

INDIVIDUAL INCOME TAX FILERS AND LIABILITY - TAX YEARS 2013 AND 2022
INDIVIDUAL INCOME TAX RATES - TAX YEARS 2014-2023

North Carolina Taxable Income	Individual Income Tax Filers and Liability by Income Level							
	Tax Year 2022				Tax Year 2013			
	Number of Returns	% of Total	Tax Liability	% of Total	Number of Returns	% of Total	Tax Liability	% of Total
0 to \$15,000	2,219,554	43.6%	\$ 344,457,776	2.6%	2,182,788	49.9%	\$ 404,465,194	3.9%
\$15,001 to \$25,000	523,094	10.3%	511,281,876	3.8%	550,013	12.6%	613,195,291	6.0%
\$25,001 to \$50,000	878,103	17.2%	1,560,711,278	11.6%	766,055	17.5%	1,706,089,377	16.6%
\$50,001 to \$75,000	481,425	9.4%	1,442,419,574	10.7%	367,582	8.4%	1,450,327,539	14.1%
\$75,001 to \$100,000	293,136	5.8%	1,234,392,983	9.2%	192,612	4.4%	1,100,181,634	10.7%
\$100,001 to \$200,000	456,109	8.9%	3,044,369,964	22.7%	226,521	5.2%	2,087,619,310	20.3%
\$200,001 and up	242,196	4.8%	5,291,653,296	39.4%	85,585	2.0%	2,909,800,464	28.4%
	<u>5,093,617</u>	<u>100.0%</u>	<u>\$ 13,429,286,747</u>	<u>100.0%</u>	<u>4,371,156</u>	<u>100.0%</u>	<u>\$ 10,271,678,809</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 2022 is the most recent year for which data is available.

Federal Adjusted Gross Income	Individual Income Tax Filers and Liability by Income Level							
	Tax Year 2022				Tax Year 2013			
	Number of Returns	% of Total	Tax Liability	% of Total	Number of Returns	% of Total	Tax Liability	% of Total
Non-positive FAGI	102,620	2.0%	\$ 13,291,105	0.1%	70,232	1.6%	\$ 3,825,328	0.0%
\$1 to \$9,999	453,833	8.9%	\$ 2,460,669	0.0%	636,080	14.6%	\$ 34,150,769	0.3%
\$10,000 to \$24,999	844,055	16.6%	\$ 112,573,407	0.8%	1,048,238	24.0%	\$ 345,340,325	3.4%
\$25,000 to \$49,999	1,198,224	23.5%	\$ 984,875,355	7.3%	1,057,892	24.2%	\$ 1,249,749,410	12.2%
\$50,000 to \$59,999	341,009	6.7%	\$ 513,463,713	3.8%	256,842	5.9%	\$ 510,662,338	5.0%
\$60,000 to \$69,999	279,406	5.5%	\$ 513,557,870	3.8%	210,552	4.8%	\$ 505,368,818	4.9%
\$70,000 to \$79,999	231,564	4.5%	\$ 501,358,989	3.8%	177,414	4.1%	\$ 504,606,040	4.9%
\$80,000 to \$89,999	196,742	3.9%	\$ 493,289,802	3.7%	149,205	3.4%	\$ 491,374,079	4.8%
\$90,000 to \$99,999	168,534	3.3%	\$ 478,430,172	3.6%	123,294	2.8%	\$ 463,398,780	4.5%
\$100,000 to \$199,999	817,186	16.0%	\$ 3,664,561,582	27.3%	456,606	10.4%	\$ 2,688,155,650	26.2%
\$200,000 to \$499,999	337,474	6.6%	\$ 3,276,493,709	24.4%	136,614	3.1%	\$ 1,759,658,994	17.1%
\$500,000 to \$999,999	69,073	1.4%	\$ 1,164,153,999	8.7%	28,163	0.6%	\$ 681,857,039	6.6%
\$1,000,000 or more	53,897	1.1%	\$ 1,710,776,375	12.7%	20,024	0.5%	\$ 1,033,531,239	10.1%
	<u>5,093,617</u>	<u>100.0%</u>	<u>\$ 13,429,286,747</u>	<u>100.0%</u>	<u>4,371,156</u>	<u>100.0%</u>	<u>\$ 10,271,678,809</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

Tax Year 2014				
Married - Joint, Married - Separate, Head of Household, and Single:				
Taxable income	>\$0			
Tax rate	5.8%			
Tax Years 2015-2016				
Married - Joint, Married - Separate, Head of Household, and Single:				
Taxable income	>\$0			
Tax rate	5.75%			
Tax Years 2017-2018				
Married - Joint, Married - Separate, Head of Household, and Single:				
Taxable income	>\$0			
Tax rate	5.499%			
Tax Years 2019-2021				
Married - Joint, Married - Separate, Head of Household, and Single:				
Taxable income	>\$0			
Tax rate	5.250%			

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 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 Restrictions - On or after January 1, 2019, 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."

Continued

INDIVIDUAL INCOME TAX FILERS AND LIABILITY - TAX YEARS 2013 AND 2022
INDIVIDUAL INCOME TAX RATES - TAX YEARS 2014-2023 (Continued)

Table 7

Individual Income Tax Rates - Last 10 Years

Tax Year 2022				
Married - Joint, Married - Separate, Head of Household, and Single:				
Taxable income	>\$0			
Tax rate	4.990%			
Tax Year 2023				
Married - Joint, Married - Separate, Head of Household, and Single:				
Taxable income	>\$0			
Tax rate	4.750%			

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

Income Tax Rate and Base Structure Changes
 - The 2021 Appropriations Act reduces the personal income tax rate to 4.75% effective for taxable years beginning in 2023