

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 325*

Short Title: Scholarships Tax Exempt.

(Public)

Sponsors: Representative Miller; and Wood.

Referred to: Education.

February 22, 1989

A BILL TO BE ENTITLED

AN ACT TO EXEMPT FROM INCOME TAX SCHOLARSHIP FUNDS FOR TRAVEL AND RELATED EXPENSES FOR INTERNSHIPS THAT ARE PART OF THE SCHOLARSHIP PROGRAM OF THE EDUCATIONAL INSTITUTION AND THAT REQUIRE THE RECIPIENT TO LIVE AWAY FROM THE EDUCATIONAL INSTITUTION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-141(b)(10) reads as rewritten:

"(10) The amounts received as a scholarship at an educational institution (as defined in G.S. 105-135) or as a fellowship grant, including the value of contributed services and accommodations; and the amounts received to cover expenses for travel, research, clerical help, or equipment which are incident to such scholarship or fellowship grant to the extent that such amounts are exempt for federal income tax purposes under the provisions of section 117 of the Code. Code or to the extent that such expenses are incurred at a location away from the educational institution and are incident to an internship or course of practical study that (i) is part of a program of qualified scholarships (as defined in section 117 of the Code) at one or more educational institutions and (ii) requires the recipient to move to and live at a location away from the educational organization."

Sec. 2. This act is effective for taxable years beginning on or after January 1,

1989.