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SENATE BILL 858

Short Title:	Reinstate Earned Income Tax Credit.	(Public)

Sponsors:	Senator Mohammed (Primary Sponsor).

Referred to:	Rules and Operations of the Senate

May 27, 2022

1   A BILL TO BE ENTITLED
2 AN ACT TO REENACT THE EARNED INCOME TAX CREDIT.
3 The General Assembly of North Carolina enacts:
4   **SECTION 1.** G.S. 105-151.31 is reenacted as it existed immediately before its
5 expiration and reads as rewritten:
6 "**§ 105-151.31. Earned income tax credit.**
7   (a)   Credit. – An individual who claims for the taxable year an earned income tax credit
8 under section 32 of the Code is allowed a credit against the tax imposed by this Part equal to ~~a~~
9 ~~percentage~~ five percent (5%) of the amount of credit the individual qualified for under section
10 32 of the Code. A nonresident or part-year resident who claims the credit allowed by this section
11 must reduce the amount of the credit by multiplying it by the fraction calculated under
12 G.S. 105-134.5(b) or (c), as appropriate. ~~The percentage is as follows:~~
13   ~~(1)   For taxable year 2013, four and one-half percent (4.5%).~~
14   ~~(2)   For all other taxable years, five percent (5%).~~
15   (b)   Credit Refundable. – If the credit allowed by this section exceeds the amount of tax
16 imposed by this Part for the taxable year reduced by the sum of all credits allowable, the Secretary
17 must refund the excess to the taxpayer. The refundable excess is governed by the provisions
18 governing a refund of an overpayment by the taxpayer of the tax imposed in this Part. Section
19 3507 of the Code, Advance Payment of Earned Income Credit, does not apply to the credit
20 allowed by this section. In computing the amount of tax against which multiple credits are
21 allowed, nonrefundable credits are subtracted before refundable credits.
22   (c)   Sunset. – This section is repealed effective for taxable years beginning on or after
23 January 1, ~~2014.~~2025."
24   **SECTION 2.** This act is effective for taxable years beginning on or after January 1,
25 2022.