

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 466

Short Title: Tax Exempt Parental Savings Trust Fund.

(Public)

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Sponsors: Senators Hartsell; and Lee.

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Referred to: Finance.

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March 24, 1997

A BILL TO BE ENTITLED

AN ACT TO EXEMPT CERTAIN INCOME FROM THE PARENTAL SAVINGS TRUST FUND FROM STATE INCOME TAX.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-134.6(b) is amended to add a new subdivision to read:

"(12) Earnings or distributions from the Parental Savings Trust Fund of the State Education Assistance Authority used for the postsecondary education expenses of a beneficiary of the Fund. For the purposes of this subdivision, the term 'postsecondary education expenses' has the meaning provided in G.S. 116-201(b)(7a)."

Section 2. G.S. 116-201(b) is amended to add a new subdivision to read as follows:

"(7a) 'Postsecondary education expenses' means expenses, as further described in rules and contracts adopted by the Authority for participation in the Parental Savings Trust Fund, for tuition, fees, books, supplies, equipment, room, and board, and other expenses incurred in connection with enrollment at an eligible institution."

Section 3. This act is effective for taxable years beginning on or after January 1, 1998.