

NC General Assembly Session Summary



December 2025



North Carolina legislative leaders aren't working for the people of NC.



- North Carolinians are faced with higher costs for all the basics but incomes aren't keeping up
- Progress on real opportunities for the people and communities of the state is stalling out
- Meanwhile, big business and powerful interests are getting tax breaks and their priorities are reflected in what moves at the NCGA



**Legislative leaders
missed the mark
during the 2025 NC
legislative session**

70 Percent of North Carolinians
want a budget that invests
more in education,
infrastructure, and health care,
even if that means the wealthy
and profitable corporations
have to pay more in taxes.



The General Assembly didn't even pass a state budget this year, but automatic tax cuts ushered into law in 2023 went into effect even without a budget — with the Senate proposing even deeper cuts.



Tax cuts mean less public money to invest in the opportunity and prosperity promoting programs and services that North Carolinians overwhelmingly support over tax cuts for corporations and the wealthy



Income Tax Cuts



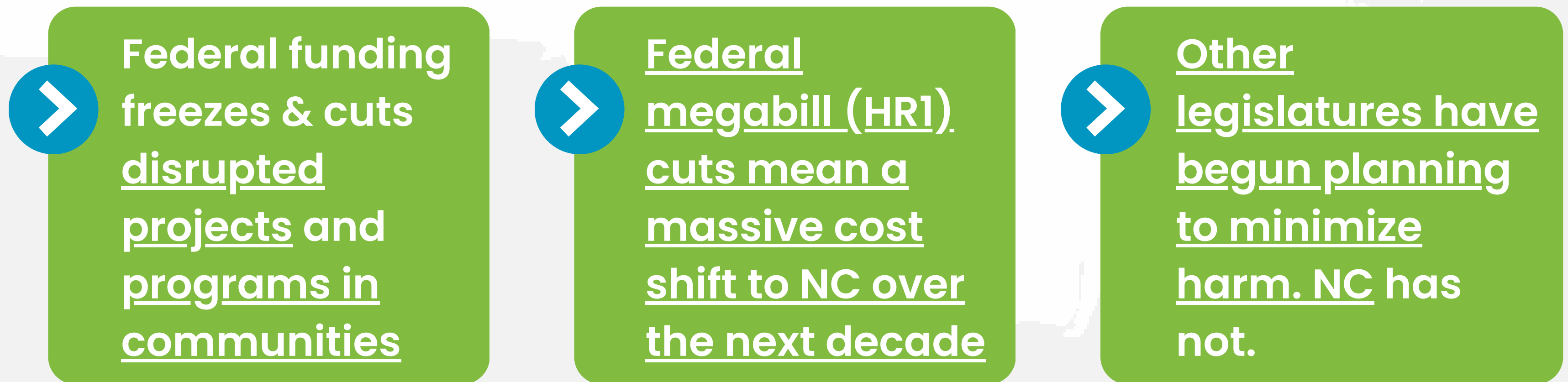
- Consolidate economic & political power of wealthy & corporations
- Increase cost of living for the rest of us as property taxes rise and programs and services we rely on are underfunded

Public Services



- Less revenue means fewer, lower quality public services
- The degradation of services limits opportunity

The NC General Assembly kept tax cuts, but didn't make a plan to address federal cuts, chaos, and uncertainty to protect our state from harm



The NC General Assembly didn't make a plan to ensure we have the public dollars we need



These automatic tax cuts are pushing our state
toward a \$3.5 billion budget shortfall that will
leave NC even less prepared to meet our needs,
or federal funding shifts

Instead, the NC General Assembly focused on consolidating political power and sowing division.



- Redistricting to silence the voice of voters
- Anti-DEI legislation
- Anti-immigrant legislation



What North Carolinians want vs. the priorities of NC lawmakers



North Carolinians have been crystal clear about their priorities. It's also clear that legislative leaders at the NC General Assembly (NCGA) this session weren't listening.

North Carolinians want health care



- 63 percent of North Carolinians are very or somewhat concerned that federal cuts to health care will make it harder to get the care they need
- 65 percent said state government should maintain or increase Medicaid spending in response to the federal megabill cuts (HR1)

NC General Assembly leadership left health care at risk

- No plan to support rural hospitals at risk of closures due to the harmful federal megabill (HR1)
- No plan to raise the revenue needed to protect Medicaid after the federal megabill (HR1) cuts that shift billions in health care and food assistance costs to NC over the next decade

NC General Assembly leadership failed to step in to avoid disruptions in care

- Lawmakers refused to return to Raleigh to fund NC's Medicaid program during a scheduled session and even after urging from the Governor and directly impacted people. They left the state's Medicaid program in limbo, impacting millions of patients, as well as providers and healthcare centers.

North Carolinians want affordable child care



- More than 500 child-care providers called on the NC General Assembly to support the work they do to provide safe, quality care while parents work, by providing meaningful funding to stabilize the child-care system.

NC General Assembly leadership left child care at risk



The NC General Assembly failed to pass either chamber's budget proposal, both of which included only around half of the child care funds that are actually needed.

North Carolinians want fair and free elections



- Voters of all parties oppose gerrymandering — the manipulation of voter district maps to favor one party or diminish the voting power of a group, thereby silencing voter voices.

NC General Assembly leadership diminished the power of voters



- NC General Assembly leaders made time to pass new voter maps that favor Republicans with the explicit intention of adding another Republican seat to Congress. But they did not find time to pass a budget that could bring down the cost of living for people.

North Carolinians want good public schools



- When asked to select the two areas that would be a top priority for increased funding, a majority (54%) selected K-12 public schools. Only 3% chose Opportunity Scholarships / Education Saving Accounts.

NC General Assembly prioritized more giveaways to the wealthy over our kids

- The NC General Assembly was first to opt into the federal private school voucher bill that reimburses \$1,700 for any donation to a nonprofit for “educational expenses”. The primary beneficiaries are likely to be high-income and already attending private schools.
- The NC General Assembly continued the voucher program that syphons dollars from public to private schools, subsidizing tuition for the wealthy and those already attending private schools.

North Carolinians care about affordability

- 44% of North Carolinians believe the top priority for the state's energy future should be keeping prices affordable
- North Carolinians of all political stripes say that reducing the cost of living should be the #1 priority of state government, ranked far higher than reducing taxes.
- 40% say they are worse off financially than one year ago



NCGA leadership prioritized corporations and the wealthy over affordability for most

- Passed SB 266: A bill that rolls back carbon emission reduction targets and will lead to billions of dollars in higher energy costs for families and businesses
- Failed to consider tax changes proven to improve life for workers and families, like a generous and refundable Earned Income Tax Credit or Child Tax Credit.

NC General Assembly leadership prioritized the wealthy & corporations over affordability for most



- They introduced budget proposals that would cut funding for AP test fees and increase college tuition, shifting new education costs onto families.
- They proposed state employee raises that don't keep up with inflation.

Meanwhile, many bills that would most effectively improve well-being and address affordability and access to opportunity did not even get a committee hearing, much less make it to the floor for debate.



DENIED

Improving the well-being of workers and families



- HB181: Working family tax credits are proven to improve outcomes for kids and parents in claiming families
- SB641: A child tax credit that would reduce child poverty more than 25%

DENIED

Prioritizing education for North Carolina's kids

- HB420: Education funding to meet the NC constitutional obligation to our state's young students



DENIED

Supporting workers

- HB353: Gradually raise North Carolina's current poverty-level minimum wage with a living wage over 5 years





Faced with calls to prioritize the well-being of our families, communities, and economy, NC General Assembly leaders instead continued automatic tax cuts that will cost NC \$1 billion in 2026 alone.

With the money given to corporations and the wealthy in more tax cuts, we could increase teacher salaries, make child care more affordable, fund construction of affordable housing, or fund universities so that they don't raise their tuition rates for the first time since 2017.



People and their well-being are the real drivers of economic growth. Investing in programs and services that extend access to opportunity to individual members of our state community, improve the economic well-being of us all.



- Affordable child care keeps parents working and boosts productivity, as children learn and develop.
- Extending working family tax credits to low-and-moderate-income families provides a budget boost that's proven to increase health, education, and even future earning potential for kids in claiming families.

People and their well-being are the real drivers of economic growth. Investing in programs and services that extend access to opportunity to individual members of our state community, improve the economic well-being of us all.



- For businesses to generate revenue, consumers need money to spend to purchase products. When every person can meet their basic needs, the entire economy is stronger and more resilient.

Learn More

- Some of the bills passed by the NC General Assembly have been vetoed. [Check veto and override status here.](#)
- [How the NC General Assembly might better spend the \\$1 billion NC will lose to tax cuts in 2026](#)
- [The impact of the federal megabill on the people and communities of our state.](#)
- The House budget proposal took a step to prevent the worst damage of ongoing tax cuts and includes larger investments in some public services. [Learn about differences between proposals here.](#)

Get real-time updates about the budget



Sign up for texts about news
and what you can do.



NCBudget.org/news

Stay In Touch!

Follow us on social media!



@NCBudgetAndTax



@ncbudget.bsky.social



NC Budget & Tax Center



NC Budget & Tax Center

Sign up for our emails and
text messages!



NCBudget.org/Subscribe