

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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SENATE BILL 1323

Short Title: Earned Income Tax Credit. (Public)

Sponsors: Senator Cunningham.

Referred to: Finance.

June 12, 2002

1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE A STATE EARNED INCOME TAX CREDIT.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** Part 2 of Article 4 of Chapter 105 of the General Statutes is
5 amended by adding a new section to read:

6 "**§ 105-151.29. Earned income tax credit.**

7 (a) Credit. – An individual who claims for the taxable year an earned income tax
8 credit under section 32 of the Code is allowed a credit against the tax imposed by this
9 Part equal to ten percent (10%) of the amount of credit the individual qualified for under
10 section 32 of the Code. A nonresident or part-year resident who claims the credit
11 allowed by this section must reduce the amount of the credit by multiplying it by the
12 fraction calculated under G.S. 105-134.5(b) or (c), as appropriate.

13 (b) Credit Refundable. – If the credit allowed by this section exceeds the amount
14 of tax imposed by this Part for the taxable year reduced by the sum of all credits
15 allowable, the Secretary must refund the excess to the taxpayer. The refundable excess
16 is governed by the provisions governing a refund of an overpayment by the taxpayer of
17 the tax imposed in this Part. Section 3507 of the Code, Advance Payment of Earned
18 Income Credit, does not apply to the credit allowed by this section. In computing the
19 amount of tax against which multiple credits are allowed, nonrefundable credits are
20 subtracted before refundable credits."

21 **SECTION 2.** This act is effective for taxable years beginning on or after
22 January 1, 2002.