

INDIVIDUAL INCOME TAX FILERS AND LIABILITY - TAX YEARS 2014 AND 2023

INDIVIDUAL INCOME TAX RATES - TAX YEARS 2015-2024

North Carolina Taxable Income	Individual Income Tax Filers and Liability by Income Level							
	Tax Year 2023				Tax Year 2014			
	Number of Returns	% of Total	Tax Liability	% of Total	Number of Returns	% of Total	Tax Liability	% of Total
0 to \$15,000	2,167,125	42.1%	\$ 321,259,302	2.5%	2,090,572	46.9%	\$ 419,387,922	4.1%
\$15,001 to \$25,000	522,761	10.2%	487,385,193	3.7%	549,876	12.4%	591,394,984	5.7%
\$25,001 to \$50,000	905,650	17.6%	1,536,618,622	11.7%	792,671	17.8%	1,589,774,831	15.5%
\$50,001 to \$75,000	501,838	9.8%	1,432,761,086	10.9%	398,408	8.9%	1,368,749,607	13.3%
\$75,001 to \$100,000	306,128	5.9%	1,230,055,346	9.4%	226,544	5.1%	1,103,914,737	10.7%
\$100,001 to \$200,000	488,457	9.5%	3,117,135,135	23.8%	279,910	6.3%	2,134,506,360	20.8%
\$200,001 and up	253,179	4.9%	4,971,090,482	38.0%	116,173	2.6%	3,072,818,040	29.9%
	<u>5,145,138</u>	<u>100.0%</u>	<u>\$ 13,096,305,166</u>	<u>100.0%</u>	<u>4,454,154</u>	<u>100.0%</u>	<u>\$ 10,280,546,481</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 2023 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 2023				Tax Year 2014			
	Number of Returns	% of Total	Tax Liability	% of Total	Number of Returns	% of Total	Tax Liability	% of Total
Non-positive FAGI	119,478	2.3%	\$ 6,715,157	0.1%	74,095	1.7%	\$ 1,709,285	0.0%
\$1 to \$9,999	420,430	8.2%	1,650,036	0.0%	635,058	14.3%	9,388,342	0.1%
\$10,000 to \$24,999	805,782	15.7%	102,211,467	0.8%	1,039,472	23.3%	341,475,597	3.3%
\$25,000 to \$49,999	1,198,097	23.3%	952,351,144	7.3%	1,071,042	24.0%	1,278,517,699	12.4%
\$50,000 to \$59,999	351,524	6.8%	511,573,500	3.9%	262,201	5.9%	518,414,093	5.0%
\$60,000 to \$69,999	287,559	5.5%	509,274,813	3.9%	214,175	4.8%	508,054,074	4.9%
\$70,000 to \$79,999	238,595	4.6%	496,995,684	3.8%	180,323	4.1%	501,738,678	4.9%
\$80,000 to \$89,999	201,008	3.9%	483,449,271	3.7%	152,960	3.4%	491,883,347	4.8%
\$90,000 to \$99,999	172,606	3.4%	468,856,170	3.5%	128,394	2.9%	468,388,445	4.6%
\$100,000 to \$199,999	863,527	16.8%	3,695,050,118	28.2%	489,522	11.0%	2,691,673,336	26.2%
\$200,000 to \$499,999	365,011	7.1%	3,363,838,263	25.7%	151,966	3.4%	1,744,602,596	17.0%
\$500,000 to \$999,999	70,461	1.4%	1,114,261,896	8.5%	30,485	0.7%	653,146,976	6.4%
\$1,000,000 or more	51,060	1.0%	1,390,077,647	10.6%	24,461	0.5%	1,071,554,013	10.4%
	<u>5,145,138</u>	<u>100.0%</u>	<u>\$ 13,096,305,166</u>	<u>100.0%</u>	<u>4,454,154</u>	<u>100.0%</u>	<u>\$ 10,280,546,481</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 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	5.25%
Tax Year 2022	
Married - Joint, Married - Separate, Head of Household, and Single:	
Taxable income	>\$0
Tax rate	4.99%
Tax Year 2023	
Married - Joint, Married - Separate, Head of Household, and Single:	
Taxable income	>\$0
Tax rate	4.75%
Tax Year 2024	
Married - Joint, Married - Separate, Head of Household, and Single:	
Taxable income	>\$0
Tax rate	4.50%

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."

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

Income Tax Rate and Base Structure Changes - The 2023 Appropriations Act reduces the personal income tax rate to 4.50% effective for taxable years beginning in 2024