

INDIVIDUAL INCOME TAX FILERS AND LIABILITY - CALENDAR YEARS 2007 AND 2016
INDIVIDUAL INCOME TAX RATES- CALENDAR YEARS 2008-2017

North Carolina Taxable Income	Calendar Year 2016				Calendar Year 2007			
	Number of Returns	% of Total	Tax Liability	% of Total	Number of Returns	% of Total	Tax Liability	% of Total
0 to \$15,000.....	2,160,768	46.8%	\$ 415,474,101	3.8%	2,103,592	50.0%	\$ 466,376,063	4.6%
\$15,001 to \$25,000.....	549,357	11.9%	587,932,288	5.3%	562,977	13.4%	638,059,404	6.3%
\$25,001 to \$50,000.....	817,524	17.7%	1,625,435,697	14.7%	761,440	18.1%	1,693,491,722	16.7%
\$50,001 to \$75,000.....	410,306	8.9%	1,397,995,286	12.7%	352,398	8.4%	1,385,090,343	13.7%
\$75,001 to \$100,000.....	237,974	5.1%	1,150,603,490	10.4%	166,885	4.0%	952,990,040	9.4%
\$100,001 to \$200,000.....	310,248	6.7%	2,355,371,618	21.4%	180,689	4.3%	1,668,623,178	16.5%
\$200,001 and up.....	132,335	2.9%	3,488,548,719	31.7%	79,757	1.8%	3,317,899,222	32.8%
	<u>4,618,512</u>	<u>100.0%</u>	<u>\$ 11,021,361,199</u>	<u>100.0%</u>	<u>4,207,738</u>	<u>100.0%</u>	<u>\$ 10,122,529,972</u>	<u>100.0%</u>

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's revenue. Calendar year 2016 is the most recent year for which data are available.

Individual Income Tax Rates - Last 10 Years

Calendar Year 2008				
Tax Year	Bracket 1	Bracket 2	Bracket 3	
Married - Joint:				
Taxable income	\$1-\$21,250	\$21,251-\$100,000	> \$100,000	
Tax rate	6%	7%	7.75%	
Married - Separate:				
Taxable income	\$1-\$10,625	\$10,626-\$50,000	> \$50,000	
Tax rate	6%	7%	7.75%	
Head of Household:				
Taxable income	\$1-\$17,000	\$17,001-\$80,000	> \$80,000	
Tax rate	6%	7%	7.75%	
Single:				
Taxable income	\$1-\$12,750	\$12,751-\$60,000	> \$60,000	
Tax rate	6%	7%	7.75%	
Calendar Years 2009-2010				
Tax Year	Bracket 1	Bracket 2	Bracket 3	Bracket 3 Surtax
Married - Joint:				
Taxable income	\$1-\$21,250	\$21,251-\$100,000	> \$100,000	
Tax rate	6%	7%	up to \$250,000 7.75%	2%
			> 250,000	3%
Married - Separate:				
Taxable income	\$1-\$10,625	\$10,626-\$50,000	> \$50,000	
Tax rate	6%	7%	up to \$125,000 7.75%	2%
			>125,000	3%
Head of Household:				
Taxable income	\$1-\$17,000	\$17,001-\$80,000	> \$80,000	
Tax rate	6%	7%	up to \$200,000 7.75%	2%
			>200,000	3%
Single:				
Taxable income	\$1-\$12,750	\$12,751-\$60,000	> \$60,000	
Tax rate	6%	7%	up to \$150,000 7.75%	2%
			>150,000	3%

Income Tax Rate Restrictions
 - The State Constitution (Article V, section 2(6)) places the following limitation on the income tax: "The rate of tax on incomes shall not in any case exceed ten percent, and there shall be allowed personal exemptions and deductions so that only net incomes are taxed."

Source: North Carolina Department of Revenue

Table 7

Individual Income Tax Rates - Last 10 Years				
Calendar Years 2011-2013				
Tax Year	Bracket 1	Bracket 2	Bracket 3	
Married - Joint:				
Taxable income	\$1-\$21,250	\$21,251-\$100,000	> \$100,000	
Tax rate	6%	7%	7.75%	
Married - Separate:				
Taxable income	\$1-\$10,625	\$10,626-\$50,000	> \$50,000	
Tax rate	6%	7%	7.75%	
Head of Household:				
Taxable income	\$1-\$17,000	\$17,001-\$80,000	> \$80,000	
Tax rate	6%	7%	7.75%	
Single:				
Taxable income	\$1-\$12,750	\$12,751-\$60,000	> \$60,000	
Tax rate	6%	7%	7.75%	
Calendar Year 2014				
Married - Joint, Married - Separate, Head of Household, and Single:				
Taxable income	\$0			
Tax rate	5.8%			
Calendar Years 2015-2016				
Married - Joint, Married - Separate, Head of Household, and Single:				
Taxable income	\$0			
Tax rate	5.75%			
Calendar Years 2017				
Married - Joint, Married - Separate, Head of Household, and Single:				
Taxable income	\$0			
Tax rate	5.499%			

Income Tax Surtax Expired - Effective from the tax year beginning on or after January 1, 2011 North Carolina no longer has an income tax surtax.

Income Tax Rate and Base Structure Changes - Effective for tax years beginning on or after January 1, 2014, SL 2013-316 (HB998), *An Act to Simplify the NC Tax Structure and to Reduce Individual and Business Tax Rates* (enacted July 23, 2013) replaces the multi-tiered bracket system with a flat rate structure.

Income Tax Rate and Base Structure Changes -The 2015 Appropriations Act reduces the personal income tax rate to 5.499% effective with taxable year 2017 and increases the withholding tax rate on or after January 1, 2016 to equal the statutory personal income tax rate plus 0.1% to reduce the incidence of deficient withholding.