

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE DRS35421-LY-366 (5/15)

Short Title: Income Tax Rebate.

(Public)

Sponsors: Senator Berger of Rockingham.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROVIDE A ONE-TIME TAX REBATE TO EACH INDIVIDUAL
TAXPAYER WHO RESIDES IN THIS STATE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Taxpayer Rebate. – The Department of Revenue shall implement a one-time income tax rebate program as provided in this act. For the purpose of this act, the term "income tax" means the individual income tax levied in Part 2 of Article 4 of Chapter 105 of the General Statutes. Every individual who was a resident of this State for part or all of the individual's taxable year beginning in 2005 and who was liable for and paid income tax for that taxable year before the deadline provided in this act is eligible for an income tax rebate as provided in this section. The rebate is equal to one hundred dollars (\$100.00) for each taxpayer plus twenty-five dollars (\$25.00) for each dependent, other than the taxpayer, for whom the taxpayer claimed a personal exemption. In the case of a married couple filing a joint return, the Department shall treat each spouse as a separate taxpayer for the purpose of this tax rebate. In the case of a taxpayer who has two taxable years beginning in 2005, this act applies only to the first of those taxable years.

SECTION 1.(b) Setoff Debt Collection. – Before paying a rebate pursuant to this act, the Department of Revenue shall, pursuant to Chapter 105A of the General Statutes, set off any debts owing a State or local agency against the rebate to the same extent as if the rebate were a refund as defined in G.S. 105A-2. The procedure for setting off debts shall be as provided in Chapter 105A of the General Statutes.

SECTION 1.(c) Deadlines. – To qualify for the rebate provided in this act, the taxpayer must file a final return and pay the entire income tax due for the taxable year within 90 days after the due date, including any approved filing extensions, of the return. The Department of Revenue shall pay the rebate by check mailed within 90 days after the later of (i) September 15, 2006, (ii) the date the return was due, including any

1 approved filing extensions, or (iii) the date the return was filed and the entire tax was
2 paid. Rebates paid after this deadline shall bear interest from the date due until paid at
3 the rate established under G.S. 105-241.1(i). No tax rebate shall be made to a taxpayer
4 who did not file a final return and pay the entire income tax due for their 2005 taxable
5 year by the deadline set in this act.

6 **SECTION 1.(d)** Source of Funds for Rebates. – The rebate program
7 provided in this act is a one-time expenditure and does not affect recurring revenues. In
8 order to pay for the rebate program provided in this act, the Department of Revenue
9 shall draw from collections received under Part II of Article 4 of Chapter 105 of the
10 General Statutes an amount equal to the cost of the rebates and of administering the
11 rebate program.

12 **SECTION 2.** This act becomes effective July 1, 2006.