

Official Explanation of the Proposed Change to the Current Constitutional Provision Setting
the Maximum State Income Tax Rate

(Session Law 2018-119)

Question as it will appear on the ballot:

For Against

Constitutional amendment to reduce
the income tax rate in North Carolina
to a maximum allowable rate of seven
percent (7%).

Cap Maximum State Income Tax at 7%

The current maximum personal and corporate income tax rate in our State Constitution is 10%. This proposed amendment makes the new limit 7%.

This proposed amendment does not reduce your current taxes. It does not change the current individual income tax rate of 5.499%, and it does not change the current corporate income tax rate of 3%. Instead, it limits how much the state income tax rate could go up.

This proposed amendment applies only to state income taxes. It does not affect sales taxes, property taxes, or federal taxes.

Income taxes are one of the ways State government raises the money to pay for core services such as public education, public health, and public safety.

The proposed amendment does not include any exceptions. Therefore, in times of disaster or recession, the State could have to take measures such as cutting core services, raising sales taxes or fees, or increasing borrowing.

This is just a short summary of the amendment. To see the actual amendment before voting on it, go to: <https://tinyurl.com/ncsos75>.

Adopted August 23, 2018, by the NC Constitutional Amendments Publication Commission.

Elaine F. Marshall, Secretary of State, Commission Chair
Josh Stein, Attorney General, Member
Paul Y. Coble, Legislative Services Officer, Member