

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 1438

SHORT TITLE: Credit To Refund Federal Retirees

SPONSOR(S): Rep. Justus

FISCAL IMPACT:            Expenditures:        Increase (x)        Decrease ( )  
                         Revenues:            Increase ( )        Decrease (x)  
                         No Impact ( )  
                         No Estimate Available ( )

FUND AFFECTED:        General Fund (x)    Highway Fund ( )    Local Govt. ( )  
                         Other Funds ( )

BILL SUMMARY:

(1) Allows Federal retirees to take a refundable state income tax credit for state taxes paid on pensions for 1985-88 tax years (net of any tax refund or credit already received). The credit is to be taken in equal installments over 5 years.

Appropriates \$2 million for the 1996-97 fiscal year from the General Fund to the Department of Revenue to administer the credit. The funds shall not revert until the Director of the Budget certifies that the Department of Revenue has completed the task.

EFFECTIVE DATE:

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED:  
The credit will be administered by the Department of Revenue.

FISCAL IMPACT

(\$ Million)

	1996-97	<u>FY</u> 1997-98	<u>FY</u> 1998-99	<u>FY</u> 1999-00	2000-01	<u>FY</u>
REVENUES:						
GENERAL FUND	-28.5	-28.5	-28.5	-28.5		-28.5
HIGHWAY FUND						
HIGHWAY TRUST FUND						
LOCAL						

EXPENDITURES

POSITIONS:

ASSUMPTIONS AND METHODOLOGY:

SOURCES OF DATA: Data on net pension tax paid was provided by the Department of Revenue.

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION

733-4910

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Publication



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