

NORTH CAROLINA GENERAL ASSEMBLY
1979 SESSION

CHAPTER 659
HOUSE BILL 1031

AN ACT TO PROVIDE AN UNLIMITED INCOME TAX DEDUCTION FOR
CONTRIBUTIONS TO COMMUNITY FOUNDATIONS AND TRUSTS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-147(16) is amended to read as follows:

"(16) Contributions or gifts made by individuals, firms, and partnerships within the income year to the State of North Carolina, any of its institutions, instrumentalities, or agencies, any county or municipality of this State, their institutions, instrumentalities, or agencies, contributions or gifts made by individuals, firms, and partnerships within the income year to educational institutions or nonprofit hospitals or the Civil Air Patrol located within North Carolina, and contributions or gifts made by individuals, firms, and partnerships within the income year to public-supported community foundations or public-supported community trusts, no part of the net earnings of which inures to the benefit of any private stockholder or individual; provided that in the case of contributions or gifts by a partnership such amounts shall not be deductible in determining the net income of the partnership but shall be allocated to each partner on the basis of the ratio used for determining each partner's share of the distributive gain or loss of the partnership; and shall be claimed to the extent allowable on each partner's individual return. For the purpose of this subdivision, the words 'educational institution' shall mean only an educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where the educational activities are carried on.

The words 'educational institution' shall be deemed to include all of such institution's departments, schools and colleges, a group of 'educational institutions' and an organization (corporation, trust, foundation, association or other entity) organized and operated exclusively to receive, hold, invest and administer property and to make expenditures to or for the sole benefit of an 'educational institution' or group of 'educational institutions'.

For the purpose of this subdivision, the words 'public-supported community foundations or public-supported community trusts' shall mean those community foundations or community trusts which are deemed to be publicly supported for purposes of the Internal Revenue Code of 1954, as amended, or regulations promulgated pursuant thereto."

Sec. 2. This act shall become effective January 1, 1980, with respect to taxable years beginning on and after that date.

In the General Assembly read three times and ratified, this the 28th day of May, 1979.