



Staying the Course for North Carolina

2026 Mid-Year Impact Report
from the NC Budget & Tax Center



The NC Budget & Tax Center showed up for North Carolina this legislative session, securing meaningful wins and building the power we'll need for the fights ahead.

None of this happens without people like you standing with us, session after session, budget fight after budget fight. We're deeply grateful you're in this with us for the long haul.

Here's what your investment made possible this year, and where we're headed next.

Two Wins Worth Building On

Win #1: We slowed the tax-cut tide

The state budget did not add new tax cuts on top of ones already scheduled — and it slowed the pace and size of future cuts. That was not inevitable.

It happened because the Budget & Tax Center got in the room early: we engaged House leadership from the start of the biennial budget process, shared our analysis directly with budget writers in both the House

and Senate, equipped grassroots leaders to make the case in commentaries and briefings, and supported partners to connect with community on the importance of budget and tax policy.

By December 2025, the House Finance and Appropriations Chairs — and the Speaker himself — made public statements about the true cost of tax cuts. This winter, we partnered with Public School Forum of North Carolina and staff from the House Speaker's Office to brief business leaders on the state's fiscal position and what continued income tax cuts would actually cost the state.

\$9 BILLION

in revenue protected that would
have been lost under the NC
Senate leadership tax plan



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Win #2: We won a floor for child-care reimbursement

The final budget establishes a statewide floor for how child-care providers are reimbursed for serving children from working families with low incomes. It ends an unfair funding formula where child-care providers (particularly those in rural North Carolina) could receive substantially less funding simply because of the county where they operate.

The collaborative campaign involving many partners that led to this win also traces directly back to Budget & Tax Center analysis: Nearly ten years ago, Western NC practitioners and advocates brought us the problem and a potential solution. We produced the research that made the case, and we've stayed at the table ever since — briefing legislators, publishing analysis, and helping shape the early bills that made this year's change possible.

\$7,600

The annual increase in subsidy payments that a high-quality child-care center in rural Lenoir County will get for providing care for one infant.



Building the Power to Win Bigger

None of this happens without a growing, organized base of people who understand the budget and are ready to act. This year, with your support:

- More than 150 people joined our first Revenue Learning Lab series, building the tax-policy literacy to connect budget decisions to the future they want for North Carolina.
- We aligned more than 30 partners — from base-building and membership organizations to grassroots and community groups — around a shared power analysis and message for the budget fight.
- With NC Black Alliance, we hosted another Better NC Fellowship cohort, deepening our relationships with 15 leaders from across the state and equipping them to educate and engage people in their own communities.
- Alongside the NC Association of Educators and tens of thousands of North Carolinians, we pushed back on efforts to eliminate the corporate income tax at the expense of public schools.



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The Budget We Still Need

We won't pretend the overall budget is the one North Carolina deserves. The final deal, paired with proposed constitutional amendments that lock in a tax agenda written for wealthy and powerful corporate interests, not North Carolina families, falls short of the shared prosperity we're building toward. The months-long wait for a budget also disrupted programs, contracts, and planning across the state — a reminder of what's at stake when lawmakers fail to do their job.

That clarity is fuel, not defeat.

We know what a good budget looks like: one that puts people and communities first, and tax cuts for the wealthy and profitable corporations last. Every relationship we built this year — with legislators, partner organizations, and people from communities across the state — strengthens the infrastructure for the next fight for a more just economy for North Carolina.



What's Next — and How You Help

We're building on this year's wins by bringing even more people into the budget process and deepening understanding of how North Carolina raises and spends our shared public dollars.

Your continued support keeps our analysis sharp, our partnerships strong, and our voice in the room when decisions are made about North Carolina's future.

**Thank you for standing with us.
We could not do this work without you.**



Contact us at info@ncbudget.org