

NC House/Senate/Governor Tax Reform Agreement

All North Carolinians, 2013 Income Level

2013 Income Level	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%
Income Range	Less than \$19,000	\$19,000 – \$32,000	\$32,000 – \$52,000	\$52,000 – \$84,000	\$84,000 – \$169,000	\$169,000 – \$393,000	\$393,000 – Or More
Average Income in Group	\$12,000	\$25,000	\$41,000	\$67,000	\$113,000	\$236,000	\$940,000

Agreement Compared to Law with 4.5% EITC in the base (This is what taxpayers will experience in 2014)

Impact of Comprehensive Personal Income Tax Changes Fully Phased-In

Tax Change as % of Income	+0.0%	+0.0%	+0.0%	+0.0%	-0.1%	-0.5%	-1.2%
Average Tax Change	+2	+9	+11	+14	-162	-1,078	-10,211

% with Income Tax Increase	+29%	+36%	+39%	+43%	+31%	+20%	+6%
Avg. Tax Increase for those with increase	+121	+222	+359	+483	+808	+1,855	+1,861
Share of Tax Increase	+5%	+10%	+19%	+28%	+27%	+10%	+1%

% with Income Tax Cut	+32%	+43%	+48%	+52%	+67%	+79%	+93%
Avg. Tax Cut for Those w/ Cut	-103	-166	-268	-366	-613	-1,823	-11,135
Share of Tax Cut	+2%	+4%	+8%	+12%	+20%	+19%	+35%

Impact of Reducing the CIT to 3% (Fully Phased-In)

Tax Change as % of Income	-0.0%	-0.0%	-0.0%	-0.0%	-0.0%	-0.0%	-0.1%
Average Tax Change	-1	-1	-3	-5	-15	-78	-590

Impact of Comprehensive State and Local Sales/Franchise/Priv Taxes (Offsets transfer of amusement, elec and gas to sales tax with the elimination of the gross receipts franchise and privilege taxes for those items)

Tax Change as % of Income	+0.2%	+0.2%	+0.1%	+0.1%	+0.1%	+0.0%	+0.0%
Average Tax Change	+22	+39	+50	+66	+79	+97	+227

COMBINED IMPACT OF PIT, SALES, CIT CHANGES

Tax Change as % of Income	+0.2%	+0.2%	+0.1%	+0.1%	-0.1%	-0.5%	-1.2%
Average Tax Change	+23	+47	+59	+74	-98	-1,059	-10,574