# Individual Income Tax Filers and Liability - Calendar Years 1997 and 2004
# Individual Income Tax Rates - Calendar Years 1997-2006

*Table 7*

## Individual Income Tax Filers and Liability by Income Level

| North Carolina Taxable Income | Calendar Year 2004 Number of Returns | Calendar Year 2004 % of Total | Calendar Year 2004 Tax Liability | Calendar Year 2004 % of Total | Calendar Year 1997 Number of Returns | Calendar Year 1997 % of Total | Calendar Year 1997 Tax Liability | Calendar Year 1997 % of Total |
|---|---|---|---|---|---|---|---|---|
| 0 to $15,000 | 1,915,154 | 51.7% | $ 428,487,839 | 5.5% | 1,905,113 | 55.1% | $ 488,197,412 | 8.6% |
| $15,001 to $25,000 | 503,980 | 13.6% | 573,559,493 | 7.4% | 511,583 | 14.8% | 594,444,487 | 10.5% |
| $25,001 to $50,000 | 679,126 | 18.4% | 1,505,488,492 | 19.5% | 651,213 | 18.8% | 1,439,015,941 | 25.5% |
| $50,001 to $75,000 | 298,366 | 8.1% | 1,167,572,328 | 15.1% | 216,854 | 6.3% | 841,378,659 | 14.9% |
| $75,001 to $100,000 | 125,044 | 3.4% | 712,487,586 | 9.2% | 73,427 | 2.1% | 418,097,539 | 7.4% |
| $100,001 to $200,000 | 124,333 | 3.4% | 1,140,284,098 | 14.8% | 70,304 | 2.0% | 649,278,481 | 11.5% |
| $200,001 and up | 52,807 | 1.4% | 2,193,551,650 | 28.5% | 32,224 | 0.9% | 1,220,905,346 | 21.6% |
| | 3,698,810 | 100.0% | $ 7,721,431,486 | 100.0% | 3,460,718 | 100.0% | $ 5,651,317,865 | 100.0% |

**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 2004 is the most recent year for which data are available.

## Individual Income Tax Rates - Last 10 Years

| 1997-2000 | | | | |
|---|---|---|---|---|
| **Tax Year** | **Bracket 1** | **Bracket 2** | **Bracket 3** | **Bracket 4** |
| 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% | |

| 2001-2006 | | | | |
|---|---|---|---|---|
| **Tax Year** | **Bracket 1** | **Bracket 2** | **Bracket 3** | **Bracket 4** |
| Married - Joint: | | | | |
| Taxable income | $1-$21,250 | $21,251-$100,000 | $100,001-$200,000 | > $200,000 |
| Tax rate | 6% | 7% | 7.75% | 8.25% |
| Married - Separate: | | | | |
| Taxable income | $1-$10,625 | $10,626-$50,000 | $50,001-$100,000 | > $100,000 |
| Tax rate | 6% | 7% | 7.75% | 8.25% |
| Head of Household: | | | | |
| Taxable income | $1-$17,000 | $17,001-$80,000 | $80,001-$160,000 | > $160,000 |
| Tax rate | 6% | 7% | 7.75% | 8.25% |
| Single: | | | | |
| Taxable income | $1-$12,750 | $12,751-$60,000 | $60,001-$120,000 | > $120,000 |
| Tax rate | 6% | 7% | 7.75% | 8.25% |

**Temporary Rate Increase** - Effective for the tax years January 1, 2001 through December 31, 2003, the General Assembly temporarily raised the highest individual income tax rate from 7.75% to 8.25%. This temporary increase was extended in subsequent budgets. In 2006-07, the General Assembly reduced the top rate from 8.25% to 8.0%, effective January 1, 2007.

**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".