

NORTH CAROLINA GENERAL ASSEMBLY
1977 SESSION

CHAPTER 1221
SENATE BILL 37

AN ACT TO DEDUCT FROM GROSS INCOME AMOUNTS RECEIVED UNDER A STUDENT LOAN PROGRAM WHICH PROVIDES THAT ALL OR A PORTION OF THE LOAN INDEBTEDNESS MAY BE DISCHARGED IF THE STUDENT PERFORMS CERTAIN SERVICES FOR A PERIOD OF TIME IN A CERTAIN GEOGRAPHICAL AREA.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-141(b), as the same appears in the 1975 Cumulative Supplement to 1972 Replacement Volume 2D of the General Statutes, is hereby amended to add the following subdivision (21) immediately following (20) thereof:

"(21) No amount shall be included in gross income by reason of the discharge of all or part of the indebtedness of an individual under a student loan if such discharge was pursuant to a provision of such loan under which all or part of the indebtedness of the individual would be discharged if the individual worked for a certain period of time in certain geographical areas or for certain classes of employers.

For the purposes of this subdivision, the term 'student loan' has the same meaning as found in section 2117(b) of the Internal Revenue Code of 1954 as amended."

Sec. 2. This act shall become effective for income tax years beginning on or after January 1, 1975.

In the General Assembly read three times and ratified, this the 16th day of June, 1978.