

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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HOUSE DRH70403-MC-207 (04/20)

Short Title: Modify Credit for Child Care Expenses.

(Public)

Sponsors: Representative Ross.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO MODIFY THE CREDIT FOR CHILD CARE AND CERTAIN
3 EMPLOYMENT-RELATED EXPENSES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-151.11 reads as rewritten:

6 "**§ 105-151.11. Credit for child care and certain employment-related expenses.**

7 (a) Credit. – A person who is allowed a credit against federal income tax for a
8 percentage of employment-related expenses under section 21 of the Code shall be allowed as a
9 credit against the tax imposed by this Part an amount equal to the applicable percentage of the
10 employment-related expenses as defined in section 21(b)(2) of the Code. In order to claim the
11 credit allowed by this section, the taxpayer must provide with the tax return the information
12 required by the Secretary.

13 (a1) Applicable Percentage. – For employment-related expenses that are incurred only
14 with respect to one or more dependents who are seven years old or older and are not physically
15 or mentally incapable of caring for themselves, the applicable percentage is the appropriate
16 percentage in the column labeled "Percentage A" in the table below, based on the taxpayer's
17 adjusted gross income determined under the Code. For employment-related expenses with
18 respect to any other qualifying individual, the applicable percentage is the appropriate
19 percentage in the column labeled "Percentage B" in the table below, based on the taxpayer's
20 adjusted gross income determined under the Code.

21 Filing Status	22 Adjusted Gross	23 Income	24 Percentage A	25 Percentage B
26 Head of	27 Up to \$20,000		9%	13%
28 Household	29 Over \$20,000			
	30 up to \$32,000		8%	11.5%
	31 Over \$32,000		7%	10%
32 Surviving				
33 Spouse or	34 Up to \$25,000		9%	13%
35 Joint Return	Over \$25,000			



1		up to \$40,000	8%	11.5%
2				
3		Over \$40,000	7%	10%
4				
5	Single	Up to \$15,000	9%	13%
6				
7		Over \$15,000		
8		up to \$24,000	8%	11.5%
9				
10		Over \$24,000	7%	10%
11				
12	Married			
13	Filing			
14	Separately	Up to \$12,500	9%	13%
15				
16		Over \$12,500		
17		up to \$20,000	8%	11.5%
18				
19		Over \$20,000	7%	10%
20				

21 (b) Employment Related Expenses. – The amount of employment-related expenses for
 22 which a credit may be claimed may not exceed three thousand dollars (\$3,000) if the taxpayer's
 23 household includes one qualifying individual, as defined in section 21(b)(1) of the Code, and
 24 may not exceed six thousand dollars (\$6,000) if the taxpayer's household includes more than
 25 one qualifying individual. The amount of employment-related expenses for which a credit may
 26 be claimed is reduced by the amount of employer-provided dependent care assistance excluded
 27 from gross income.

28 (c) Limitations. – A nonresident or part-year resident who claims the credit allowed by
 29 this section shall reduce the amount of the credit by multiplying it by the fraction calculated
 30 under G.S. 105-134.5(b) or (c), as appropriate. No credit shall be allowed under this section for
 31 amounts deducted from gross income in calculating taxable income under the Code. The credit
 32 allowed by this section to a taxpayer other than one listed in subsection (d) of this section may
 33 not exceed the amount of tax imposed by this Part for the taxable year reduced by the sum of
 34 all credits allowable, except for payments of tax made by or on behalf of the taxpayer.

35 (d) Credit Refundable. – If the credit allowed by this section to a taxpayer listed in this
 36 subsection exceeds the amount of tax imposed by this Part for the taxable year reduced by the
 37 sum of all credits allowable, the Secretary must refund the excess to the taxpayer. The
 38 refundable excess is governed by the provisions governing a refund of an overpayment by the
 39 taxpayer of the tax imposed in this Part. In computing the amount of tax against which multiple
 40 credits are allowed, nonrefundable credits are subtracted before refundable credits.

- 41 (1) A taxpayer who has a filing status of head of household, single, or married
 42 filing separately and an adjusted gross income of fifty thousand dollars
 43 (\$50,000) or less.
- 44 (2) A taxpayer who has a filing status of surviving spouse or joint return and an
 45 adjusted gross income of one hundred thousand dollars (\$100,000) or less."

46 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,
 47 2009.