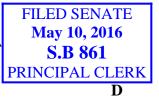
GENERAL ASSEMBLY OF NORTH CAROLINA **SESSION 2015**



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SENATE BILL DRS25307-MC-212A (04/15)

	Short Title:	Mortgage Forgiveness Tax Benefit.	(Public)
	Sponsors: Senators Smith and Blue (Primary Sponsors).		
	Referred to:		
1		A BILL TO BE ENTITLED	
2	AN ACT T	AN ACT TO EXCLUDE DEBTS DISCHARGED ON PERMANENT RESIDENCES FROM	
3	INCOME TAX.		
4	The General Assembly of North Carolina enacts:		
5	SECTION 1. If either House Bill 973 or Senate Bill 726 of the 2016 Regular Session		
6	of the 2015 General Assembly passes, then G.S. 105-153.5(c2), as rewritten by Section 4 of that		
7	act, reads as rewritten:		
8	"(c2) Decoupling Adjustments In calculating North Carolina taxable income, a taxpaye		
9	must add to the taxpayer's adjusted gross income any of the following items that are not included		
10	in the taxpayer's adjusted gross income:		
11	(1	1) For taxable years year 2014, 2015, and 2016, the amou	
12		taxpayer's gross income for the discharge of qualifie	
13		indebtedness under section 108 of the Code. The purpose	
14		to decouple from the income exclusion available under fe	deral tax law.
15			
16	SECTION 2. If either House Bill 973 or Senate Bill 726 of the 2016 Regular Session		
17	of the 2015 General Assembly does not pass, then G.S. 105-153.5(b) is amended by adding a new		
18	subdivision to read:		
19	• •	Other Deductions. – In calculating North Carolina taxable inc	1.
20	deduct from the taxpayer's adjusted gross income any of the following items that are included in		
21	the taxpayer's adjusted gross income:		
22			
23	(1	10) The amount excluded from the taxpayer's gross income	
24		qualified principal residence indebtedness under section 1	
25	SECTION 3. This act is effective for taxable years beginning on or after January 1,		
26	2016.		

