

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

**S**

**1**

**SENATE BILL 1422**

Short Title: Income Tax - Title 32 National Guard Exempt. (Public)

---

Sponsors: Senators Queen; Atwater, Berger of Franklin, Cowell, Dalton, Nesbitt, Shaw, and Snow.

---

Referred to: Finance.

---

March 26, 2007

A BILL TO BE ENTITLED

AN ACT TO EXEMPT FROM INCOME TAX CERTAIN TITLE 32  
COMPENSATION PAID TO NATIONAL GUARD PERSONNEL.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-134.6(b) reads as rewritten:

"(b) Deductions. – The following deductions from taxable income shall be made in calculating North Carolina taxable income, to the extent each item is included in taxable income:

...

(19) Base pay compensation that is paid by the Armed Forces of the United States under Title 32 of the United States Code to a member of the North Carolina National Guard for up to 48 drill periods of inactive duty training and up to 15 days of annual training active duty as an officer or enlisted member. In the case of a married couple filing a joint return, each spouse may qualify separately for the deduction allowed under this subdivision."

**SECTION 2.** This act is effective for taxable years beginning on or after January 1, 2008.