

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 1083

Short Title: Public School Volunteerism Tax Credit.

(Public)

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Sponsors: Senator Hobbs.

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Referred to: Finance

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May 4, 1995

A BILL TO BE ENTITLED

AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR AN EMPLOYER'S  
EXPENSES IN ALLOWING AN EMPLOYEE TO DO VOLUNTEER WORK FOR  
A PUBLIC SCHOOL.

The General Assembly of North Carolina enacts:

Section 1. Division I of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read:

**"§ 105-130.43. Credit for expenses for employee volunteer work in the schools.**

(a) Credit. – There is allowed as a credit against the tax imposed by this Division an amount equal to seven percent (7%) of a corporation's expenditures during the taxable year for wages paid to an employee while the employee worked as a classroom volunteer for a public school in this State during the employee's regular working hours. The credit is limited to (i) wages paid for up to two hours of work per employee per week and (ii) up to one thousand dollars (\$1,000) of wages per employee for the taxable year. The credit applies only to wages paid for hours the employee would have otherwise been at work and does not apply to work performed during an employee's lunch hour or leave time. The credit applies only to classroom volunteer work approved by the public school. The credit does not apply to work at a community college or an institution of higher education.

1 (b) Carryforward. – The credit allowed by this section may not exceed the amount  
2 of tax imposed by this Division for the taxable year reduced by the sum of all credits  
3 allowed, except payments of tax made by or on behalf of the corporation. Any unused  
4 portion of this credit may be carried forward for the next succeeding five years.

5 (c) Documentation. – In order to claim the credit allowed by this section, a  
6 corporation shall provide any documentation required by the Secretary to support the  
7 amount of credit claimed. Upon request of a volunteer or the volunteer's employer, a  
8 public school administrative unit shall provide a schedule of the volunteer's school-  
9 approved classroom volunteer work during the preceding calendar year."

10 Sec. 2. Division II of Article 4 of Chapter 105 of the General Statutes is  
11 amended by adding a new section to read:

12 **"§ 105-151.25. Credit for expenses for employee volunteer work in the schools.**

13 (a) Credit. – There is allowed as a credit against the tax imposed by this Division  
14 an amount equal to seven percent (7%) of a taxpayer's expenditures during the taxable  
15 year for wages paid to an employee while the employee worked as a classroom volunteer  
16 for a public school in this State during the employee's regular working hours. The credit  
17 is limited to (i) wages paid for up to two hours of work per employee per week and (ii) up  
18 to one thousand dollars (\$1,000) of wages per employee for the taxable year. The credit  
19 applies only to wages paid for hours the employee would have otherwise been at work  
20 and does not apply to work performed during an employee's lunch hour or leave time.  
21 The credit applies only to classroom volunteer work approved by the public school. The  
22 credit does not apply to work at a community college or an institution of higher  
23 education.

24 (b) Carryforward. – The credit allowed by this section may not exceed the amount  
25 of tax imposed by this Division for the taxable year reduced by the sum of all credits  
26 allowed, except payments of tax made by or on behalf of the taxpayer. Any unused  
27 portion of this credit may be carried forward for the next succeeding five years.

28 (c) Documentation. – In order to claim the credit allowed by this section, a  
29 taxpayer shall provide any documentation required by the Secretary to support the  
30 amount of credit claimed. Upon request of a volunteer or the volunteer's employer, a  
31 public school administrative unit shall provide a schedule of the volunteer's school-  
32 approved classroom volunteer work during the preceding calendar year."

33 Sec. 3. This act is effective for taxable years beginning on or after January 1,  
34 1995.