

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013**

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**SENATE BILL 392**

Short Title: Exempt Veteran Income from Taxation. (Public)

Sponsors: Senators Clark (Primary Sponsor); Newton and Rabin.

Referred to: Finance.

March 25, 2013

1 A BILL TO BE ENTITLED  
2 AN ACT TO EXEMPT FROM INCOME TAX MILITARY RETIREMENT INCOME.  
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-134.6(b) reads as rewritten:

5 "(b) Other Deductions. – In calculating North Carolina taxable income, a taxpayer may  
6 deduct any of the following items to the extent those items are included in the taxpayer's  
7 adjusted gross income.

8 ...

9 (5b) The amount received during the taxable year from one or more State, local,  
10 or federal government retirement plans to the extent the amount is exempt  
11 from tax under this Part pursuant to a court order in settlement of the  
12 following cases: Bailey v. State, 92 CVS 10221, 94 CVS 6904, 95 CVS  
13 6625, 95 CVS 8230; Emory v. State, 98 CVS 0738; and Patton v. State, 95  
14 CVS 04346. Amounts deducted under this subdivision may not also be  
15 deducted under subdivision (5c) or (6) of this subsection.

16 (5c) The amount received during the taxable year from the United States  
17 government as retirement pay for a retired member of the Armed Forces of  
18 the United States or as survivorship benefits for survivors of active duty or  
19 retired members of the Armed Forces of the United States. Amounts  
20 deducted under this subdivision may not also be deducted under subdivision  
21 (5b) or (6) of this subsection.

22 ...."

23 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,  
24 2013.

