

**Individual Income Tax Filers and Liability - Calendar Years 1997 and 2006**  
**Individual Income Tax Rates - Calendar Years 1997-2008**

Table 7

North Carolina Taxable Income	Calendar Year 2006				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.....	1,982,461	50.2%	447,671,215	4.8%	1,905,113	55.1%	\$ 488,197,412	8.6%
\$15,001 to \$25,000.....	537,076	13.6%	609,210,957	6.5%	511,583	14.8%	594,444,487	10.5%
\$25,001 to \$50,000.....	724,405	18.3%	1,610,541,801	17.2%	651,213	18.8%	1,439,015,941	25.5%
\$50,001 to \$75,000.....	329,959	8.3%	1,295,682,705	13.8%	216,854	6.3%	841,378,659	14.9%
\$75,001 to \$100,000.....	151,647	3.8%	865,826,688	9.2%	73,427	2.1%	418,097,539	7.4%
\$100,001 to \$200,000.....	159,707	4.0%	1,475,544,276	15.8%	70,304	2.0%	649,278,481	11.5%
\$200,001 and up.....	71,765	1.8%	3,061,247,949	32.7%	32,224	0.9%	1,220,905,346	21.6%
	<u>3,957,020</u>	100.0%	<u>\$ 9,365,725,591</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 2006 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%
2007-2008				
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