

## Brooks Pierce Capital Dispatch: House Passes Budget, Senate Transportation Funding Plan Moves

04.06.2023

The House this week passed its version of the budget bill and a transportation funding bill began moving in the Senate.

### **House Budget Bill**

The House on Thursday passed the budget bill (H 259) by a 78-38 margin after considering dozens of amendments.

Among other things, the bill would raise K-12 teacher salaries by 10.2% over two years, provide certain paid parental leave for teachers, cap class size in 4th and 5th grade at 24, and raise state employee salaries by 7.5% over two years with additional raises for school bus drivers and members of the State Highway Patrol. It would also reduce the individual income tax rate to 4.5% in 2024 (a year earlier than currently planned), provide an adoption tax credit, and increase the child tax credit.

The Senate is expected to begin work on its budget in the next few weeks.

### **Transportation funding**

The Senate Transportation Committee on Wednesday unanimously passed a bill (S 354) that will increase funding for transportation in a variety of ways. The bill results from months of discussions between legislators and various groups interested in this topic. It is part of a multi-year discussion and follows action last year that dedicated part of the state sales tax revenue for transportation.

The bill increases fees on electric vehicles and imposes a new fee on hybrid vehicles, removes the cap on the vehicle purchase tax, imposes a new “Transportation Commerce Tax” on ride-share services, and raises the cap on public-private transportation projects, such as tolls and managed lane projects, from three to six. The Senate Finance Committee will next consider the bill.

### **Spring Break**

After completing their work on April 6, legislators will return to Raleigh on April 17.

Information about bills and work of the General Assembly can be found at its website: [www.ncleg.gov](http://www.ncleg.gov).

Brooks Pierce Capital Dispatch: House Passes Budget, Senate Transportation Funding Plan Moves

For more information, contact a member of the Brooks Pierce Government Affairs Team.

Ed Turlington, Partner  
Drew Moretz, Government Relations Advisor  
Katelyn Kingsbury, Government Relations Advisor

## PEOPLE

Katelyn Kingsbury

Drew Moretz

Ed Turlington

## SERVICES

Government Relations & Public Policy