

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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SENATE BILL 997

Short Title: Support Our Troops.

(Public)

Sponsors: Senator Shaw.

Referred to: Finance.

April 3, 2003

A BILL TO BE ENTITLED
AN ACT TO SUPPORT OUR TROOPS BY EXEMPTING ACTIVE DUTY PAY
FROM INCOME TAX AND PROVIDING WAIVING VARIOUS DEADLINES,
FEES, AND PENALTIES FOR DEPLOYED MILITARY PERSONNEL.

The General Assembly of North Carolina enacts:

PART 1. EXEMPT ACTIVE DUTY PAY

SECTION 1. G.S. 105-134.6(b) is amended by adding a new subdivision to read:

"(b) Deductions. – The following deductions from taxable income shall be made in calculating North Carolina taxable income, to the extent each item is included in taxable income:

...

(18) The amount paid to the taxpayer as compensation during the taxable year for either of the following:

a. Service on active duty as a member of the Armed Forces of the United States.

b. Full-time service on active duty as a member of the Reserve component of the Armed Forces, the Army National Guard, the Air National Guard, or the Reserve Officer Training Corps of the Army, Navy, or Air Force."

PART 2. WAIVE DEADLINES & PENALTIES FOR DEPLOYED TROOPS

SECTION 2.(a) Deployed Military Personnel Defined. – As used in this Part, the term 'deployed military personnel' includes both of the following:

(1) A member of the armed forces or the armed forces reserves of the United States on active duty in support of Operation Iraqi Freedom on or after January 1, 2003.

(2) A member of the North Carolina Army National Guard or the North Carolina Air National Guard called to active duty in support of Operation Iraqi Freedom on or after January 1, 2003.

1 **SECTION 2.(b)** Proof. – A copy of a soldier's military orders specifying
2 deployment is conclusive evidence of the soldier's deployment.

3 **SECTION 3.** Waiver of Deadlines, Fees, and Penalties. – Except as
4 prohibited by the Constitution, the Governor may extend deadlines and waive penalties
5 or fees as is necessary to alleviate hardship created for deployed military personnel
6 serving in Operation Iraqi Freedom. This authority includes the authority to do all of the
7 following:

8 (1) Extend for up to 90 days from the end of deployment the validity of a
9 permanent or temporary drivers license issued under G.S. 20-7 to
10 deployed military personnel.

11 (2) Waive civil penalties and restoration fees under G.S. 20-309 for any
12 deployed military personnel whose motor vehicle liability insurance
13 lapsed during the period of deployment or within 90 days after the
14 soldier returned to North Carolina if the soldier certifies to the
15 Division of Motor Vehicles that the motor vehicle was not driven on
16 the highway by anyone during the period in which the motor vehicle
17 was uninsured and that the owner now has liability insurance on the
18 motor vehicle.

19 (3) Allow up to 90 days from the end of deployment for any deployed
20 military personnel to renew a license as defined in G.S. 93B-1. During
21 the period of deployment or active duty and until the expiration of the
22 90-day period provided for in this subdivision, expired licenses that are
23 within the scope of this act remain valid, as if they had not expired.

24 (4) Require that any renewal fee applicable to the renewal of a license
25 under subdivision (3) of this section be prorated over the period
26 covered by the license and reduced in proportion to the period of time
27 that the licensee was deployed outside the State.

28 **SECTION 4.(a)** Property Taxes. – Notwithstanding G.S. 105-360 or G.S.
29 105-330.4, deployed military personnel are allowed 90 days after the end of their
30 deployment to pay property taxes at par, for any property taxes that became due or
31 delinquent during the term of the deployment. For these individuals, the taxes for the
32 relevant tax year do not become delinquent until after the end of the 90-day period
33 provided in this section, and an individual who pays the property taxes before the end of
34 the 90-day period is not liable for interest on the taxes for the relevant tax year. If the
35 individual does not pay the taxes before the end of the 90-day period, interest accrues on
36 the taxes according to the schedule provided in G.S. 105-360 or G.S. 105-330.4, as
37 applicable, as though the taxes were unpaid as of the date the taxes would have become
38 delinquent if not for this section.

39 **SECTION 4.(b)** Notwithstanding G.S. 105-307, deployed military personnel
40 required to list property for taxation while deployed are allowed 90 days after the end of
41 the deployment to list the property. For these individuals, the listing period for the
42 relevant tax year is extended until the end of the 90-day period provided in this act, and
43 an individual who lists the property before the end of the 90-day period is not subject to

1 civil or criminal penalties for failure to list the property required to be listed during
2 deployment.

3 **SECTION 5.(a)** Community College Refunds. – Upon request of the
4 student, each community college shall:

5 (1) Grant a full refund of curriculum tuition and fees to military reserve
6 and national guard personnel called to active duty or active personnel
7 who have received temporary or permanent reassignments as a result
8 of military operations that make it impossible for them to complete
9 their course requirements; and

10 (2) Buy back textbooks through the colleges' bookstore operations to the
11 extent possible. Colleges shall use distance-learning technologies and
12 other educational methodologies to help these students, under the
13 guidance of faculty and administrative staff, complete their course
14 requirements.

15 **SECTION 5.(b)** Upon request of the student, each community college shall:

16 (1) Grant a full refund of extension registration fees to military reserve
17 and national guard personnel called to active duty or active personnel
18 who have received temporary or permanent reassignments as a result
19 of military operations that make it impossible for them to complete
20 their course requirements; and

21 (2) Buy back textbooks through the colleges' bookstore operations to the
22 extent possible. Colleges shall use distance-learning technologies and
23 other educational methodologies to help these students, under the
24 guidance of faculty and administrative staff, complete their course
25 requirements.

26 **SECTION 5.(c)** This section applies to the 2002-2003 and 2003-2004
27 academic years only.

28 **SECTION 6.(a)** UNC System Refunds. – This section is intended to assist
29 the constituent institutions of The University of North Carolina in situations in which
30 students request refunds of tuition or fees because of involuntary or voluntary service in
31 the military or because of circumstances related to national emergencies.

32 Upon request of the student, all constituent institutions may issue a full
33 refund of tuition and required fees to students who are involuntarily called to active duty
34 in the military after a semester or term begins.

35 All constituent institutions should have a process for determining on a
36 case-by-case basis whether to grant a full refund of tuition and required fees to students
37 who volunteer for military service or who request to withdraw because of circumstances
38 related to a national emergency.

39 Constituent institutions should determine under what circumstances students
40 who withdraw because of military service or circumstances related to national
41 emergencies should be given the option of receiving incompletes in their courses instead
42 of receiving tuition and fee refunds.

1 Constituent institutions should determine whether or not to give full or pro
2 rata refunds of housing, parking, and other optional fees to students to whom they give
3 tuition and required fee refunds.

4 Constituent institutions that offer courses on military bases should defer to
5 their contracts with the military in making determinations concerning withdrawal from
6 courses due to changes in assignments of military personnel.

7 It is recommended that every campus review its policy on tuition refunds and
8 make modifications necessary to cover the circumstances described in this section.

9 **SECTION 6.(b)** Legislative Tuition Grants. – Students who are receiving
10 the North Carolina Legislative Tuition Grant who lose their full-time student status due
11 to a call to active military duty or circumstances related to national emergencies shall
12 not be required to repay the Legislative Tuition Grant for that semester. The North
13 Carolina State Education Assistance Authority shall implement this subsection.

14 **SECTION 6.(c)** This section applies to the 2002-2003 and 2003-2004
15 academic years only.

16 **SECTION 7.** Part 1 of this act becomes effective for taxable years beginning
17 on or after January 1, 2003. The remainder of this act is effective when it becomes law.