COMMUNITY FOOD STRATEGIES

NC BUDGET & TAX CENTER

Constitutional Amendments on the Ballot in November 2026

Locking in tax cuts for corporations and the wealthy few, and higher costs for the rest of us

Presenters

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Program Coordinator

Taxes Build Community

Income taxes provide over half of state funding in North Carolina

North Carolina General Fund revenues by source, FY 2023-24

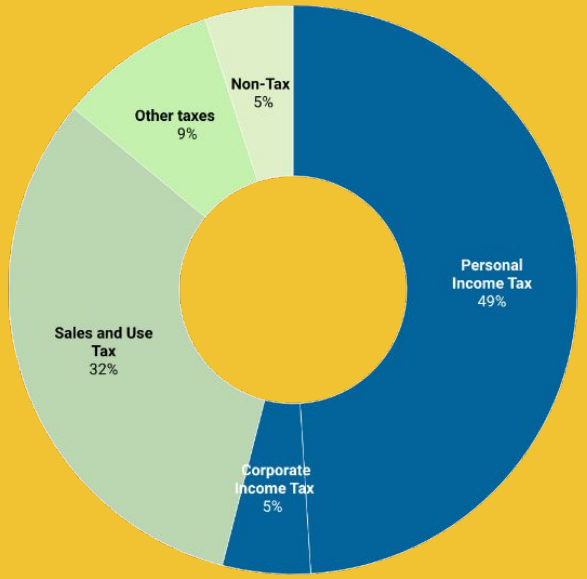


Chart: NC Budget & Tax Center • Source: NC Dept. of Revenue, Statistical Abstract of North Carolina Taxes 2024 • Created with Datawrapper

Property taxes are a significant source of revenue for local governments in North Carolina

North Carolina local government revenue by source, FY 2024-25

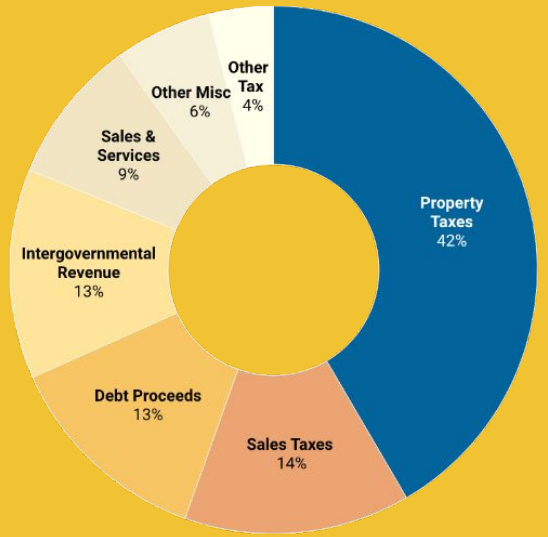
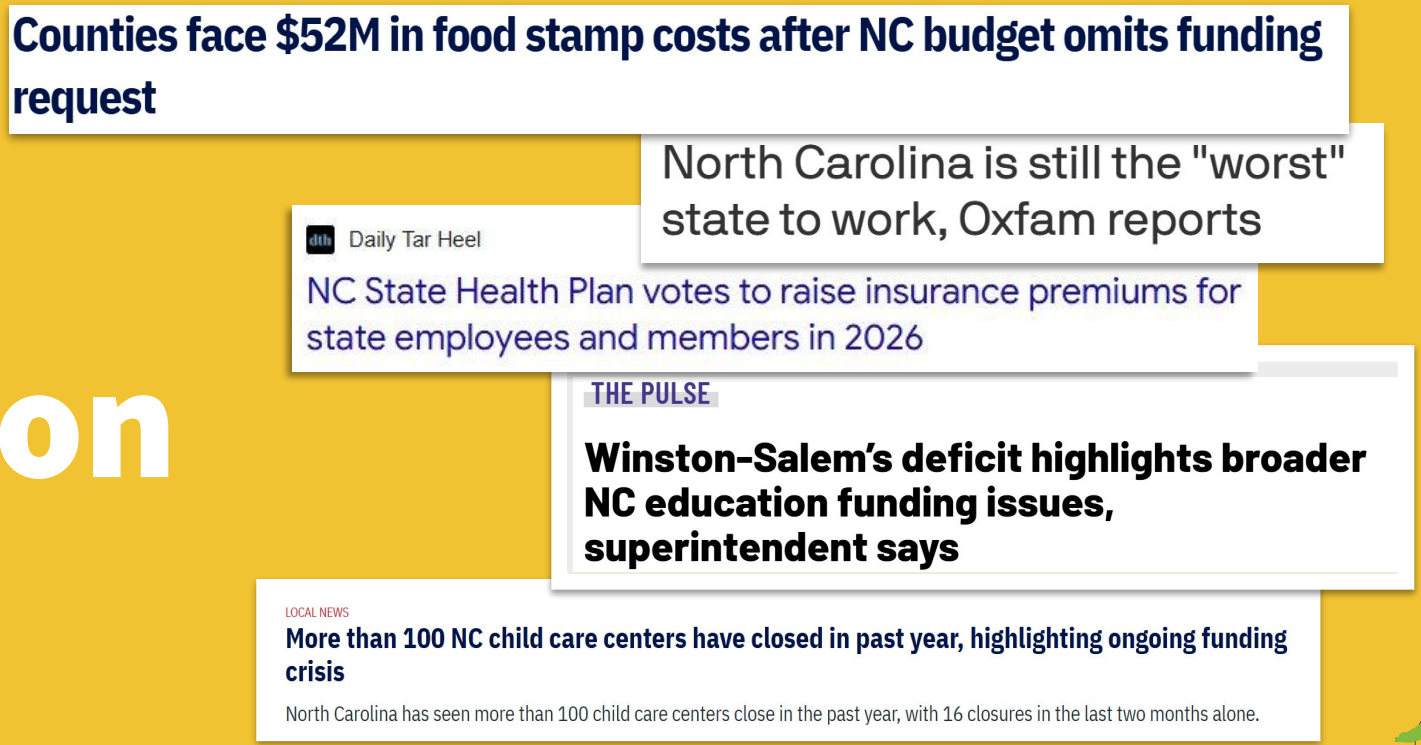


Chart: NC Budget & Tax Center • Source: NC Treasurer, Annual Financial Information Reports • Created with Datawrapper

Recent Tax Choices Have Grown Inequality, Hardship

$18 billion less



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Tax Ballot Measures Would Lock in a Rigged Economy

Income tax amendment would lock in tax cuts for corporations and the rich, keeping communities underfunded

Property tax amendment won't lower costs for struggling residents, but will lead to new fees and cuts to local services

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Income Tax Amendment

Would lock in tax cuts for corporations and the rich, keeping communities underfunded

Constitutional amendment would make 3.5% the maximum allowable income tax rate for individuals and corporations

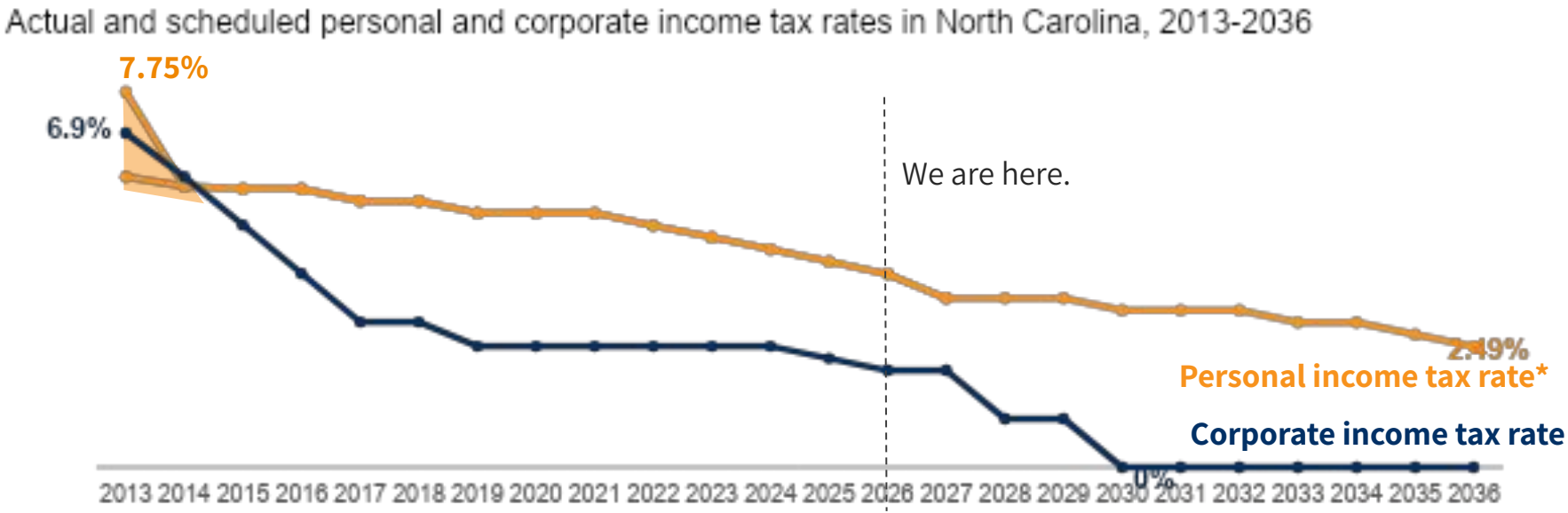
SECTION 2. The amendment set out in Section 1 of this act shall be submitted to the qualified voters of the State at the statewide general election to be held on November 3, 2026, which election shall be conducted in accordance with the laws governing elections at that time. The question to be used in the voting systems and ballots shall be:

"[ ] FOR [ ] AGAINST

Constitutional amendment to keep the State income tax rate from being raised higher than three and one-half percent (3.5%)."

The amendment would **lock in current tax** choices that are **harming NC communities**

The income tax amendment is NOT a tax cut.



* After 2034, the personal income tax rate will be lowered based on state revenue hitting specific thresholds. This chart assumes those thresholds are met and the cuts go into effect. Source: 2026 Appropriations Act

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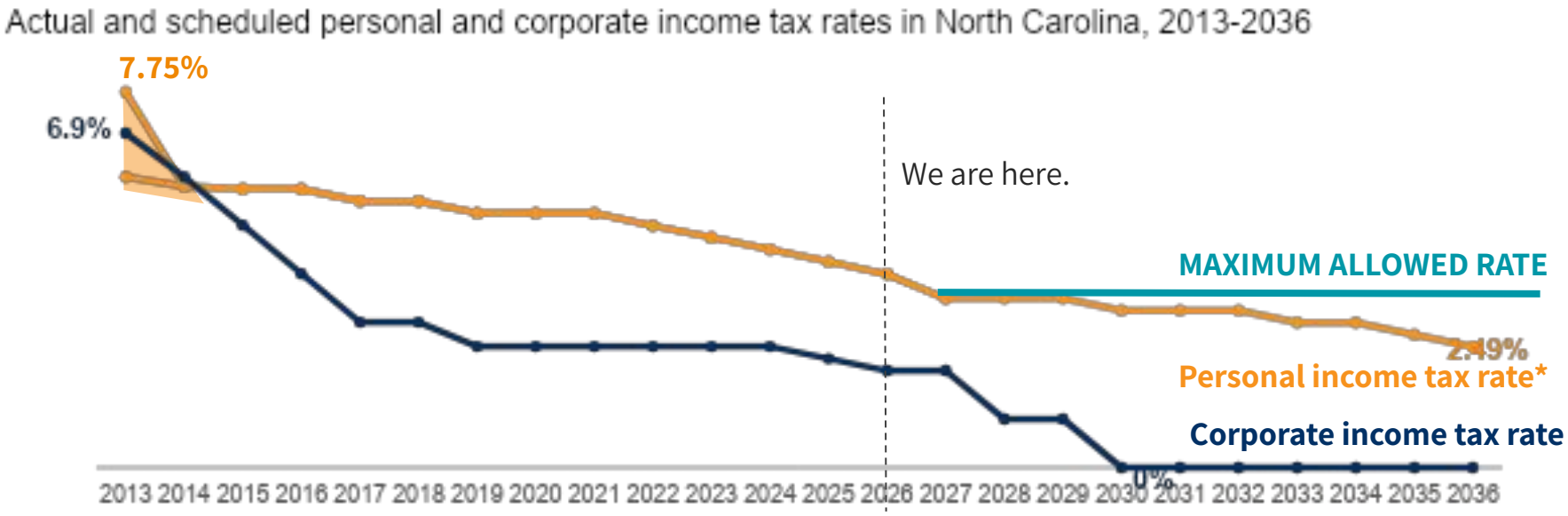

* After 2034, the personal income tax rate will be lowered based on state revenue hitting specific thresholds. This chart assumes those thresholds are met and the cuts go into effect. Source: 2026 Appropriations Act

This amendment would lock in benefits for the super-rich and highly profitable corporations in North Carolina

Amendment would **prevent** lawmakers from enacting tax policies that **make corporations and millionaires pay their fair share**

Amendment would **increase reliance on sales tax, fines, and fees** – which hit lower-income households hardest

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Property Tax Amendment

Won’t lower costs for struggling residents, but will lead to new fees and service cuts

Constitutional amendment on property tax

SECTION 2. The amendment set out in Section 1 of this act shall be submitted to the qualified voters of the State at the statewide general election to be held on November 3, 2026, which election shall be conducted in accordance with the laws governing elections at that time. The question to be used in the voting systems and ballots shall be:

"[ ] FOR [ ] AGAINST

Constitutional amendment requiring limits on property tax increases by local governments."

The specific limit would be up to state lawmakers, but some version of **levy limit** is most likely, putting a **hard cap** on the total amount of property taxes a county can collect in a particular year

Property tax amendment doesn't address drivers of property tax increases

Rapid increases in *housing values* driven by a shortage of housing compared to demand

When counties don't conduct assessments frequently and housing values are growing, homeowners can see big jumps in taxes after an assessment

When large developments and commercial properties are under-assessed or receive lots of exemptions, that puts more pressure on other payers

Instead a “levy limit” puts services at risk

Caps the total property tax revenue that a local government can collect

<u>DOES NOT</u> cap the property taxes that an individual owes, or guarantee affordability

The property tax amendment is UNNECESSARY and…

Doesn't give individuals a tax cut, instead it limits the overall growth in all property tax collections

Puts local services at risk, like emergency response, public libraries, supplemental funding for public schools and more

WHO BENEFITS THE MOST?

CALDWELL COUNTY

average homeowner **$42** in property tax savings

VS.

Google Data Center **$146,000** in property tax savings

JOHNSTON COUNTY

average homeowner **$74** in property tax savings

VS.

novo nordisk® Pharmaceuticals **$368,000** in property tax savings

RUTHERFORD COUNTY

average homeowner **$54** in property tax savings

VS.

Meta Data Center **$1,216,000** in property tax savings

NORTH CAROLINA HOMEOWNERS **SAVE** **$84** **VS.** DUKE ENERGY® Statewide **SAVES** **$10 MILLION**

**Homeowner savings based on average residential property tax savings under a 2% levy limit.*

Source: NC Housing Coalition

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CORPORATIONS ARE THE PRIMARY BENEFECIARIES OF A LEVY LIMIT

Google Data Center $146,000

Lenoir
CALDWELL COUNTY

amazon $701,746

Garner
WAKE COUNTY

novo nordisk $368,000

Clayton
JOHNSTON COUNTY

$84
AVERAGE NC
HOMEOWNER

Forest City
RUTHERFORD COUNTY

Meta Data Center $1,216,000

Maiden
CATAWBA COUNTY

Data Center $1,772,000

WAYNE COUNTY

DUKE ENERGY. $340,000

Source: NC Housing Coalition

Makes it harder for North Carolina to deliver a high quality of life

Income tax maximum at 3.5% cuts off

$17 B

Schools underfunded

Housing & childcare unaffordable

Infrastructure in poor condition

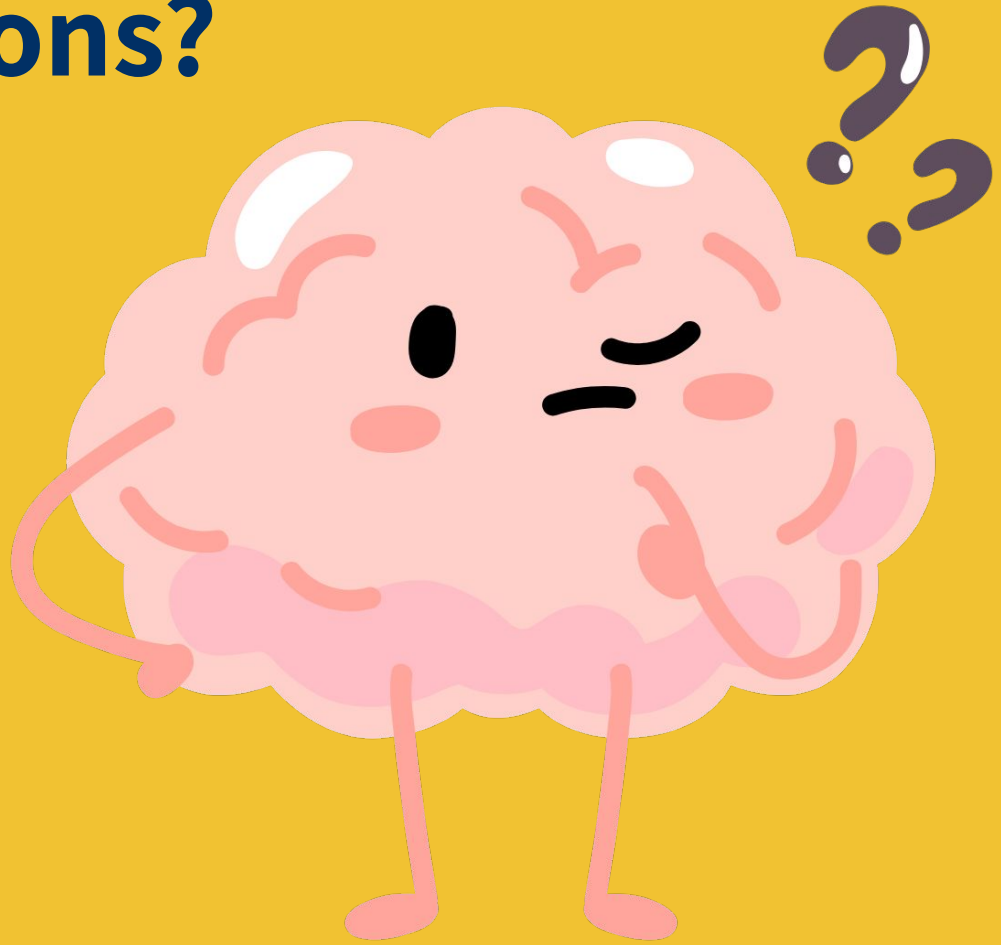
Health care unavailable

Affordable food access at risk

Property tax levy limit (estimated at 2%) cuts off

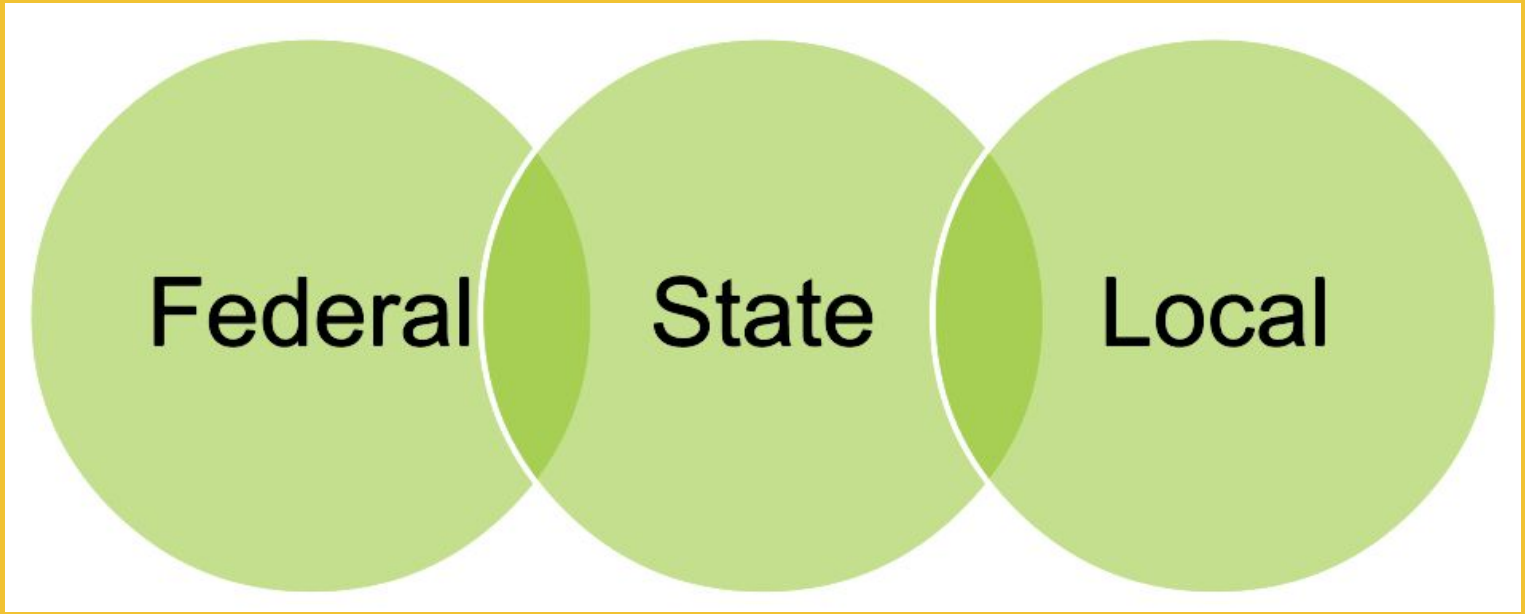
$950 M

Questions?



What Does This Mean for Food Access in NC?

Responsibilities for funding food systems and food policy are shared across levels of government



New SNAP costs from H.R. 1

	Before H.R. 1	H.R. 1 in effect	New State Budget in Effect
Federal	50% of admin costs 100% of benefit costs	25% of admin costs ↓ 85-95% of benefit costs ↓	
State		5-15% of benefit costs ↑	
County	50% of admin costs	75% of admin costs ↑	

Stronger with SNAP
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

All new SNAP costs fall onto counties

	Before H.R. 1	H.R. 1 in effect	New State Budget in Effect
Federal	50% of admin costs 100% of benefit costs	25% of admin costs ↓ 85-95% of benefit costs ↓	25% of admin costs ↓ 85-95% of benefit costs ↓
State		5-15% of benefit costs ↑	
County	50% of benefit costs	75% of admin costs ↑	75% of admin costs ↑ 5-15% of benefit costs ↑

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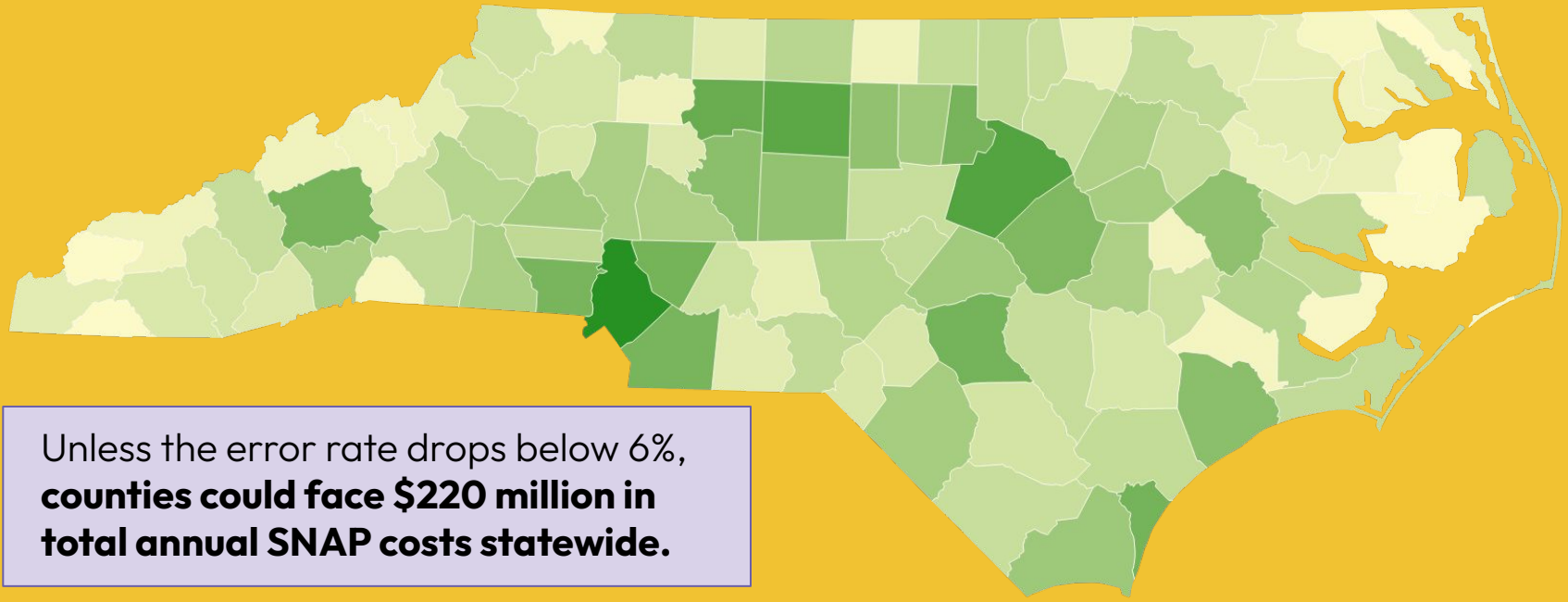
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

Counties face new costs as the state passes federal SNAP cuts onto local governments

Estimated total new annual SNAP administration and benefits costs shifted onto counties

$83K — $70M

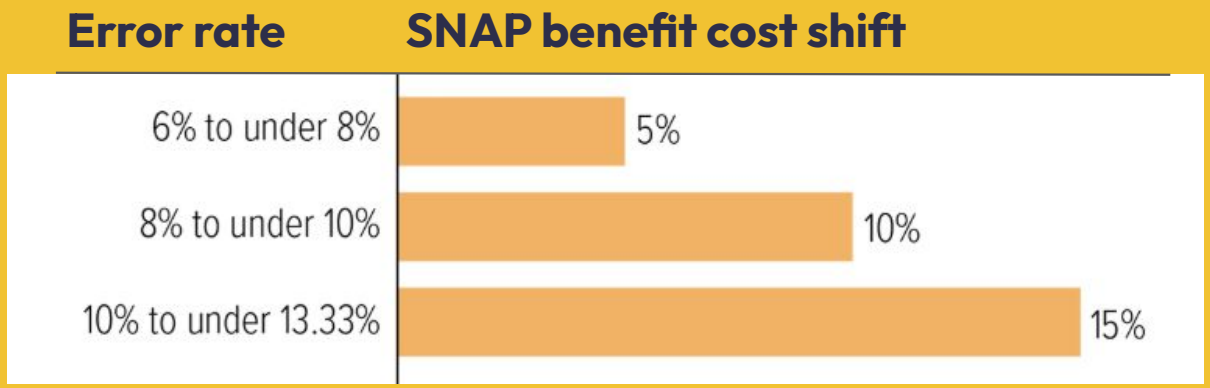


Unless the error rate drops below 6%, **counties could face $220 million in total annual SNAP costs statewide.**

Administrative costs reflect a 50% cut in federal funding for SNAP administration, which has historically been the responsibility of counties in North Carolina. Benefits costs reflect local sales tax revenue that the state will withhold to pass the cost of federal cuts onto counties.

Map: NC Budget & Tax Center • Source: NC Association of County Commissioners • Created with Datawrapper

How NC's SNAP benefit costs are calculated



Unless the FY 2026 error rate is below 6%, **NC is expected to cover $150 million in SNAP benefit costs in FY 2028**, starting October 1, 2027.

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SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

A convoluted policy for passing costs onto counties

County Benefit Penalty =

Flat Penalty		Proportional Penalty		
0.75% x	County Sales Tax Allocation	+ County Sales Tax Allocation	x	Share of Attributed Payment Errors

*This shows a simplified version of the formula for illustration.
For complete details, see pg. 16 of the Legislative Fiscal Note for the 2026 Appropriations Act.

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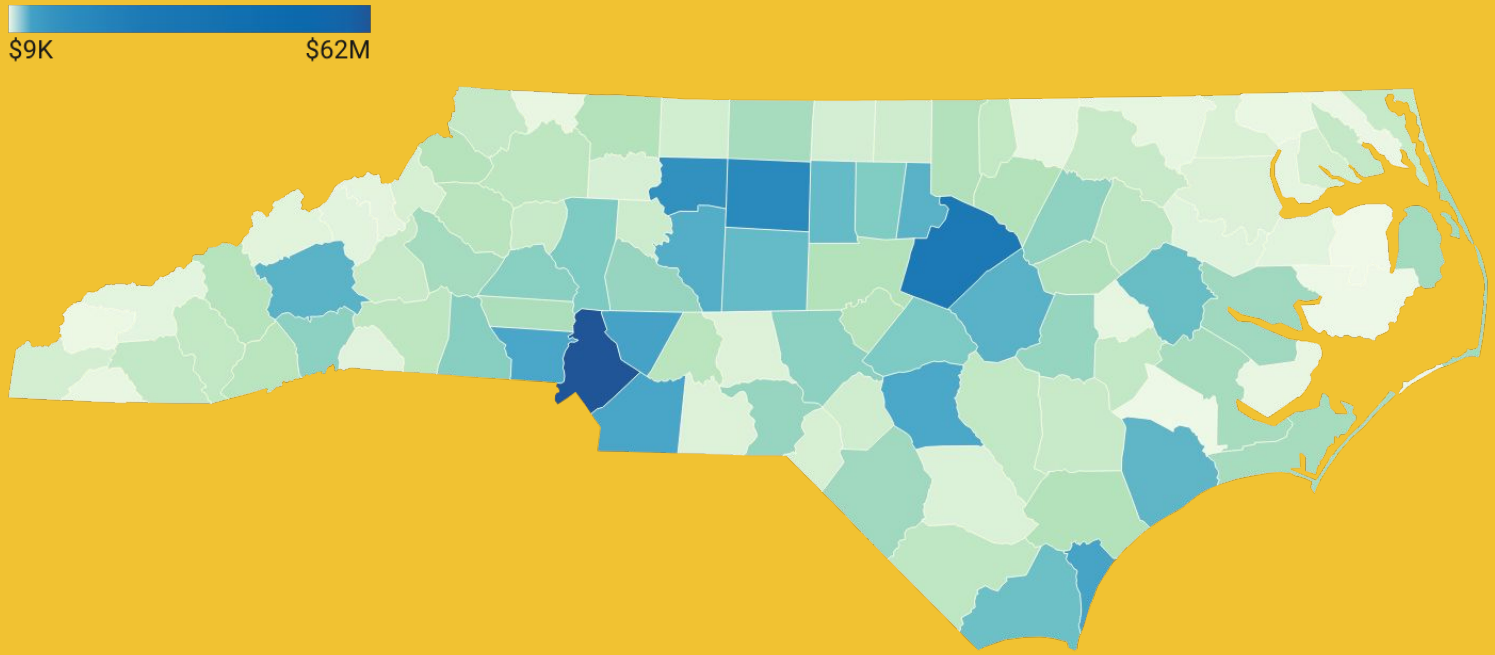
SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

The state is taking significant sales tax revenue from every county to cover its SNAP benefit costs

Estimated annual local sales tax revenue that the state will withhold from counties to cover the state's share of SNAP benefit costs

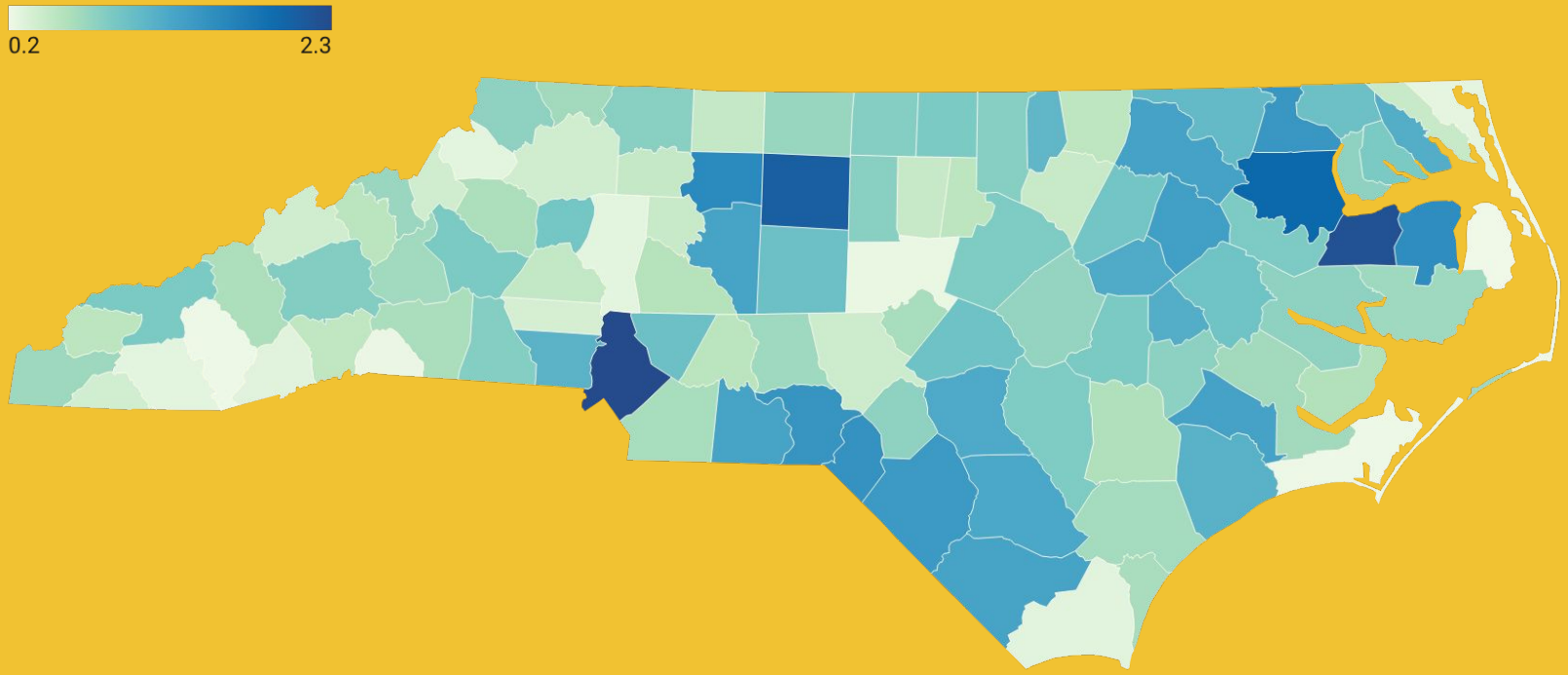


Under current law, states are responsible for a portion of SNAP benefit costs beginning in federal FY2028, which begins on Oct 1, 2027. This means that in state FY2028 (July 1, 2027 - June 30, 2028) counties would have to cover nine months of costs. This analysis estimates the full annual cost that counties could pay in future years, based on the FY2025 payment error rate.

Map: NC Budget & Tax Center • Source: NC Association of County Commissioners • Created with Datawrapper

To cover new SNAP costs with property taxes, every county would need an increase of at least .22 cents per $100 of assessed value.

Estimated property tax rate increase needed to fully cover new annual SNAP administrative and benefit costs, in cents per $100 of assessed value



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Map: NC Budget & Tax Center • Source: NC Association of County Commissioners • Created with Datawrapper

Food Access will be put at risk

Limiting property taxes could cause people to lose food assistance

Capping the income tax will tie lawmakers' hands

NC needs more public dollars to strengthen food access & food systems

Stronger with SNAP

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

LIMITING REVENUE MEANS LIMITING NORTH CAROLINA'S ABILITY TO FIGHT HUNGER

Limits on public revenue

Eligible families in need could lose food assistance and go hungry

Tax breaks will be locked in for wealthy corporations, property owners, and households

Future families who need help affording groceries will pay the price

Proposed constitutional amendments will jeopardize food access across NC, and shift more costs onto counties and families.

Instead we can fund our food future

Support small farmers by investing in local purchasing and value-add programs, as well as grants for equipment and farmland preservation programs

Provide healthy food to families across the state through SNAP, school meals, food as medicine, and more

Protect workers and the environment through incentive programs that limit pesticide and herbicide usage while enforcing heat protection and safe working conditions

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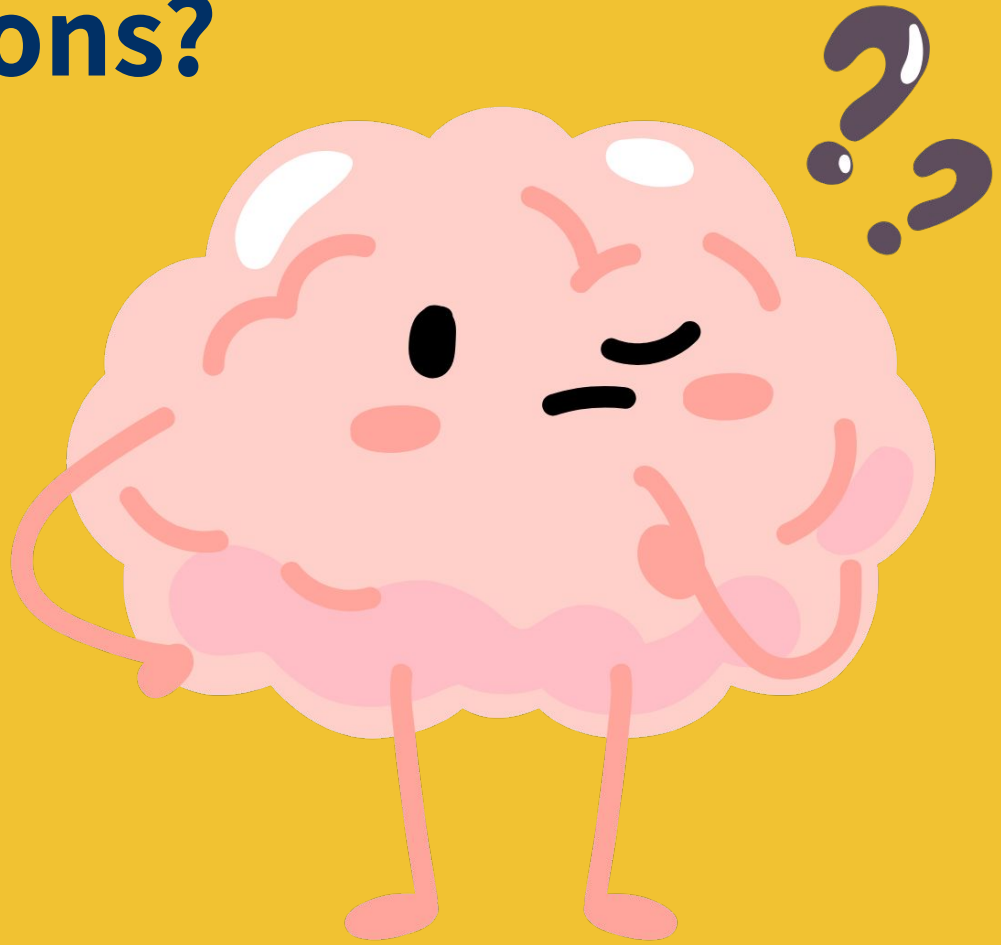
Questions?



Discussion

- What specific investments do you think will strengthen food systems in your community?
- Has your county or city struggled to raise funds for important projects before?
- What is your vision for a well-funded food systems?

What you can do

- Urge state lawmakers to pursue proven tax policies that can adequately fund programs and services that reduce hunger and hardship.
- Ask state lawmakers to fully cover SNAP benefit costs and provide resources for counties to run the SNAP program.
- Be clear about the specific investment that you think will strengthen food systems in your community.
- Vote **NO/AGAINST SB 1080** (State Income Tax Rate Cap & **HB 1089** (Property Tax Levy Limit).
- Ask lawmakers where they stand on SB 1080 & HB 1089.

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