

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021**

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**SENATE BILL 865**

Short Title: Child Tax Credit. (Public)

Sponsors: Senators Chaudhuri, Fitch, and Garrett (Primary Sponsors).

Referred to: Rules and Operations of the Senate

May 27, 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 "**§ 105-153.10. Credit for children.**

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

<b>Filing Status</b>	<b>AGI</b>	<b>Credit Amount</b>
Married, filing jointly	Up to \$40,000	<del>\$125.00</del> <u>\$250.00</u>
	Over \$40,000	
	Up to \$100,000	<del>\$100.00</del> <u>\$125.00</u>
	Over \$100,000	0
Head of Household	Up to \$32,000	<del>\$125.00</del> <u>\$250.00</u>
	Over \$32,000	
	Up to \$80,000	<del>\$100.00</del> <u>\$125.00</u>
	Over \$80,000	0
Single	Up to \$20,000	<del>\$125.00</del> <u>\$250.00</u>
	Over \$20,000	
	Up to \$50,000	<del>\$100.00</del> <u>\$125.00</u>
	Over \$50,000	0
Married, filing separately	Up to \$20,000	<del>\$125.00</del> <u>\$250.00</u>
	Over \$20,000	
	Up to \$50,000	<del>\$100.00</del> <u>\$125.00</u>
	Over \$50,000	0.

34 (b) Limitations. – A nonresident or part-year resident who claims the credit allowed by  
35 this section shall reduce the amount of the credit by multiplying it by the fraction calculated under  
36 G.S. 105-134.5(b) or (c), as appropriate. ~~The credit allowed under this section may not exceed~~



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

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

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