

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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SENATE DRS35280-MC-146 (03/15)

Short Title: Tax Return School Donation Tax Checkoff. (Public)

Sponsors: Senator Clark (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW INDIVIDUALS TO CONTRIBUTE TAX REFUNDS TO CERTAIN
3 ENTITIES.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 105-269.5 is repealed.

6 SECTION 2. Article 9 of Subchapter I of Chapter 105 of the General Statutes is
7 amended by adding a new section to read:

8 "**§ 105-269.7. Contribution by individual of income tax refund.**

9 (a) Contribution. – A taxpayer entitled to a refund of income taxes under Article 4 of
10 this Chapter may elect to contribute all or part of the refund to one or more of the entities listed
11 in this subsection. The Secretary must transmit any contribution made under this section to the
12 State Treasurer to be distributed to the designated entity. Funds distributed under this section
13 may be used only for the designated purpose. The funds contributed to a designated entity
14 under this section are intended to be additional funding for the program and may not be used to
15 replace current appropriations for the entity.

16 (1) The Wildlife Conservation Account established under G.S. 143-247.2, to be
17 used for the management, protection, and preservation of wildlife in
18 accordance with that statute.

19 (2) A local school administrative unit, as designated by the taxpayer, to be used
20 for the acquisition of educational materials and the support of educational
21 programs.

22 (b) Contribution Irrevocable. – A contribution made under this section becomes
23 irrevocable upon filing the taxpayer's income tax return for the taxable year. If the taxpayer's
24 liability, credits, or payments are changed by the Secretary, any reduction in the total
25 contribution amount is taken first from the entity most recently authorized by law to receive
26 contributions until the contribution is eliminated and then the next most recently authorized
27 contribution is eliminated. Any increase in the refund is paid to the taxpayer. The Secretary
28 may refund to a taxpayer any part of the taxpayer's refund not effectively designated to an
29 entity, such as illegible designations or designations not made in accordance with the
30 Secretary's instructions.

31 (c) Administration. – The Secretary must provide a method for a taxpayer to make a
32 contribution under this section through the income tax form or any other forms and schedules
33 the Secretary deems appropriate. The Secretary may devise a separate form or schedule to be
34 used to designate any amounts contributed to a designated entity listed under subsection (a) of
35 this section. The Secretary must include information on the programs to which a taxpayer may



1 contribute all or part of the taxpayer's tax refund and the instructions must state that any
2 amounts contributed will be used only for the designated entities.
3 (d) Set-off Priority. – Collection by setoff under Chapter 105A of the General Statutes
4 has priority over any contributions made by this section."
5 **SECTION 3.** This act is effective for taxable years beginning on or after January 1,
6 2013.