

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE DRS35327-LY-114 (2/23)

Short Title: Expand Affordability of Higher Education. (Public)

Sponsors: Senator Swindell.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO EXPAND THE AFFORDABILITY OF HIGHER EDUCATION BY
INCREASING THE INCOME TAX DEDUCTION FOR COLLEGE SAVINGS
PLANS AND INCREASING THE MINIMUM AWARD OF CERTAIN
NEED-BASED COLLEGE SCHOLARSHIPS.

The General Assembly of North Carolina enacts:

SECTION 1. Section 27 of S.L. 2006-221 is repealed.

SECTION 2. Section 24.12(b) of S.L. 2006-66 reads as rewritten:

"SECTION 24.12.(b) This section is effective for taxable years beginning on or after January 1, 2006, and is repealed for taxable years beginning on or after January 1, 2011, 2006."

SECTION 3. G.S. 105-134.6(d)(4) reads as rewritten:

"(d) Other Adjustments. – The following adjustments to taxable income shall be made in calculating North Carolina taxable income:

...

(4) A taxpayer whose adjusted gross income (AGI), as calculated under the Code, is less than the amount listed in this subdivision may deduct from taxable income the amount, not to exceed ~~seven thousand five hundred fifty dollars (\$7,500)~~, (\$2,500) contributed to an account in the Parental Savings Trust Fund of the State Education Assistance Authority established pursuant to G.S. 116-209.25. In the case of a married couple filing a joint return, the maximum dollar amount of the deduction is ~~one five thousand five hundred dollars (\$1,500)~~, (\$5,000).

Filing Status

AGI

Married, filing jointly	\$100,000
Head of Household	80,000
Single	60,000

1 Married, filing separately 50,000"

2 **SECTION 4.** G.S. 115C-499.3(c) reads as rewritten:

3 "(c) The minimum award of a scholarship under this Article shall be ~~one hundred~~
4 ~~dollars (\$100.00)~~ five hundred dollars (\$500.00)."

5 **SECTION 5.** Section 3 of this act is effective for taxable years beginning on
6 or after January 1, 2007. Section 4 of this act becomes effective July 1, 2007, and
7 applies to academic years beginning on or after that date. The remainder of this act is
8 effective when it becomes law.