain under the Code with respect to any capital asset acquired on or after January 1, 2004, is reduced by the applicable percentage based on the period the taxpayer held the asset:

<u>Held More Than</u>	<u>Percentage Reduced</u>
<u>One Year</u>	<u>10%</u>
<u>Two Years</u>	<u>20%</u>
<u>Three Years</u>	<u>30%</u>
<u>Four Years</u>	<u>40%</u>
<u>Five Years</u>	<u>50%</u>
<u>Six Years</u>	<u>60%</u>
<u>Seven Years</u>	<u>70%</u>
<u>Eight Years</u>	<u>80%</u>
<u>Nine Years</u>	<u>90%</u>
<u>Ten Years</u>	<u>100%</u> ".

SECTION 2. G.S. 105-134.6(b) is amended by adding a new subdivision to
read:

"(18) The amount of income reported as net capital gain under the Code with respect to any capital asset acquired on or after January 1, 2004, is

1 reduced by the applicable percentage based on the period the taxpayer
2 held the asset:

<u>Held More Than</u>	<u>Percentage Reduced</u>
<u>One Year</u>	<u>10%</u>
<u>Two Years</u>	<u>20%</u>
<u>Three Years</u>	<u>30%</u>
<u>Four Years</u>	<u>40%</u>
<u>Five Years</u>	<u>50%</u>
<u>Six Years</u>	<u>60%</u>
<u>Seven Years</u>	<u>70%</u>
<u>Eight Years</u>	<u>80%</u>
<u>Nine Years</u>	<u>90%</u>
<u>Ten Years</u>	<u>100%".</u>

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14 **SECTION 3.** This act becomes effective for taxable years beginning on or
15 after January 1, 2005.