

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 190

Short Title: Education Expenses Tax Credit.

(Public)

Sponsors: Representatives K. Miller; Capps, Davis, and Decker.

Referred to: Education, if favorable, Finance.

February 15, 1995

A BILL TO BE ENTITLED

AN ACT TO ALLOW A REFUNDABLE INCOME TAX CREDIT TO PARENTS WHO EDUCATE THEIR CHILDREN OTHER THAN IN THE PUBLIC SCHOOLS.

The General Assembly of North Carolina enacts:

Section 1. Division II of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-151.11A. Education expenses credit.

(a) Amount. – A taxpayer who is a resident of this State is allowed a credit against the tax imposed by this Division for each of the taxpayer's children over the age of five and under the age of 18 whom the taxpayer claims as a dependent under section 151 of the Code for the taxable year and who is lawfully educated other than in public school for at least five months during the taxable year. For a child who is educated for at least five months during the taxable year at a home school as defined in G.S. 115C-563 operated by the taxpayer, the amount of credit allowed is two thousand four hundred eighty dollars (\$2,480). For a child who is educated other than at a home school operated by the taxpayer, the amount of credit allowed is the amount of tuition the taxpayer paid to educate the child during the taxable year up to a maximum credit of three thousand one hundred dollars (\$3,100). For the purpose of this section, a taxpayer's child includes the taxpayer's daughter, stepdaughter, son, or stepson.

1 (b) Credit Refundable. – If the credit allowed by this section exceeds the amount
2 of tax imposed by this Division for the taxable year reduced by the sum of all credits
3 allowable, the Secretary shall refund the excess to the taxpayer. The refundable excess is
4 governed by the provisions governing a refund of an overpayment by the taxpayer of the
5 tax imposed in this Division. In computing the amount of tax against which multiple
6 credits are allowed, nonrefundable credits are subtracted before refundable credits."

7 Sec. 2. This act is effective for taxable years beginning on or after January 1,
8 1995.