

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

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**SENATE DRS55119-LC-67 (03/20)**

Short Title: Support Our Troops.

(Public)

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Sponsors: Senator Shaw.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO SUPPORT OUR TROOPS BY EXEMPTING ACTIVE DUTY PAY FROM INCOME TAX AND PROVIDING WAIVING VARIOUS DEADLINES, FEES, AND PENALTIES FOR DEPLOYED MILITARY PERSONNEL.

The General Assembly of North Carolina enacts:

**PART 1. EXEMPT ACTIVE DUTY PAY**

**SECTION 1.** G.S. 105-134.6(b) is amended by adding a new subdivision to read:

"(b) Deductions. – The following deductions from taxable income shall be made in calculating North Carolina taxable income, to the extent each item is included in taxable income:

...

(18) The amount paid to the taxpayer as compensation during the taxable year for either of the following:

a. Service on active duty as a member of the Armed Forces of the United States.

b. Full-time service on active duty as a member of the Reserve component of the Armed Forces, the Army National Guard, the Air National Guard, or the Reserve Officer Training Corps of the Army, Navy, or Air Force."

**PART 2. WAIVE DEADLINES & PENALTIES FOR DEPLOYED TROOPS**

**SECTION 2.(a)** Deployed Military Personnel Defined. – As used in this Part, the term 'deployed military personnel' includes both of the following:

(1) A member of the armed forces or the armed forces reserves of the United States on active duty in support of Operation Iraqi Freedom on or after January 1, 2003.

- 1 (2) A member of the North Carolina Army National Guard or the North  
2 Carolina Air National Guard called to active duty in support of  
3 Operation Iraqi Freedom on or after January 1, 2003.

4 **SECTION 2.(b)** Proof. – A copy of a soldier's military orders specifying  
5 deployment is conclusive evidence of the soldier's deployment.

6 **SECTION 3.** Waiver of Deadlines, Fees, and Penalties. – Except as  
7 prohibited by the Constitution, the Governor may extend deadlines and waive penalties  
8 or fees as is necessary to alleviate hardship created for deployed military personnel  
9 serving in Operation Iraqi Freedom. This authority includes the authority to do all of the  
10 following:

- 11 (1) Extend for up to 90 days from the end of deployment the validity of a  
12 permanent or temporary drivers license issued under G.S. 20-7 to  
13 deployed military personnel.
- 14 (2) Waive civil penalties and restoration fees under G.S. 20-309 for any  
15 deployed military personnel whose motor vehicle liability insurance  
16 lapsed during the period of deployment or within 90 days after the  
17 soldier returned to North Carolina if the soldier certifies to the  
18 Division of Motor Vehicles that the motor vehicle was not driven on  
19 the highway by anyone during the period in which the motor vehicle  
20 was uninsured and that the owner now has liability insurance on the  
21 motor vehicle.
- 22 (3) Allow up to 90 days from the end of deployment for any deployed  
23 military personnel to renew a license as defined in G.S. 93B-1. During  
24 the period of deployment or active duty and until the expiration of the  
25 90-day period provided for in this subdivision, expired licenses that are  
26 within the scope of this act remain valid, as if they had not expired.
- 27 (4) Require that any renewal fee applicable to the renewal of a license  
28 under subdivision (3) of this section be prorated over the period  
29 covered by the license and reduced in proportion to the period of time  
30 that the licensee was deployed outside the State.

31 **SECTION 4.(a)** Property Taxes. – Notwithstanding G.S. 105-360 or G.S.  
32 105-330.4, deployed military personnel are allowed 90 days after the end of their  
33 deployment to pay property taxes at par, for any property taxes that became due or  
34 delinquent during the term of the deployment. For these individuals, the taxes for the  
35 relevant tax year do not become delinquent until after the end of the 90-day period  
36 provided in this section, and an individual who pays the property taxes before the end of  
37 the 90-day period is not liable for interest on the taxes for the relevant tax year. If the  
38 individual does not pay the taxes before the end of the 90-day period, interest accrues on  
39 the taxes according to the schedule provided in G.S. 105-360 or G.S. 105-330.4, as  
40 applicable, as though the taxes were unpaid as of the date the taxes would have become  
41 delinquent if not for this section.

42 **SECTION 4.(b)** Notwithstanding G.S. 105-307, deployed military personnel  
43 required to list property for taxation while deployed are allowed 90 days after the end of  
44 the deployment to list the property. For these individuals, the listing period for the

1 relevant tax year is extended until the end of the 90-day period provided in this act, and  
2 an individual who lists the property before the end of the 90-day period is not subject to  
3 civil or criminal penalties for failure to list the property required to be listed during  
4 deployment.

5 **SECTION 5.(a)** Community College Refunds. – Upon request of the  
6 student, each community college shall:

- 7 (1) Grant a full refund of curriculum tuition and fees to military reserve  
8 and national guard personnel called to active duty or active personnel  
9 who have received temporary or permanent reassignments as a result  
10 of military operations that make it impossible for them to complete  
11 their course requirements; and
- 12 (2) Buy back textbooks through the colleges' bookstore operations to the  
13 extent possible. Colleges shall use distance-learning technologies and  
14 other educational methodologies to help these students, under the  
15 guidance of faculty and administrative staff, complete their course  
16 requirements.

17 **SECTION 5.(b)** Upon request of the student, each community college shall:

- 18 (1) Grant a full refund of extension registration fees to military reserve  
19 and national guard personnel called to active duty or active personnel  
20 who have received temporary or permanent reassignments as a result  
21 of military operations that make it impossible for them to complete  
22 their course requirements; and
- 23 (2) Buy back textbooks through the colleges' bookstore operations to the  
24 extent possible. Colleges shall use distance-learning technologies and  
25 other educational methodologies to help these students, under the  
26 guidance of faculty and administrative staff, complete their course  
27 requirements.

28 **SECTION 5.(c)** This section applies to the 2002-2003 and 2003-2004  
29 academic years only.

30 **SECTION 6.(a)** UNC System Refunds. – This section is intended to assist  
31 the constituent institutions of The University of North Carolina in situations in which  
32 students request refunds of tuition or fees because of involuntary or voluntary service in  
33 the military or because of circumstances related to national emergencies.

34 Upon request of the student, all constituent institutions may issue a full  
35 refund of tuition and required fees to students who are involuntarily called to active duty  
36 in the military after a semester or term begins.

37 All constituent institutions should have a process for determining on a  
38 case-by-case basis whether to grant a full refund of tuition and required fees to students  
39 who volunteer for military service or who request to withdraw because of circumstances  
40 related to a national emergency.

41 Constituent institutions should determine under what circumstances students  
42 who withdraw because of military service or circumstances related to national  
43 emergencies should be given the option of receiving incompletes in their courses instead  
44 of receiving tuition and fee refunds.

1           Constituent institutions should determine whether or not to give full or pro  
2 rata refunds of housing, parking, and other optional fees to students to whom they give  
3 tuition and required fee refunds.

4           Constituent institutions that offer courses on military bases should defer to  
5 their contracts with the military in making determinations concerning withdrawal from  
6 courses due to changes in assignments of military personnel.

7           It is recommended that every campus review its policy on tuition refunds and  
8 make modifications necessary to cover the circumstances described in this section.

9           **SECTION 6.(b)** Legislative Tuition Grants. – Students who are receiving  
10 the North Carolina Legislative Tuition Grant who lose their full-time student status due  
11 to a call to active military duty or circumstances related to national emergencies shall  
12 not be required to repay the Legislative Tuition Grant for that semester. The North  
13 Carolina State Education Assistance Authority shall implement this subsection.

14           **SECTION 6.(c)** This section applies to the 2002-2003 and 2003-2004  
15 academic years only.

16           **SECTION 7.** Part 1 of this act becomes effective for taxable years beginning  
17 on or after January 1, 2003. The remainder of this act is effective when it becomes law.