

NC BAR ASSOCIATION

GOVERNMENTAL AFFAIRS

UPDATE

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HOUSE APPROVES BUDGET

The House passed its version of the budget just after midnight on Friday. The vote was essentially down party lines with two Democrats joining the entire Republican Caucus to vote against the budget. The total budget is \$18.6 billion with \$780 million in new taxes. The House and Senate will now appoint conference committees to begin negotiating a final two-year spending plan this week. The \$780 million revenue proposal includes:

- New income tax brackets for the state's wealthiest residents. The current rate for incomes greater than \$100,000 is 7.75 percent. The new brackets would be 8.25 percent for incomes \$200,000 to \$500,000 and 8.5 percent for incomes greater than \$500,000
- Expansion of the franchise tax to limited liability companies
- Combined reporting requirements for corporations with operations in multiple states
- Sales of property by a corporation to the federal government or a purchaser in a state that cannot tax the sale would be included in the corporation's corporate tax calculation
- Removal of a rule that allows banks to deduct interest expenses incurred in producing tax-exempt interest income
- Sales tax would be paid on warranties, installations and repairs
- Sales tax rate would increase by 1/4 cent

[Click here](#) for a link to the budget for more details.

NCBA LEGISLATIVE AGENDA UPDATE

Three more NCBA section sponsored legislative proposals have passed the Senate and the House and are currently awaiting the Governor's signature. Please click on the links below to view the text of those bills.

[Senate Bill 724, Effect of Caveat on Estate Administration](#)

[House Bill 615, Business Trusts](#)

[House Bill 794, Substitution of Trustees in Mortgages and Deeds of Trust](#)

LAWYER LEGISLATOR RESIGNS

[Representative Bonner Stiller](#), a Republican from Brunswick County, has resigned from the House of Representatives. Stiller said he is leaving to focus more attention on his family and his law practice.

GAVEL TO GAVEL

Provided by the National Center for State Courts, Gavel to Gavel is a national overview of trends in legislative activity as it relates to the courts. Please click the link below to access the latest edition.

[Gavel to Gavel](#)

INSIDE THE GENERAL ASSEMBLY

Please [click here](#) for a link to the House and Senate calendars, which are updated daily with committee meeting notices and agendas.