

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 2138

Short Title: Credit/1988 Govt. Pension Tax.

(Public)

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Sponsors: Representatives Hurley; Anderson, Beard, Craven, N. Crawford, DeVane, Edwards, B. Ethridge, Flaherty, Gibson, Greenwood, Jeralds, Mercer, Perdue, Redwine, Warner, and Wood.

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Referred to: Finance.

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May 25, 1990

A BILL TO BE ENTITLED

AN ACT TO ALLOW A TAX CREDIT FOR STATE INCOME TAXES PAID ON  
GOVERNMENT RETIREMENT BENEFITS RECEIVED IN 1988.

The General Assembly of North Carolina enacts:

Section 1. Division II of Article 4 of Chapter 105 of the General Statutes is amended by adding after G.S. 105-151.19 a new section to read:

**"§ 105-151.20. Credit for tax paid on certain government retirement benefits.**

A taxpayer who received government retirement benefits during the 1988 tax year may claim a credit against the tax imposed by this Division equal to the amount by which the tax under this Division paid by the taxpayer for the 1988 tax year would have been reduced if none of the taxpayer's government retirement benefits had been included in the taxpayer's taxable income. If a taxpayer received a refund of any tax paid under this Division on government retirement benefits for the 1988 tax year, the amount of the refund reduces the amount of the credit allowed under this section.

As used in this section, the term 'government retirement benefits' means retirement benefits received from one or more state, local, or federal government retirement plans. As used in this section, the term '1988 tax year' means the taxpayer's taxable year beginning on a day in 1988.

The credit allowed under this section shall be taken in equal installments over the taxpayer's first three taxable years beginning on or after January 1, 1990. The credit allowed under this section may not exceed the amount of tax imposed by this Division

1 reduced by the sum of all credits allowed against the tax, except payments of tax made  
2 by or on behalf of the taxpayer."

3           Sec. 2. This act is effective for taxable years beginning on or after January 1,  
4 1990.