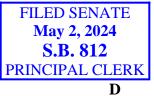
GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2023



## S

## SENATE BILL DRS45395-NIf-171

Short Title:	Student Tax Reduction (STAR) Act.	(Public)
Sponsors:	Senators Smith and Grafstein (Primary Sponsors).	
Referred to:		

1			A BILL TO BE ENTITLED		
2	AN ACT TO ELIMINATE THE TAX BURDEN ON STUDENT DEBT RELIEF.				
3	3 The General Assembly of North Carolina enacts:				
4	<b>SECTION 1.</b> G.S. 105-153.5(c2) reads as rewritten:				
5	"(c2)	Decou	pling Adjustments. – In calculating North Carolina taxable income, a taxpayer		
6					
7					
8		<del>(22)</del>	For taxable years 2021 through 2025, a taxpayer must add an amount equal to		
9			the amount by which the taxpayer's exclusion from the taxpayer's gross		
10			income for the discharge of a student loan under section 108(f)(5) of the Code		
11			exceeds the exclusion that would have been allowed under the Internal		
12			Revenue Code as enacted as of May 1, 2020. The purpose of this subdivision		
13			is to decouple from the exclusion from income for the discharge of a student		
14			loan under section 9675 of the American Rescue Plan Act of 2021. If the		
15			taxpayer is insolvent, as defined in section 108(d)(3) of the Code, then the		
16			addition required under this subdivision is limited to the amount of discharge		
17			of student loan indebtedness excluded from adjusted gross income under		
18			section 108(f)(5) of the Code that exceeds the amount of discharge of		
19			indebtedness that would have been excluded under section 108(a)(1)(B) of the		
20			Code.		
21		"			
22		SECT	<b>TON 2.</b> This act is effective for taxable years beginning on or after January 1,		
23	2025.				

