

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 1019

Short Title: Employee GED Tax Incentive.

(Public)

Sponsors: Senators Cochrane; Clark, Forrester, Hartsell, Kincaid, and Ledbetter.

Referred to: Finance.

April 21, 1997

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR AN EMPLOYER'S
2 EXPENSES IN ASSISTING AN EMPLOYEE TO OBTAIN A CERTIFICATE OF
3 HIGH SCHOOL EQUIVALENCY.
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5 The General Assembly of North Carolina enacts:

6 Section 1. Division I of Article 4 of Chapter 105 of the General Statutes is
7 amended by adding a new section to read:

8 "**§ 105-130.43. Credit for expenses for employee high school equivalency**
9 **certificates.**

10 (a) Credit. – There is allowed as a credit against the tax imposed by this Division
11 an amount equal to seven percent (7%) of a corporation's expenditures during the taxable
12 year in assisting employees of the corporation to obtain certificates of high school
13 equivalency, up to a maximum credit of one thousand dollars (\$1,000) per taxpayer for
14 the taxable year. For the purpose of this section, a corporation's expenditures in assisting
15 an employee to obtain a certificate of high school equivalency are the wages it paid to the
16 employee while the employee attended classes in a general education development
17 program in this State during working hours.

18 (b) Limit. – The credit allowed by this section may not exceed the amount of tax
19 imposed by this Division for the taxable year reduced by the sum of all credits allowed,

1 except payments of tax made by or on behalf of the corporation. Any unused portion of
2 this credit may be carried forward for the next succeeding five years.

3 (c) Substantiation. – A corporation shall provide any documentation required by
4 the Secretary of Revenue to support the amount of credit claimed."

5 Section 2. Division II of Article 4 of Chapter 105 of the General Statutes is
6 amended by adding a new section to read:

7 "**§ 105-151.27. Credit for expenses for employee high school equivalency**
8 **certificates.**

9 (a) Credit. – There is allowed as a credit against the tax imposed by this Division
10 an amount equal to seven percent (7%) of a taxpayer's expenditures during the taxable
11 year in assisting the taxpayer's employees to obtain certificates of high school
12 equivalency, up to a maximum credit of one thousand dollars (\$1,000) per taxpayer for
13 the taxable year. For the purpose of this section, a taxpayer's expenditures in assisting an
14 employee to obtain a certificate of high school equivalency are the wages the taxpayer
15 paid to the employee while the employee attended classes in a general education
16 development program in this State during working hours.

17 (b) Limit. – The credit allowed by this section may not exceed the amount of tax
18 imposed by this Division for the taxable year reduced by the sum of all credits allowed,
19 except payments of tax made by or on behalf of the taxpayer. Any unused portion of this
20 credit may be carried forward for the next succeeding five years.

21 (c) Substantiation. – A taxpayer shall provide any documentation required by the
22 Secretary to support the amount of credit claimed."

23 Section 3. This act is effective for taxable years beginning on or after January
24 1, 1997.