

**INDIVIDUAL INCOME TAX FILERS AND LIABILITY - CALENDAR YEARS 2009 AND 2018
INDIVIDUAL INCOME TAX RATES- CALENDAR YEARS 2010-2019**

North Carolina Taxable Income	Calendar Year 2018				Calendar Year 2009			
	Number of Returns	% of Total	Tax Liability	% of Total	Number of Returns	% of Total	Tax Liability	% of Total
0 to \$15,000.....	2,205,371	45.9%	\$ 434,779,605	3.6%	2,105,668	51.3%	\$ 400,232,510	4.7%
\$15,001 to \$25,000.....	544,193	11.3%	585,368,549	4.8%	535,686	13.1%	596,003,934	7.0%
\$25,001 to \$50,000.....	845,450	17.6%	1,647,732,229	13.6%	729,630	17.8%	1,618,336,112	19.0%
\$50,001 to \$75,000.....	434,768	9.0%	1,435,468,945	11.8%	337,693	8.2%	1,328,194,819	15.6%
\$75,001 to \$100,000.....	258,022	5.4%	1,198,746,785	9.8%	164,344	4.0%	939,363,021	11.0%
\$100,001 to \$200,000.....	356,279	7.4%	2,598,193,681	21.3%	172,484	4.2%	1,607,598,017	18.9%
\$200,001 and up.....	163,960	3.4%	4,276,665,486	35.1%	58,914	1.4%	2,033,277,174	23.8%
	<u>4,808,043</u>	<u>100.0%</u>	<u>\$ 12,176,955,280</u>	<u>100.0%</u>	<u>4,104,419</u>	<u>100.0%</u>	<u>\$ 8,523,005,587</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 2018 is the most recent year for which data is available.

Individual Income Tax Rates - Last 10 Years

Calendar Year 2010				
Tax Year	Bracket 1	Bracket 2	Bracket 3	Bracket 3 Surtax
Married - Joint:			> \$100,000	
Taxable income	\$1-\$21,250	\$21,251-\$100,000	up to \$250,000 7.75%	2%
Tax rate	6%	7%	> 250,000	3%
Married - Separate:			> \$50,000	
Taxable income	\$1-\$10,625	\$10,626-\$50,000	up to \$125,000 7.75%	2%
Tax rate	6%	7%	>125,000	3%
Head of Household:			> \$80,000	
Taxable income	\$1-\$17,000	\$17,001-\$80,000	up to \$200,000 7.75%	2%
Tax rate	6%	7%	>200,000	3%
Single:			> \$60,000	
Taxable income	\$1-\$12,750	\$12,751-\$60,000	up to \$150,000 7.75%	2%
Tax rate	6%	7%	>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 2017-2019				
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.

Federal Adjusted Gross Income Starting Point - Effective with tax year 2012 the starting point in determining North Carolina taxable income is federal adjusted gross income (FAGI) subject to some modifications.

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.

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 seven percent, and there shall be allowed personal exemptions and deductions so that only net incomes are taxed." [Applicable to taxable years beginning on or after January 1, 2019]