GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2011

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HOUSE BILL 93

Short Title:	Modify Refundability of EITC.	(Public)
Sponsors:	Representatives Howard, Setzer, Brubaker, and Starnes (Primary Sponsors).	
	For a complete list of Sponsors, see Bill Information on the NCGA Web	o Site.
Referred to:	Finance.	

February 16, 2011

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE REFUNDABILITY PROVISION OF THE EARNED INCOMETAX CREDIT.

4 The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-151.31 reads as rewritten:

6 "§ 105-151.31. Earned income tax credit.

7 (a) Credit. – An individual who claims for the taxable year an earned income tax credit 8 under section 32 of the Code is allowed a credit against the tax imposed by this Part equal to 9 five percent (5%) of the amount of credit the individual qualified for under section 32 of the Code. A nonresident or part-year resident who claims the credit allowed by this section must 10 reduce the amount of the credit by multiplying it by the fraction calculated under 11 12 G.S. 105-134.5(b) or (c), as appropriate. Credit Refundable. If the credit allowed by this section exceeds the amount of tax 13 (b)imposed by this Part for the taxable year reduced by the sum of all credits allowable, the 14 Secretary must refund the excess to the taxpayer. The refundable excess is governed by the 15

16 provisions governing a refund of an overpayment by the taxpayer of the tax imposed in this 17 Part. Section 3507 of the Code, Advance Payment of Earned Income Credit, does not apply to 18 the credit allowed by this section. In computing the amount of tax against which multiple 19 credits are allowed, nonrefundable credits are subtracted before refundable credits. 20 – The credit allowed under this section may not exceed the amount of tax imposed by this Part 21 for the taxable year reduced by the sum of all credits allowable, except tax payments made by

- 22 <u>or on behalf of the taxpayer.</u>
- 23 (c) Sunset. This section is repealed effective for taxable years beginning on or after
 24 January 1, 2013."
- 25 **SECTION 2.** This act is effective for taxable years beginning on or after January 1, 26 2011.

