

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 195

Short Title: Education Improvement Fund Tax Credit.

(Public)

Sponsors: Senators Ward; Royall and Hunt.

Referred to: Education.

February 27, 1991

A BILL TO BE ENTITLED

AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR CONTRIBUTIONS FOR NORTH CAROLINA EDUCATION IMPROVEMENT GRANTS.

Whereas, The North Carolina Education Improvement Grants have been established to extend the benefits of a higher education to those students who are residents of the State of North Carolina and who can prove their ability to benefit from higher education; and

Whereas, extending the benefits of higher education to students with proven ability to learn will result in far greater long-range savings to the State than it would cost in terms of these students' increased earning capacity and increased contributions these students would be able to make to their society; Now, therefore,

The General Assembly of North Carolina enacts:

Section 1. Article IV, Schedule D, Division I of Chapter 105 of the General Statutes is amended by adding a new section to read:

§ 105-130.41. Credit for contributions for North Carolina Education Improvement Grants.

(a) Any corporation making a contribution to the Education Assistance Authority pursuant to G.S. 116-209.25, for North Carolina Education Improvement Grants, as set forth in Article 5B of Chapter 116 of the General Statutes, shall be allowed a credit against the tax imposed by this Division equal to fifty percent (50%) of the aggregate amount of the contribution made by the corporation during the the taxable year up to a maximum credit of one thousand dollars (\$1,000) per taxpayer per year.

1 (b) The credit allowed by this section may not exceed the amount of tax imposed
2 by this Division for the taxable year reduced by the sum of all credits allowed under this
3 Division, except payments of tax made by or on behalf of the corporation.

4 (c) Any unused portion of this credit may be carried forward for the next
5 succeeding five years.

6 (d) To secure the credit allowed under this section, a corporation shall provide
7 the Department of Revenue a receipt or other certification from the Education
8 Assistance Authority showing the date and amount of the contribution."

9 Sec. 2. Article IV, Schedule D, Division II of Chapter 105 of the General
10 Statutes is amended by adding a new section to read:

11 "**§ 105-151.21. Credit for contributions for North Carolina Education**
12 **Improvement Grants.**

13 (a) Any person making a contribution to the Education Assistance Authority
14 pursuant to G.S. 116-209.25, for North Carolina Education Improvement Grants, as set
15 forth in Article 5B of Chapter 116 of the General Statutes, shall be allowed a credit
16 against the tax imposed by this Division equal to fifty percent (50%) of the aggregate
17 amount of the contribution made by the taxpayer during the the taxable year up to a
18 maximum credit of one hundred dollars (\$100.00) per taxpayer per year.

19 (b) The credit allowed by this section may not exceed the amount of tax imposed
20 by this Division for the taxable year reduced by the sum of all credits allowed under this
21 Division, except payments of tax made by or on behalf of the taxpayer.

22 (c) Any unused portion of this credit may be carried forward for the next
23 succeeding five years.

24 (d) To secure the credit allowed under this section, a taxpayer shall provide the
25 Department of Revenue a receipt or other certification from the Education Assistance
26 Authority showing the date and amount of the contribution."

27 Sec. 3. This act is effective for taxable years beginning on or after January 1,
28 1991.