

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 106

Short Title: Child Care Credit/Nonresidents.

(Public)

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Sponsors: Senators Winner, Kincaid, and Staton.

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Referred to: Finance.

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February 20, 1991

A BILL TO BE ENTITLED

AN ACT AUTHORIZING NONRESIDENT TAXPAYERS TO CLAIM THE TAX  
CREDIT FOR CHILD CARE AND CERTAIN EMPLOYMENT-RELATED  
EXPENSES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-151.11 reads as rewritten:

**"§ 105-151.11. Credit for child care and certain employment-related expenses.**

(a) A person who is allowed a credit against federal income tax for a percentage of employment-related expenses under section 21 of the Code shall be allowed as a credit against the tax imposed by this Division an amount equal to the applicable percentage of the employment-related expenses as defined in section 21(b)(2) of the Code. For employment-related expenses that are incurred only with respect to one or more dependents who are seven years old or older and are not physically or mentally incapable of caring for themselves, the applicable percentage is seven percent (7%). For employment-related expenses with respect to any other qualifying individual, the applicable percentage is ten percent (10%).

(b) The amount of employment-related expenses for which a credit may be claimed may not exceed two thousand four hundred dollars (\$2,400) if the taxpayer's household includes one qualifying individual, as defined in section 21(b)(1) of the Code, and may not exceed four thousand eight hundred dollars (\$4,800) if the taxpayer's household includes more than one qualifying individual.

(c) No credit shall be allowed under this section unless the taxpayer completes and attaches to the tax return the necessary form or forms as may be required

1 by the Secretary. No credit shall be allowed under this section for amounts deducted  
2 from gross income in calculating taxable income under the Code.

3 (d) A nonresident or part-year resident who claims the credit allowed by this  
4 section shall reduce the amount of the credit by multiplying it by the fraction calculated  
5 under G.S. 105-134.5(b) or (c), as appropriate. The credit allowed by this section may  
6 not exceed the amount of tax imposed by this Division for the taxable year reduced by  
7 the sum of all credits allowable under this Division, except for payments of tax made by  
8 or on behalf of the taxpayer.

9 ~~(e) No credit shall be allowed under this section with respect to employment-~~  
10 ~~related expenses paid by a nonresident of this State."~~

11 Sec. 2. This act is effective for taxable years beginning on or after January 1,  
12 1991.