

**INDIVIDUAL INCOME TAX FILERS AND LIABILITY - TAX YEARS 2012 AND 2021**  
**INDIVIDUAL INCOME TAX RATES - TAX YEARS 2013-2022**

North Carolina Taxable Income	Individual Income Tax Filers and Liability by Income Level							
	Tax Year 2021				Tax Year 2012			
	Number of Returns	% of Total	Tax Liability	% of Total	Number of Returns	% of Total	Tax Liability	% of Total
0 to \$15,000	2,125,988	42.8%	\$ 385,471,616	2.5%	2,185,840	50.9%	\$ 402,108,549	4.0%
\$15,001 to \$25,000	540,084	10.9%	555,246,543	3.6%	543,523	12.7%	604,513,009	6.0%
\$25,001 to \$50,000	872,845	17.6%	1,628,247,303	10.6%	744,455	17.3%	1,657,281,179	16.5%
\$50,001 to \$75,000	470,269	9.5%	1,481,528,814	9.7%	354,829	8.3%	1,397,114,355	13.9%
\$75,001 to \$100,000	280,959	5.7%	1,246,068,669	8.1%	181,081	4.2%	1,033,430,552	10.3%
\$100,001 to \$200,000	431,650	8.7%	3,023,543,077	19.7%	206,326	4.8%	1,896,814,727	18.9%
\$200,001 and up	240,072	4.8%	7,026,467,258	45.8%	79,436	1.8%	3,045,206,198	30.3%
	<u>4,961,867</u>	<u>100.0%</u>	<u>\$ 15,346,573,280</u>	<u>100.0%</u>	<u>4,295,490</u>	<u>100.0%</u>	<u>\$ 10,036,468,569</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 2021 is the most recent year for which data are available.

Federal Adjusted Gross Income	Individual Income Tax Filers and Liability by Income Level							
	Tax Year 2021				Tax Year 2012			
	Number of Returns	% of Total	Tax Liability	% of Total	Number of Returns	% of Total	Tax Liability	% of Total
Non-positive FAGI	77,168	1.6%	\$ 11,391,561	0.1%	65,803	1.5%	\$ 3,222,308	0.0%
\$1 to \$9,999	503,930	10.2%	\$ 1,946,969	0.0%	630,289	14.7%	\$ 31,573,135	0.3%
\$10,000 to \$24,999	892,998	18.0%	\$ 186,462,221	1.2%	1,053,005	24.5%	\$ 333,547,687	3.3%
\$25,000 to \$49,999	1,183,414	23.9%	\$ 1,146,952,476	7.5%	1,044,329	24.3%	\$ 1,199,635,587	12.0%
\$50,000 to \$59,999	319,284	6.4%	\$ 538,412,404	3.5%	252,326	5.9%	\$ 491,458,359	4.9%
\$60,000 to \$69,999	262,307	5.3%	\$ 534,787,538	3.5%	208,240	4.8%	\$ 491,096,069	4.9%
\$70,000 to \$79,999	216,978	4.4%	\$ 520,304,548	3.4%	174,975	4.1%	\$ 489,856,349	4.9%
\$80,000 to \$89,999	183,475	3.7%	\$ 507,535,459	3.3%	146,086	3.4%	\$ 474,156,284	4.7%
\$90,000 to \$99,999	158,945	3.2%	\$ 498,886,439	3.3%	119,483	2.8%	\$ 444,295,623	4.4%
\$100,000 to \$199,999	743,320	15.0%	\$ 3,631,351,367	23.7%	429,373	10.0%	\$ 2,497,365,943	24.9%
\$200,000 to \$499,999	298,880	6.0%	\$ 3,212,010,625	20.9%	123,297	2.9%	\$ 1,592,719,384	15.9%
\$500,000 to \$999,999	64,147	1.3%	\$ 1,314,603,004	8.6%	26,255	0.6%	\$ 652,027,252	6.5%
\$1,000,000 or more	57,021	1.1%	\$ 3,241,928,669	21.1%	22,029	0.5%	\$ 1,335,514,589	13.3%
	<u>4,961,867</u>	<u>100.0%</u>	<u>\$ 15,346,573,280</u>	<u>100.0%</u>	<u>4,295,490</u>	<u>100.0%</u>	<u>\$ 10,036,468,569</u>	<u>100.0%</u>

**Note:** FAGI level display is an informative indicator of revenue capacity.

Effective with tax year 2012, the Federal adjusted gross income value (as defined by the IRC for 1040 purposes) was adopted as the starting point for calculating NC taxable income.

Source: North Carolina Department of Revenue

Table 7

**Individual Income Tax Rates - Last 10 Years**

<b>Tax Years 2012-2013</b>				
<b>Tax Year</b>	<b>Bracket 1</b>	<b>Bracket 2</b>	<b>Bracket 3</b>	
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%	
<b>Tax Year 2014</b>				
Married - Joint, Married - Separate, Head of Household, and Single:				
Taxable income	>\$0			
Tax rate	5.8%			
<b>Tax Years 2015-2016</b>				
Married - Joint, Married - Separate, Head of Household, and Single:				
Taxable income	>\$0			
Tax rate	5.75%			
<b>Tax Years 2017-2018</b>				
Married - Joint, Married - Separate, Head of Household, and Single:				
Taxable income	>\$0			
Tax rate	5.499%			

**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."

**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.

Continued

**INDIVIDUAL INCOME TAX FILERS AND LIABILITY - TAX YEARS 2012 AND 2021**  
**INDIVIDUAL INCOME TAX RATES - TAX YEARS 2013-2022 (Continued)**

*Table 7*

**Individual Income Tax Rates - Last 10 Years**

Tax Years 2019-2021				
Married - Joint, Married - Separate, Head of Household, and Single:				
Taxable income	>\$0			
Tax rate	5.250%			
Tax Year 2022				
Married - Joint, Married - Separate, Head of Household, and Single:				
Taxable income	>\$0			
Tax rate	4.990%			

**Income Tax Rate and Base Structure Changes -**  
 The 2017 Appropriations Act reduces the personal income tax rate to 5.25% effective for taxable years beginning on or after January 1, 2019.

**Income Tax Rate and Base Structure Changes -**  
 The 2021 Appropriations Act reduces the personal income tax rate to 4.99% effective for taxable years beginning in 2022