

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

S

1

SENATE BILL 275\*

Short Title: Reenact EITC. (Public)

Sponsors: Senators D. Davis, J. Jackson (Primary Sponsors); Bryant, Lowe, Robinson, Smith, Smith-Ingram, Van Duyn, Waddell, and Woodard.

Referred to: Rules and Operations of the Senate.

March 16, 2015

1 A BILL TO BE ENTITLED  
2 AN ACT TO REENACT THE EARNED INCOME TAX CREDIT.  
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 105-151.31 is reenacted as it existed immediately before its  
5 expiration and 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 a  
9 percentage of the amount of credit the individual qualified for under section 32 of the Code. A  
10 nonresident or part-year resident who claims the credit allowed by this section must reduce the  
11 amount of the credit by multiplying it by the fraction calculated under G.S. 105-134.5(b) or (c),  
12 as appropriate. The percentage is as follows:

13 (1) For taxable year ~~2013, four and one half percent (4.5%).~~ 2015, two and  
14 one-half percent (2.5%).

15 (2) For all other taxable years, five percent (5%).

16 (b) Credit Refundable. – If the credit allowed by this section exceeds the amount of tax  
17 imposed by this Part for the taxable year reduced by the sum of all credits allowable, the  
18 Secretary must refund the excess to the taxpayer. The refundable excess is governed by the  
19 provisions governing a refund of an overpayment by the taxpayer of the tax imposed in this  
20 Part. Section 3507 of the Code, Advance Payment of Earned Income Credit, does not apply to  
21 the credit allowed by this section. In computing the amount of tax against which multiple  
22 credits are allowed, nonrefundable credits are subtracted before refundable credits.

23 (c) Sunset. – This section is repealed effective for taxable years beginning on or after  
24 January 1, ~~2014, 2019.~~"

25 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,  
26 2015.

