

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1422

Short Title: Make Credits Constitutional.

(Public)

Sponsors: Representatives C. Wilson, Brawley, Cansler, Capps, Gray, Hill, Neely, and Ramsey.

Referred to: Finance.

May 25, 1998

A BILL TO BE ENTITLED

AN ACT TO REMOVE UNCONSTITUTIONAL RESTRICTIONS ON INDIVIDUAL
INCOME TAX CREDITS FOR CHILD CARE AND FOR CONSTRUCTING
DWELLINGS FOR THE HANDICAPPED.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-151.1 reads as rewritten:

"§ 105-151.1. ~~Tax credit~~ Credit for construction of dwelling units for handicapped
persons.

~~There is allowed to resident owners~~ An owner of multifamily rental units located in this
State ~~as is allowed~~ a credit against the tax imposed by this Division ~~an amount~~ equal to
five hundred fifty dollars (\$550.00) for each dwelling unit constructed by the ~~resident~~
owner that conforms to Volume I-C of the North Carolina Building Code for the taxable
year within which the construction of the dwelling unit is completed. The credit is
allowed only for dwelling units completed during the taxable year that were required to
be built in compliance with Volume I-C of the North Carolina Building Code. If the
credit allowed by this section exceeds the tax imposed by this Division reduced by all
other credits allowed, the excess may be carried forward for the next succeeding year. In
order to claim the credit allowed by this section, the taxpayer ~~shall file with its~~ must file
with the income tax return a copy of the occupancy permit on the face of which is

1 recorded by the building inspector the number of units completed during the taxable year
2 that conform to Volume I-C of the North Carolina Building Code. After recording the
3 number of these units on the face of the occupancy permit, the building inspector shall
4 promptly forward a copy of the permit to the Building Accessibility Section of the
5 Department of Insurance."

6 Section 2. G.S. 105-151.11(c) reads as rewritten:

7 "(c) Limitations. – A nonresident or part-year resident who claims the
8 credit allowed by this section shall reduce the amount of the credit by multiplying it by
9 the fraction calculated under G.S. 105-134.5(b) or (c), as appropriate. No credit shall be
10 allowed under this section for amounts deducted from gross income in calculating taxable
11 income under the Code. The credit allowed by this section may not exceed the amount of
12 tax imposed by this Division for the taxable year reduced by the sum of all credits
13 allowable under this Division, except for payments of tax made by or on behalf of the
14 taxpayer. No credit shall be allowed under this section with respect to employment-related
15 expenses paid by a nonresident of this State."

16 Section 3. This act is effective for taxable years beginning on or after January
17 1, 1998.