

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015**

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SENATE BILL 745

Short Title: Restore Tax Deduction for 529 Plan. (Public)

Sponsors: Senators Smith, Foushee, Robinson (Primary Sponsors); and Waddell.

Referred to: Finance

April 26, 2016

A BILL TO BE ENTITLED

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2 AN ACT TO REENACT THE TAX DEDUCTION FOR CERTAIN CONTRIBUTIONS TO THE
3 PARENTAL SAVINGS TRUST FUND.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-153.5(b) is amended by adding a new subdivision to read:

6 "(b) Other Deductions. – In calculating North Carolina taxable income, a taxpayer may
7 deduct from the taxpayer's adjusted gross income any of the following items that are included in
8 the taxpayer's adjusted gross income:

9 ...

10 (10) An amount, not to exceed two thousand five hundred dollars (\$2,500),
11 contributed to an account in the Parental Savings Trust Fund of the State
12 Education Assistance Authority established pursuant to G.S. 116-209.25. In the
13 case of a married couple filing a joint return, the maximum dollar amount of the
14 deduction is five thousand dollars (\$5,000). The taxpayer shall add to adjusted
15 gross income the amount deducted in a prior taxable year under this subdivision
16 to the extent this amount was withdrawn from the Parental Savings Trust Fund
17 of the State Education Assistance Authority established pursuant to
18 G.S. 116-209.25 and not used to pay for the qualified higher education
19 expenses of the designated beneficiary, unless the withdrawal was made
20 without penalty under section 529 of the Code due to the death or permanent
21 disability of the designated beneficiary."

22 **SECTION 2.** This act is effective for taxable years beginning on or after January 1,
23 2016.

