

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 1458

Short Title: Food Tax Credit.

(Public)

Sponsors: Senators Martin of Guilford; Hoyle, Rand, and Gulley.

Referred to: Finance.

June 3, 1996

A BILL TO BE ENTITLED

AN ACT TO ALLOW A FOOD TAX CREDIT FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

The General Assembly of North Carolina enacts:

Section 1. Division II of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read:

**"§ 105-151.26. Credit for sales tax paid on food.**

(a) Credit. – An individual whose adjusted gross income (AGI), as calculated under the Code, is less than the amount listed below is allowed as a credit against the tax imposed by this Division an amount equal to twenty dollars (\$20.00) times the number of personal exemptions the taxpayer claims for the taxable year:

<u>Filing Status</u>	<u>AGI</u>
<u>Married, filing jointly</u>	<u>\$25,000</u>
<u>Head of Household</u>	<u>20,000</u>
<u>Single</u>	<u>15,000</u>
<u>Married, filing separately</u>	<u>12,500</u>

(b) Restrictions. – A part-year resident who claims the credit allowed by this section shall reduce the amount of the credit by multiplying it by the fraction calculated under G.S. 105-134.5(b) or (c), as appropriate. The following taxpayers may not claim the credit allowed by this section:

- 1           (1) A nonresident.  
2           (2) An individual who received assistance under the Food Stamp Program,  
3           7 U.S.C. § 51, for the entire taxable year.  
4           (3) An individual who was an inpatient at a hospital facility, as defined in  
5           G.S. 131E-16, for at least half the taxable year.  
6           (4) An individual who was in jail or in other official detention for at least  
7           half the taxable year.  
8           (5) An individual who may be claimed as a dependent by another under  
9           section 151(c)(1)(B) of the Code.

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

16       Sec. 2. G.S. 105-151.26(a), as enacted by Section 1 of this act, reads as  
17 rewritten:

18       "(a) Credit. – An individual whose adjusted gross income (AGI), as calculated  
19 under the Code, is less than the amount listed below is allowed as a credit against the tax  
20 imposed by this Division an amount equal to ~~twenty dollars (\$20.00)~~ forty dollars (\$40.00)  
21 times the number of personal exemptions the taxpayer claims for the taxable year:

Filing Status	AGI
Married, filing jointly	\$25,000
Head of Household	20,000
Single	15,000
Married, filing separately	12,500".

26       Sec. 3. Section 2 of this act is effective for taxable years beginning on or after  
27 January 1, 1997. The remainder of this act is effective for taxable years beginning on or  
28 after January 1, 1996.  
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