

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1300

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

Sponsors: Senators Swindell; Atwater and Stevens.

Referred to: Finance.

March 26, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO EXPAND THE AFFORDABILITY OF HIGHER EDUCATION BY
3 INCREASING THE INCOME TAX DEDUCTION FOR COLLEGE SAVINGS
4 PLANS AND INCREASING THE MINIMUM AWARD OF CERTAIN
5 NEED-BASED COLLEGE SCHOLARSHIPS.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** Section 27 of S.L. 2006-221 is repealed.

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

9 "**SECTION 24.12.(b)** This section is effective for taxable years beginning on or
10 after January 1, 2006, and is repealed for taxable years beginning on or after January 1,
11 2011.2006."

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

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

15 ...

16 (4) A taxpayer whose adjusted gross income (AGI), as calculated under
17 the Code, is less than the amount listed in this subdivision may deduct
18 from taxable income the amount, not to exceed ~~seven two thousand~~
19 five hundred fifty dollars (~~(\$750.00)~~;(\$2,500)) contributed to an account
20 in the Parental Savings Trust Fund of the State Education Assistance
21 Authority established pursuant to G.S. 116-209.25. In the case of a
22 married couple filing a joint return, the maximum dollar amount of the
23 deduction is ~~one five thousand five hundred~~ dollars (~~(\$1,500)~~;(\$5,000)).

24 **Filing Status**

AGI

25 Married, filing jointly

\$100,000

26 Head of Household

80,000

27 Single

60,000

28 Married, filing separately

50,000"

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

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

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