

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1491*

Short Title: Amend Conservation Easements Tax Credit.

(Public)

Sponsors: Representatives Weatherly; and Hackney.

Referred to: Environment, if favorable, Finance.

May 25, 1998

A BILL TO BE ENTITLED

1
2 AN ACT TO AMEND THE INCOME TAX CREDIT FOR REAL PROPERTY
3 DONATED FOR CONSERVATION PURPOSES TO ALLOW THE INDIVIDUAL
4 INCOME TAXPAYER TO ADD BACK FOUR TIMES THE AMOUNT CLAIMED
5 AS A CREDIT EACH TAX YEAR THE TAXPAYER CLAIMS A CREDIT,
6 WHICH AMOUNT REPRESENTS THE PORTION OF THE FAIR MARKET
7 VALUE OF THE DONATED PROPERTY INTEREST THAT REPRESENTS THE
8 AMOUNT OF THE CREDIT CLAIMED FOR THAT TAX YEAR, AS
9 RECOMMENDED BY THE ENVIRONMENTAL REVIEW COMMISSION.

10 The General Assembly of North Carolina enacts:

11 Section 1. G.S. 105-151.12(c) reads as rewritten:

12 "(c) In order to claim the credit allowed under this section, the taxpayer must add
13 ~~the fair market value of the donated property interest, four times the amount claimed as a~~
14 credit that tax year, up to a maximum of four hundred thousand dollars (\$400,000), to
15 taxable income as provided in G.S. 105-134.6(c)."

16 Section 2. G.S. 105-134.6(c) reads as rewritten:

17 "(c) Additions. – The following additions to taxable income shall be made in
18 calculating North Carolina taxable income, to the extent each item is not included in
19 taxable income:

- 1 (1) Interest upon the obligations of states other than this State, political
2 subdivisions of those states, and agencies of those states and their
3 political subdivisions.
- 4 (2) Any amount allowed as a deduction from gross income under the Code
5 that is taxed under the Code by a separate tax other than the tax imposed
6 in section 1 of the Code.
- 7 (3) Any amount deducted from gross income under section 164 of the Code
8 as state, local, or foreign income tax to the extent that the taxpayer's
9 total itemized deductions deducted under the Code for the taxable year
10 exceed the standard deduction allowable to the taxpayer under the Code
11 reduced by the amount by which the taxpayer's allowable standard
12 deduction has been increased under section 63(c)(4) of the Code.
- 13 (4) The amount by which the taxpayer's standard deduction has been
14 increased for inflation under section 63(c)(4)(A) of the Code.
- 15 (4a) **(Effective for taxable years beginning on or after January 1, 1995)**
16 The amount by which each of the taxpayer's personal exemptions has
17 been increased for inflation under section 151(d)(4)(A) of the Code.
18 This amount is reduced by two hundred fifty dollars (\$250.00) for each
19 personal exemption if the taxpayer's adjusted gross income (AGI), as
20 calculated under the Code, is less than the following amounts:

<u>Filing Status</u>	<u>AGI</u>
Married, filing jointly	\$100,000
Head of Household	80,000
Single	60,000
Married, filing separately	50,000.

26 For the purposes of this subdivision, if the taxpayer's personal
27 exemptions have been reduced by the applicable percentage under
28 section 151(d)(3) of the Code, the amount by which the personal
29 exemptions have been increased for inflation is also reduced by the
30 applicable percentage.

- 31 (4a) **(Effective for taxable years beginning on or after January 1, 1996)**
32 The amount by which each of the taxpayer's personal exemptions has
33 been increased for inflation under section 151(d)(4)(A) of the Code.
34 This amount is reduced by five hundred dollars (\$500.00) for each
35 personal exemption if the taxpayer's adjusted gross income (AGI), as
36 calculated under the Code, is less than the following amounts:

<u>Filing Status</u>	<u>AGI</u>
Married, filing jointly	\$100,000
Head of Household	80,000
Single	60,000
Married, filing separately	50,000.

42 For the purposes of this subdivision, if the taxpayer's personal
43 exemptions have been reduced by the applicable percentage under

- 1 section 151(d)(3) of the Code, the amount by which the personal
2 exemptions have been increased for inflation is also reduced by the
3 applicable percentage.
- 4 (5) ~~The fair market value, up to a maximum of four hundred thousand~~
5 ~~dollars (\$400,000), of the donated property interest for which the~~
6 ~~taxpayer claims a credit for the taxable year under G.S. 105-151.12 and~~
7 ~~the market price of the gleaned crop for which the taxpayer claims a~~
8 ~~credit for the taxable year under G.S. 105-151.14.~~
- 9 (6) The amount by which the basis of property under the Code exceeds the
10 basis of the property under this Article, in the year the taxpayer disposes
11 of the property.
- 12 (7) The amount of federal estate tax that is attributable to an item of income
13 in respect of a decedent and is deducted from gross income under
14 section 691(c) of the Code.
- 15 (8) Four times the amount claimed as a credit, up to a maximum of four
16 hundred thousand dollars (\$400,000), for each tax year for which the
17 taxpayer claims a credit under G.S. 105-151.12."

18 Section 3. This act becomes effective for taxable years beginning on or after
19 January 1, 1997.