

April 26, 2001

**H 1417. EARNED INCOME TAX CREDIT/INCREASE UPPER RATES. TO CREATE A STATE-EARNED INCOME TAX CREDIT AND OFFSET THE COSTS OF THAT CREDIT BY INCREASING THE MARGINAL TAX RATE ON THE HIGHEST INDIVIDUAL INCOMES.** Allows state income tax credit of 10% of the amount of earned income tax credit on individual claims and is qualified for under section 32 of the Code. Requires Sec'y of Revenue to refund excess to taxpayer if credit exceeds the amount of tax imposed reduced by the sum of all credits allowable. Amends GS 105-134.3(a) to raise the marginal tax rate on highest individual incomes from 7.75% to 8%. Effective for taxable years beginning on or after Jan. 1, 2002.

**Intro. by Insko and Luebke.**

Ref. to Finance	GS 105
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