

GENERAL ASSEMBLY OF NORTH CAROLINA
1997 SESSION

S.L. 1997-328
SENATE BILL 466

AN ACT TO EXEMPT FROM STATE INCOME TAX ALL OF THE ANNUAL INVESTMENT INCOME EARNED BY CONTRIBUTORS ON DEPOSITS IN THE PARENTAL SAVINGS TRUST FUND AS WELL AS THE DISTRIBUTIONS TO BENEFICIARIES OF THAT FUND.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-134.6(b) is amended by adding two new subdivisions to read:

- "(12) Interest and other investment earnings on amounts contributed to the Parental Savings Trust Fund of the State Education Assistance Authority for the payment of room or board at an eligible educational institution, as defined in section 135(c)(3) of the Code.
- (13) The amount that is distributed to a beneficiary of the Parental Savings Trust Fund of the State Education Assistance Authority if the earnings on the amount are excluded from income under subdivision (12) of this subsection or section 529 of the Code."

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

In the General Assembly read three times and ratified this the 14th day of July, 1997.

s/ Dennis A. Wicker
President of the Senate

s/ Harold J. Brubaker
Speaker of the House of Representatives

s/ James B. Hunt, Jr.
Governor

Approved 10:52 a.m. this 25th day of July, 1997