

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

FILED SENATE  
Apr 6, 2021  
S.B. 591  
PRINCIPAL CLERK

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SENATE BILL DRS45243-MCf-125

Short Title: Business Income Tax Deduction. (Public)

Sponsors: Senators Garrett, deViere, and Salvador (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW A BUSINESS INCOME TAX DEDUCTION.

3 The General Assembly of North Carolina enacts:

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

5 "(15) An amount not to exceed seventy-five thousand dollars (\$75,000) of net  
6 business income the taxpayer receives during the taxable year. In the case of  
7 a married couple filing a joint return where both spouses receive or incur net  
8 business income, the maximum dollar amounts apply separately to each  
9 spouse's net business income, not to exceed a total of one hundred fifty  
10 thousand dollars (\$150,000). For purposes of this subdivision, the term  
11 "business income" does not include income that is considered passive income  
12 under the Code."

13 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,  
14 2021.



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