

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

H

1

HOUSE BILL 1882

Short Title: Adoption Tax Credit.

(Public)

Sponsors: Representatives Weiss; Blackwood and Harrison.

Referred to: Children, Youth and Families, if favorable, Finance.

April 26, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR ADOPTION EXPENSES.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** Article 4 of Chapter 105 of the General Statutes is amended by
5 adding a new section to read as follows:

6 "**§ 105-151.32. Credit for adoption expenses.**

7 (a) Credit. – An individual who is allowed a federal adoption tax credit under
8 section 23 of the Code for the taxable year is allowed a credit against the tax imposed
9 by this Part. The credit is equal to fifty percent (50%) of the amount of credit allowed
10 under section 23 of the Code.

11 (b) Limitations. – A nonresident or part-year resident who claims the credit
12 allowed by this section shall reduce the amount of the credit by multiplying it by the
13 fraction calculated under G.S. 105-134.5(b) or (c), as appropriate. The credit allowed
14 under this section may not exceed the amount of tax imposed by this Part for the taxable
15 year reduced by the sum of all credits allowed, except payments of tax made by or on
16 behalf of the taxpayer."

17 **SECTION 2.** This section is effective for taxable years beginning on or after
18 January 1, 2007.