

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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SENATE BILL DRS45317-MCf-40A

Short Title: Recovery Rebate for Working Families Act. (Public)

Sponsors: Senators deViere, Garrett, and Salvador (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO REENACT THE EARNED INCOME TAX CREDIT.

3 Whereas, North Carolina families are facing unprecedented challenges resulting from
4 the COVID-19 pandemic; and

5 Whereas, studies have shown that the earned income tax credit results in working
6 families having additional funds for health and educational expenses; and

7 Whereas, the earned income tax credit can help provide greater financial security and
8 self-sufficiency to working families with children; and

9 Whereas, the earned income tax credit would help working families across the State
10 during a time of rising costs for housing, child care, and basic essentials of life, including putting
11 food on the table; Now, therefore,

12 The General Assembly of North Carolina enacts:

13 **SECTION 1.** G.S. 105-151.31 is reenacted as it existed immediately before its
14 expiration, is recodified as G.S. 105-153.11, and reads as rewritten:

15 "**§ 105-153.11. Earned income tax credit.**

16 (a) Credit. – An individual who claims for the taxable year an earned income tax credit
17 under section 32 of the Code is allowed a credit against the tax imposed by this Part equal to a
18 ~~percentage twenty percent (20%)~~ of the amount of credit the individual qualified for under section
19 32 of the Code. A nonresident or part-year resident who claims the credit allowed by this section
20 must reduce the amount of the credit by multiplying it by the fraction calculated under
21 ~~G.S. 105-134.5(b) or (c), G.S. 105-153.4(b) or (c),~~ as appropriate. ~~The percentage is as follows:~~

22 (1) ~~For taxable year 2013, four and one half percent (4.5%).~~

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

24 (b) Credit Refundable. – If the credit allowed by this section exceeds the amount of tax
25 imposed by this Part for the taxable year reduced by the sum of all credits allowable, the Secretary
26 must refund the excess to the taxpayer. The refundable excess is governed by the provisions
27 governing a refund of an overpayment by the taxpayer of the tax imposed in this Part. ~~Section~~
28 ~~3507 of the Code, Advance Payment of Earned Income Credit, does not apply to the credit~~
29 ~~allowed by this section.~~ In computing the amount of tax against which multiple credits are
30 allowed, nonrefundable credits are subtracted before refundable credits.

31 (e) ~~Sunset. — This section is repealed effective for taxable years beginning on or after~~
32 ~~January 1, 2014."~~

33 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,
34 2021.



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