

Talking Points for “The 4th Branch”

The 4th Branch is a coalition of government employee and retiree organizations committed to leveling the playing field in North Carolina for **ALL** government retirees through fair taxation.

- We’re here to ask you to **support Senate Bill 4** – “Eliminate Tax on Government Retirees” (in the Senate) and **House Bill 46** – “Eliminate Tax on Government Retirees” (in the House)– to make state income taxation fair for ALL local, state, federal and military retirees in North Carolina.
- Only government retirees who were vested in their qualifying retirement systems by August 12, 1989 are NOT taxed on their retirement benefits – the rest of us pay state income tax on our benefits. **Same public service, but inequitable tax treatment.**
 - *Last legislative session, the NC General Assembly addressed this problem for retired members of our military (THANK YOU!), but left out local and state public-service heroes, such as police officers, state troopers, firefighters, first responders, nurses in state hospitals, school teachers, correctional officers in state prisons and more.*
- **Senate Bill 4 and House Bill 46** would make North Carolina tax policy fair by eliminating the state income tax on the retirement benefits of ALL of North Carolina’s public-service heroes.
- State income taxes should be applied **equitably** – retirement benefits should not be taxed differently based on when our public-service heroes began their service (careers).
- Eliminating this unfair state income tax will **boost North Carolina’s economy**.
- For every \$1 a government retiree saves in state income tax, North Carolina accrues at least \$2.50 in economic benefits*.
- Research shows that public-service retirees direct most of their income BACK into the local economy, which equals more sales and property tax revenue*.
- Retirees use fewer public services – without their own children in school, property taxes from just two retiree households can support one school child in their community*.
- Most government retirees volunteer in their communities – according to a study by The 4th Branch, volunteer activities and skill contributions by retirees were worth nearly \$150 million per year to the state*.

**Findings from a 4th Branch economic study – available upon request.*

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