

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

S

D

SENATE DRS65200-LY-87A* (2/13)

Short Title: Revise 529 Plan Deduction. (Public)

Sponsors: Senator Rand.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ENHANCE THE TAX BENEFITS OF CONTRIBUTIONS TO THE PARENTAL SAVINGS TRUST FUND OF THE STATE EDUCATION ASSISTANCE AUTHORITY.

The General Assembly of North Carolina enacts:

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 Section 27 of S.L. 2006-221 is repealed.

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

"SECTION 24.12.(b) This section is effective for taxable years beginning on or after January 1, 2006, and is repealed for taxable years beginning on or after January 1, 2011, 2006."

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

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

...

(4) A taxpayer whose adjusted gross income (AGI), as calculated under the Code, is less than the amount listed in this subdivision may deduct from taxable income the amount, not to exceed ~~seven hundred fifty dollars (\$750.00)~~, 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 ~~one thousand five hundred dollars (\$1,500)~~, five thousand dollars (\$5,000)

| Filing Status | AGI |
|-------------------------|------------|
| Married, filing jointly | \$100,000 |
| Head of Household | 80,000 |
| Single | 60,000 |

1 ~~Married, filing separately~~ 50,000"

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