

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 20

Short Title: Increase Nonitemizer Charity Credit.

(Public)

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Sponsors: Representatives McMahan; Baker, Cansler, Davis, Dockham, Gardner, Goodwin, Grady, Hall, Hardy, Miner, Moore, Morris, Preston, Rayfield, Russell, Sherrill, Shubert, Starnes, Thompson, and Wood.

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Referred to: Finance.

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February 3, 1997

A BILL TO BE ENTITLED

1 AN ACT TO INCREASE THE INCOME TAX CREDIT FOR CHARITABLE  
2 CONTRIBUTIONS BY NONITEMIZERS.  
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4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 105-151.26 reads as rewritten:

6 **"§ 105-151.26. Credit for charitable contributions by nonitemizers.**

7 A taxpayer who elects the standard deduction under section 63 of the Code for federal  
8 tax purposes is allowed as a credit against the tax imposed by this Division an amount  
9 equal to ~~two and three-fourths percent (2.75%)~~ seven percent (7%) of the taxpayer's  
10 excess charitable contributions. The taxpayer's excess charitable contributions are the  
11 amount by which the taxpayer's charitable contributions for the taxable year that would  
12 have been deductible under section 170 of the Code if the taxpayer had not elected the  
13 standard deduction exceed two percent (2%) of the taxpayer's adjusted gross income as  
14 calculated under the Code.

15 No credit shall be allowed under this section for amounts deducted from gross income  
16 in calculating taxable income under the Code or for contributions for which a credit was  
17 claimed under G.S. 105-151.12 or G.S. 105-151.14. A nonresident or part-year resident  
18 who claims the credit allowed by this section shall reduce the amount of the credit by

1 multiplying it by the fraction calculated under G.S. 105-134.5(b) or (c), as  
2 appropriate. The credit allowed under this section may not exceed the amount of tax  
3 imposed by this Division for the taxable year reduced by the sum of all credits allowed,  
4 except payments of tax made by or on behalf of the taxpayer."

5 Section 2. This act is effective for taxable years beginning on or after January  
6 1, 1998.