

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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HOUSE BILL 1138

Short Title: Child Tax Credit. (Public)

Sponsors: Representatives Lofton, Reives, and Harris (Primary Sponsors).

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Rules, Calendar, and Operations of the House

May 31, 2022

1 A BILL TO BE ENTITLED  
2 AN ACT TO REENACT A STATE-LEVEL CHILD TAX CREDIT.  
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-153.10 is reenacted as it existed immediately before its  
5 expiration and reads as rewritten:

6 "(a) Credit. —~~A taxpayer who is allowed a federal child tax credit under section 24 of the~~  
7 ~~Code for the taxable year is allowed a credit against the tax imposed by this Part for each~~  
8 ~~dependent child for whom the taxpayer is allowed the federal credit.~~ A taxpayer is allowed a  
9 credit against the tax imposed by this Part for each qualifying child of the taxpayer. A "qualifying  
10 child" is defined by Section 152(c) of the Code. The amount of credit allowed under this section  
11 for the taxable year is equal to the amount listed in the table below based on the taxpayer's  
12 adjusted gross income, as calculated under the Code:

13 Filing Status	14 AGI	15 Credit Amount
16 Married, filing jointly	17 Up to \$40,000	18 <del>\$125.00</del> <u>\$250.00</u>
	19 Over \$40,000	20
	21 Up to \$100,000	22 <del>\$100.00</del> <u>\$125.00</u>
23 Head of Household	24 Over \$100,000	25 0
	26 Up to \$32,000	27 <del>\$125.00</del> <u>\$250.00</u>
	28 Over \$32,000	29
30 Single	31 Up to \$80,000	32 <del>\$100.00</del> <u>\$125.00</u>
	33 Over \$80,000	34 0
	35 Up to \$20,000	36 <del>\$125.00</del> <u>\$250.00</u>
37 Married, filing separately	38 Over \$20,000	39
	40 Up to \$50,000	41 <del>\$100.00</del> <u>\$125.00</u>
	42 Over \$50,000	43 0.

44 (b) Limitations. — A nonresident or part-year resident who claims the credit allowed by  
45 this section shall reduce the amount of the credit by multiplying it by the fraction calculated under



1 ~~G.S. 105-134.5(b) or (c), as appropriate. G.S. 105-153.4. The credit allowed under this section~~  
2 ~~may not exceed the amount of tax imposed by this Part for the taxable year reduced by the sum~~  
3 ~~of all credits allowed, except payments of tax made by or on behalf of the taxpayer. Married~~  
4 ~~individuals qualifying for a credit under this section who file separate returns may not collectively~~  
5 ~~claim more than the maximum credit allowed under a joint return.~~

6 (c) Credit Refundable. – If the credit allowed by this section exceeds the amount of tax  
7 imposed by this Part for the taxable year reduced by the sum of all credits allowable, the Secretary  
8 must refund the excess to the taxpayer. The refundable excess is governed by the provisions  
9 governing a refund of an overpayment by the taxpayer of the tax imposed in this Part. In  
10 computing the amount of tax against which multiple credits are allowed, nonrefundable credits  
11 are subtracted before refundable credits."

12 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,  
13 2022.