

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

**SESSION LAW 2026-4
SENATE BILL 1080**

AN ACT TO AMEND THE NORTH CAROLINA CONSTITUTION TO PROVIDE THAT
THE MAXIMUM TAX RATE ON INCOMES CANNOT EXCEED THREE AND
ONE-HALF PERCENT.

The General Assembly of North Carolina enacts:

SECTION 1. Section 2 of Article V of the North Carolina Constitution reads as rewritten:

"Sec. 2. State and local taxation.

...
(6) Income tax. The rate of tax on incomes shall not in any case exceed ~~seven-three and~~
one-half percent, and there shall be allowed personal exemptions and deductions so that only net
incomes are taxed.

...."

SECTION 2. The amendment set out in Section 1 of this act shall be submitted to the qualified voters of the State at the statewide general election to be held on November 3, 2026, which election shall be conducted in accordance with the laws governing elections at that time. The question to be used in the voting systems and ballots shall be:

" [] FOR [] AGAINST

Constitutional amendment to keep the State income tax rate from being raised higher than three and one-half percent (3.5%)."

SECTION 3. The State Board of Elections shall certify the results of the referendum conducted under Section 2 of this act. If a majority of votes cast on the question are in favor of the amendment set out in Section 1 of this act, the Secretary of State shall enroll the amendment among the permanent records of that office. If a majority of votes cast on the question are against the amendment set out in Section 1 of this act, the amendment shall have no effect.

SECTION 4. If the certification from the State Board of Elections under Section 3 of this act reflects that a majority of votes cast on the question are in favor of the amendment set out in Section 1 of this act, the amendment set out in Section 1 of this act is effective upon certification and shall apply to taxable years beginning on or after January 1, 2027.

SECTION 5. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 21st day of May, 2026.

s/ Phil Berger
President Pro Tempore of the Senate

s/ Donna McDowell White
Presiding Officer of the House of Representatives

