

Individual Income Tax Filers and Liability - Calendar Years 1997 and 2005
Individual Income Tax Rates - Calendar Years 1997-2007

Table 7

North Carolina Taxable Income	Individual Income Tax Filers and Liability by Income Level							
	Calendar Year 2005				Calendar Year 1997			
	Number of Returns	% of Total	Tax Liability	% of Total	Number of Returns	% of Total	Tax Liability	% of Total
0 to \$15,000.....	1,955,376	51.3%	\$ 438,892,867	5.2%	1,905,113	55.1%	\$ 488,197,412	8.6%
\$15,001 to \$25,000.....	514,930	13.5%	585,357,062	7.0%	511,583	14.8%	594,444,487	10.5%
\$25,001 to \$50,000.....	694,238	18.2%	1,541,020,371	18.3%	651,213	18.8%	1,439,015,941	25.5%
\$50,001 to \$75,000.....	311,340	8.2%	1,220,935,516	14.5%	216,854	6.3%	841,378,659	14.9%
\$75,001 to \$100,000.....	136,413	3.6%	778,913,320	9.3%	73,427	2.1%	418,097,539	7.4%
\$100,001 to \$200,000.....	140,037	3.7%	1,288,851,509	15.3%	70,304	2.0%	649,278,481	11.5%
\$200,001 and up.....	62,132	1.6%	2,555,930,408	30.4%	32,224	0.9%	1,220,905,346	21.6%
	<u>3,814,466</u>	100.0%	<u>\$ 8,409,901,053</u>	100.0%	<u>3,460,718</u>	100.0%	<u>\$ 5,651,317,865</u>	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 2005 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%
2007				
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%
Married - Separate:				
Taxable Income	\$1-\$10,625	\$10,626-\$50,000	\$50,001-\$100,000	>\$100,000
Tax Rate	6%	7%	7.75%	8%
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%
Single:				
Taxable Income	\$1-\$12,750	\$12,751-\$60,000	\$60,001-\$120,000	>\$120,000
Tax Rate	6%	7%	7.75%	8%

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".

Information prior to 1997 not available.

Source: North Carolina Department of Revenue