

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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SENATE BILL DRS45428-MC-217 (04/15)

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

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

Referred to:

A BILL TO BE ENTITLED

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

The General Assembly of North Carolina enacts:

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

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

...

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adjusted gross income the amount deducted in a prior taxable year under this subdivision to the extent this amount was withdrawn from the Parental Savings Trust Fund of the State Education Assistance Authority established pursuant to G.S. 116-209.25 and not used to pay for the qualified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

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

