

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

2

HOUSE BILL 1491*
Committee Substitute Favorable 7/15/98

Short Title: Amend Conservation Easements Tax Credit.

(Public)

Sponsors:

Referred to:

May 25, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO ELIMINATE THE REQUIREMENT THAT AN INDIVIDUAL INCOME
3 TAXPAYER ADD BACK TO TAXABLE INCOME THE FAIR MARKET VALUE
4 OF REAL PROPERTY DONATED FOR CONSERVATION PURPOSES IN
5 ORDER TO CLAIM THE INCOME TAX CREDIT FOR THE DONATION OF
6 THAT PROPERTY, AS RECOMMENDED BY THE ENVIRONMENTAL
7 REVIEW COMMISSION.

8 The General Assembly of North Carolina enacts:

9 Section 1. G.S. 105-134.6(c) reads as rewritten:

10 "(c) Additions. – The following additions to taxable income shall be made in
11 calculating North Carolina taxable income, to the extent each item is not included in
12 taxable income:

13 (1) Interest upon the obligations of states other than this State, political
14 subdivisions of those states, and agencies of those states and their
15 political subdivisions.

16 (2) Any amount allowed as a deduction from gross income under the Code
17 that is taxed under the Code by a separate tax other than the tax imposed
18 in section 1 of the Code.

1 (3) Any amount deducted from gross income under section 164 of the Code
 2 as state, local, or foreign income tax to the extent that the taxpayer's
 3 total itemized deductions deducted under the Code for the taxable year
 4 exceed the standard deduction allowable to the taxpayer under the Code
 5 reduced by the amount by which the taxpayer's allowable standard
 6 deduction has been increased under section 63(c)(4) of the Code.

7 (4) The amount by which the taxpayer's standard deduction has been
 8 increased for inflation under section 63(c)(4)(A) of the Code.

9 (4a) **(Effective for taxable years beginning on or after January 1, 1995)**

10 The amount by which each of the taxpayer's personal exemptions has
 11 been increased for inflation under section 151(d)(4)(A) of the Code.
 12 This amount is reduced by two hundred fifty dollars (\$250.00) for each
 13 personal exemption if the taxpayer's adjusted gross income (AGI), as
 14 calculated under the Code, is less than the following amounts:

<u>Filing Status</u>	<u>AGI</u>
Married, filing jointly	\$100,000
Head of Household	80,000
Single	60,000
Married, filing separately	50,000.

15
 16
 17
 18
 19
 20 For the purposes of this subdivision, if the taxpayer's personal
 21 exemptions have been reduced by the applicable percentage under
 22 section 151(d)(3) of the Code, the amount by which the personal
 23 exemptions have been increased for inflation is also reduced by the
 24 applicable percentage.

25 (4a) **(Effective for taxable years beginning on or after January 1, 1996)**

26 The amount by which each of the taxpayer's personal exemptions has
 27 been increased for inflation under section 151(d)(4)(A) of the Code.
 28 This amount is reduced by five hundred dollars (\$500.00) for each
 29 personal exemption if the taxpayer's adjusted gross income (AGI), as
 30 calculated under the Code, is less than the following amounts:

<u>Filing Status</u>	<u>AGI</u>
Married, filing jointly	\$100,000
Head of Household	80,000
Single	60,000
Married, filing separately	50,000.

31
 32
 33
 34
 35
 36 For the purposes of this subdivision, if the taxpayer's personal
 37 exemptions have been reduced by the applicable percentage under
 38 section 151(d)(3) of the Code, the amount by which the personal
 39 exemptions have been increased for inflation is also reduced by the
 40 applicable percentage.

41 (5) ~~The fair market value, up to a maximum of four hundred thousand~~
 42 ~~dollars (\$400,000), of the donated property interest for which the~~
 43 ~~taxpayer claims a credit for the taxable year under G.S. 105-151.12 and~~

1 ~~the~~ market price of the gleaned crop for which the taxpayer claims a
2 credit for the taxable year under G.S. 105-151.14.

3 (6) The amount by which the basis of property under the Code exceeds the
4 basis of the property under this Article, in the year the taxpayer disposes
5 of the property.

6 (7) The amount of federal estate tax that is attributable to an item of income
7 in respect of a decedent and is deducted from gross income under
8 section 691(c) of the Code."

9 Section 2. G.S. 105-151.12(c) is repealed.

10 Section 3. This act becomes effective for taxable years beginning on or after 1
11 January 1998.