

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE DRH40392-MH-153A (04/06)

Short Title: Agribusiness Income Tax Exemptions. (Public)

Sponsors: Representatives Waddell, Ager, Dobson, and Goodman (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE FOR AN EXEMPTION FROM TAXABLE INCOME FOR THE  
3 FIRST TWENTY-FIVE THOUSAND DOLLARS OF BUSINESS INCOME FOR  
4 CERTAIN AGRIBUSINESSES.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105-153.5(b) is amended by adding a new subdivision to read:

7 "(b) Other Deductions. – In calculating North Carolina taxable income, a taxpayer may  
8 deduct from the taxpayer's adjusted gross income any of the following items that are included  
9 in the taxpayer's adjusted gross income:

10 ...  
11 (10) An amount not to exceed twenty-five thousand dollars (\$25,000) of net  
12 business income the taxpayer receives during the taxable year if the taxpayer  
13 (i) demonstrates that the taxpayer is engaged in the business of farming by  
14 providing to the Department any of the forms of documentation listed in  
15 G.S. 153A-340(b)(2), (ii) has annual gross income from farming operations  
16 for the preceding taxable year, combined with the annual gross income of all  
17 related persons, of two hundred fifty thousand dollars (\$250,000) or less,  
18 (iii) has three or more full- or part-time positions, and (iv) is located in a  
19 development tier one or two area, as defined in G.S. 143B-437.08. In the  
20 case of a married couple filing a joint return where both spouses receive or  
21 incur net business income, the maximum dollar amounts apply separately to  
22 each spouse's net business income, not to exceed a total of fifty thousand  
23 dollars (\$50,000). For purposes of this subdivision, the term "business  
24 income" does not include income that is considered passive income under  
25 the Code, and the term "related persons" means a person described in one of  
26 the relationships set forth in section 267(b) or 707(b) of the Code."

27 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,  
28 2015, and expires for taxable years beginning on or after January 1, 2019.

