



NCRGEA Government Relations Update

NCRGEA Government Relations Update #21-11 March 30, 2021

Bills in Committee

The Senate Committee on [Pensions and Retirement and Aging](#) will meet on Thursday to consider several bills related to the Retirement System and the State Health Plan. We have reviewed [S 277](#) and [S 159](#) and they provide clarifying and technical changes to the Retirement System and Health Plan.

[S277: Ret. & Treasury Tech. Corrections Act of 2021.-AB](#)

[S159: State Health Plan Administrative Changes.-AB](#)

Legislative Budget Process

The Senate and House have been working on their own versions of a state budget in appropriation subcommittees. It is traditional for the body that leads the budget process to issue a calendar outlining the budget schedule for the session. To date no process has been published. One reason a budget timeline has not been processed may be the large amount of federal funds coming from Congress in the latest relief act. With the federal relief coming into play once again, the legislative leadership will most likely wait to see what federal funds can be used to address or support their spending priorities.

Tax Relief Proposed

Seldom does a session go by without discussion of tax reductions. To date there are a couple of tax reduction plans for 2021 tax year. Senators Newton, Daniel and Rabon are primary sponsors for [Senate SB 337 Tax Relief and Recovery Act](#) increases the standard deduction between \$2,000 and \$4,000.

Married, filing jointly/surviving spouse	From \$21,500	to \$25,500
Head of Household	From \$16,125	to \$19,125
Single	From \$10,750	to \$12,750
Married, filing separately	From \$10,750	to \$12,750

The bill also increases the Child Deduction amount by \$500 for all filers except for Married filing jointly with Adjusted Gross Income (AGI) above \$140,000, Head of Household AGI above \$105,000 Single and married filing separately AGI of above \$70,000. Senate Bill 337, to date does not have a fiscal note detailing the impact to revenue.

The Governor's budget recommends to not only reduce taxes but also provide credits for families who earn less than \$50,000 by the reenactment of the Earned Income Tax Credit. The proposed credit allows eligible families to receive the full credit even if it exceeds their state income tax liability. The Governor also proposes a Child and Dependent Care Tax Credit.

It is almost certain that the House will add its own tax reduction measures to the debate.

Personal tax reduction/credit bills are very popular with legislators, governors as well as the general public and we will keep track of these bills and keep you updated. We will continue to work to get legislative support to expand the Bailey Act to all military and government retirees.

Stay Tuned!!

Richard Rogers
NCRGEA Executive Director