

These tables were created by the Fiscal Research Division, a nonpartisan central staff division serving all members of the North Carolina House of Representatives and State Senate.

## North Carolina History of Major Tax Rates

Corporate Income Tax	Rate	Individual Income Tax	Rate	Standard Deduction
2012	6.9%	2012	6% - 7.75%	\$ 6,000
2013	6.9%	2013	6% - 7.75%	6,000
2014	6.0%	2014	5.800%	15,000
2015	5.0%	2015	5.750%	15,000
2016	4.0%	2016	5.750%	16,500
2017	3.0%	2017	5.499%	17,500
2018	3.0%	2018	5.499%	17,500
2019	2.5%	2019	5.250%	20,000
2020	2.5%	2020	5.250%	21,500
2021	2.5%	2021	5.250%	25,500
2022	2.5%	2022	4.990%	25,500
2023	2.5%	2023	4.750%	25,500
2024	2.5%	2024	4.600%	25,500
2025	2.3%	2025	4.500%	25,500
2026	2.0%	2026	4.250%	25,500
2027	2.0%	2027	3.990%	25,500
2028	1.0%	2028	3.990%	25,500
2029	1.0%	2029	3.990%	25,500

Note: Tax rates beyond 2021 are outlined in S.L. 2021-180.

Sales & Use Taxes	State Rate	Notes
1991	4%	S.L. 1991-689, Sec. 311-321, increased the rate from 3%.
2001	4.5%	S.L. 2001-424 increased the rate to 4.5%, with the additional 0.5% scheduled to sunset July 1, 2003. S.L. 2003-284 extended the sunset until July 1, 2005, and S.L. 2005-276 extended it until 7/1/2007.
2006	4.25%	S.L. 2006-66, Sec. 24.1, reduced the temporary increase from 0.5% to 0.25%. S.L. 2007-145, Sec. 9, delayed the sunset of the remaining 0.25% until 8/1/2007; S.L. 2007-323, Sec. 31.2, repealed the sunset entirely.
2009	5.75%	S.L. 2009-451, Sec. 27A.2 increased the State rate by 1.5% through two actions: 1) The State took over 0.5% of local sales tax in exchange for eliminating the requirement that counties share the cost of Medicaid. 2) The legislation enacted a temporary 1% increase to expire 7/1/2011.
2011	4.75%	Temporary 1% increase from S.L. 2009-451 expired.
2021	4.75%	[Rate has remained at 4.75% since 2011.]

These tables show the recent history of North Carolina’s primary tax rates. After 2013, North Carolina tax reform significantly reduced individual and corporate income tax rates while eliminating nearly all tax credits and many deductions.

Note

The Individual Income Tax Standard Deduction shown above is for Married Filing Jointly (MFJ) taxpayers; Standard Deductions for other tax filing status vary.

