

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE DRH60186-LC-24A* (02/11)

Short Title: Teacher Tax Credit.

(Public)

Sponsors: Representative Jeffus.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO CREATE A CREDIT AGAINST THE INCOME TAX OF PUBLIC SCHOOL TEACHERS.

The General Assembly of North Carolina enacts:

SECTION 1. Part 2 of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ 105-151.29. Credit for public school teachers.

(a) Credit. – An individual who is employed as a public school teacher for at least 16 weeks during the taxable year is allowed as a credit against the tax imposed by this Part an amount equal to the following:

(1) Two hundred fifty dollars (\$250.00) for an individual who has, as of the last day of the taxable year, completed at least five but less than 10 years of service as a public school teacher.

(2) Five hundred dollars (\$500.00) for an individual who has, as of the last day of the taxable year, completed 10 or more years of service as a public school teacher.

(b) Credit Limitation. – This credit may not exceed fifty percent (50%) of the amount of tax imposed by this Part for the taxable year reduced by the sum of all credits allowable, except tax payment made by or on behalf of the taxpayer. Any unused portion of the credit may be carried forward for the succeeding five years.

(c) Definitions. – The following definitions apply in this section:

(1) Public school. – Any elementary or secondary school located within the borders of this State that is operated by a local school administrative unit, the State, a branch of the federal government, or a federally recognized Indian tribe.

1 (2) Public school teacher. – A full-time permanent employee of a public
2 school who spends at least fifty percent (50%) of the school day
3 providing classroom instruction."

4 **SECTION 2.** G.S. 105-160.3(b) is amended by adding a new subdivision to
5 read:

6 "(8) G.S. 105-151.29. Credit for public school teachers."

7 **SECTION 3.** This act is effective for taxable years beginning on or after
8 January 1, 2003.