

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1040*

Short Title: Revise 529 Plan Deduction. (Public)

Sponsors: Senator Rand.

Referred to: Finance.

March 21, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO ENHANCE THE TAX BENEFITS OF CONTRIBUTIONS TO THE
3 PARENTAL SAVINGS TRUST FUND OF THE STATE EDUCATION
4 ASSISTANCE AUTHORITY.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Section 27 of S.L. 2006-221 is repealed.

7 **SECTION 2.** Section 24.12(b) of S.L. 2006-66 reads as rewritten:

8 "**SECTION 24.12.(b)** This section is effective for taxable years beginning on or
9 after January 1, 2006, and is repealed for taxable years beginning on or after January 1,
10 2011, 2006."

11 **SECTION 3.** G.S. 105-134.6(d)(4) reads as rewritten:

12 "(d) Other Adjustments. – The following adjustments to taxable income shall be
13 made in calculating North Carolina taxable income:

14 ...

15 (4) A taxpayer whose adjusted gross income (AGI), as calculated under
16 the Code, is less than the amount listed in this subdivision may deduct
17 from taxable income the amount, not to exceed ~~seven hundred fifty~~
18 dollars (\$750.00), two thousand five hundred dollars (\$2,500),
19 contributed to an account in the Parental Savings Trust Fund of the
20 State Education Assistance Authority established pursuant to
21 G.S. 116-209.25. In the case of a married couple filing a joint return,
22 the maximum dollar amount of the deduction is ~~one thousand five~~
23 hundred dollars (\$1,500), five thousand dollars (\$5,000)

24 **Filing Status**

AGI

25 Married, filing jointly

\$100,000

26 Head of Household

80,000

27 Single

60,000

28 Married, filing separately

50,000"

1 **SECTION 4.** Section 3 of this act is effective for taxable years beginning on
2 or after January 1, 2007. The remainder of this act is effective when it becomes law.